Edited by
Belaid Rettab · Kamel Mellahi

Practising CSR in the Middle East

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Geoff Wood is Dean and Professor of International Business at Essex Business School. Previously he was Professor of International Business at Warwick Business School, UK. He has authored/co-authored/edited 16 books and over 160 articles in peer-reviewed journals. He holds honorary positions at Griffith and Monash University in Australia and Witwatersrand and Nelson Mandela Universities in South Africa. Geoff's research interests centre on the relationship between institutional setting, corporate governance, firm finance, and firm-level work and employment relations. He is also the Editor-in-Chief of the *British Journal of Management*, the official journal of the British Academy of

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Introduction

Belaid Rettab and Kamel Mellahi

Abstract This introductory chapter sets the scene for the book. It starts by discussing the concepts of selfishness and sympathy for others and argues that they are not incompatible. It further argues that Middle Eastern cultures and religious values are fully compatible with modern corporate social responsibility (CSR) principles and concepts. The chapter ends with an outline of the book.

Keywords Selfishness • Sympathy • Justice • Virtue

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"How selfish so ever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it". *Selfishness* is supposed to look after us, while *Sympathy* (e.g. empathy) to look after others. These two principles were understood by Adam Smith (1759) to be naturally given to us, and in order to co-exist in harmony with others, a minimum required level of justice is indispensable, while going beyond by doing good to others is a highly appreciated virtue (e.g. beneficence).

In his book *The Theory of Moral Sentiments*, Adam Smith emphasized that benevolence is not a necessity as is justice. Benevolence is voluntary because by just following the concept of an *invisible hand*, self-interest alone is capable of achieving social benefits for everyone. The invisible hand refers to "a natural, spontaneous process at work within markets which ensures that individuals, while seeking only to maximize their own welfare, unwittingly act in such a way as to promote the common good" (Walker 1992). The impact of the concept of an invisible hand goes beyond achieving individual self-interest alone. Smith discussed in the same book that a selfish agent in addition to self-interest also needs social respect and desires recognition for altruistic behavior. In modern language this is a stakeholder's recognition and legitimacy, which links us back to modern strategic corporate social responsibility (CSR).

Far from morality, self-interest which is strictly linked to individual rationality is therefore not in conflict with building an agent's *reputation* of caring for society and being socially responsible in order to maximize private and social benefits. To a certain extent, Smith's view is consistent with the precedent beliefs, religions, norms, and values, which necessitate justice and uphold beneficence; a good behavior—charity, honesty and fairness and just, kindness, and gratefulness—and condemn bad behavior such as cheating, steeling, lying, killing, and extortion/corruption and coercion. Of course CSR debate has come a long way since early thinkers like Smith started the conversation. Indeed, the CSR conversation can be traced back to early Greek philosophers (Mellahi et al. 2010). In this volume Chap. 2 by Frynas and Yamahaki reviews the theoretical development of CSR.

Middle Eastern societies also embrace justice as a necessity and go beyond by upholding righteous behavior; charity, sharing, and social solidarity through Zakat[1] which is enforced by Sharia on Muslim individuals and enterprises to reduce poverty, inequality, and enhance the general well-being of the community, which is a personal religious principle, not being enforced or collected by the state. Middle Eastern cultural and religious values are fully compatible with CSR principles and concepts (Darrag and E-Bassiouny 2013). One of the guiding principles for individual agents in the Middle East is the teaching to produce and achieve wealth as if one is going to live forever and to give away to the needy as if one is going to die tomorrow.

In consent with the self-interest school of thought (not selfishness which is opposing sharing of wealth), the individual is taught to acquire wealth with decency and integrity while abandoning usury, extortion/corruption, and coercion, and as long as benevolence is ensured through Zakat and charity (Sadakat), this will benefit the entire community and generate social benefit and the general well-being for the community.

From the above perspective, the self-interest and benevolence principles do not conflict and are also applied to the individual enterprise which is consistently being viewed to seek self-interest/stakeholder's interest while considering the social benefit of the community. In contrast with the classical dichotomy, where division of labor/responsibility between corporates and governments is set to assign profit maximization to corporates and production of public goods/social benefit to the government (Friedman 1970; Baumol 1991; Rose-Ackerman 1996), and in the context of the growing recognition of the causes of market failures and government constraints to take perfect corrective actions, a new breed of recent schools of thoughts proposes much more nuanced and various frameworks postulating that firms also consider social benefit to different extents and well in consistency with the stakeholder's wealth maximization. The stakeholder theory of Freeman (1984) is a good example of these new schools of thoughts (Frynas and Yamahaki, Chap. 2, this volume; see also Kitzmueller and Shimshack (2012) and Besley and Ghatak (2007) for a literature review on CSR from an economic perspective).

[1] Annual compulsory contributions to be made by Muslims under Islamic **Sharia** (law) on certain kinds of profits, capital, and physical capital surpluses and revenues to be donated for charity and social causes. Zakat is one of the Five Pillars of Islam.

As discussed in Chap. 2 in this volume, CSR is now widely discussed and portrayed as the new way of doing business worldwide and in the Middle East. There are plenty of evidence showing customers' willingness to pay extra price for products and services involving CSR in the background as a strategic way of doing business and considering preferences of customers (De Pelsmacker et al. 2005; Nan and Heo 2007; Mohr et al. 2001; Frynas and Yamahaki, Chap. 2, this volume). The small body of research on CSR and customers' preferences provides the same results (Eshra and Beshir 2017; Bin Brik et al. 2011).

The debate on CSR has now also evolved in the Middle East, enhanced by awareness of CSR and business excellence and the cultural diversity and supported by the increasing forward and outward foreign direct investment, global trade, global tourism, and global finance among others which have ensured internalizing behavioral standards of businesses and consumers alike. CSR and sustainability reporting and labeling of practices are covered in magazines and newspapers, and international conferences and seminars on sustainably and CSR have become the order of the day.

Also governments and public institutions have become great contributors to the debate on CSR and sustainability. In countries like the United Arab Emirates (UAE), national and local governments embraced sustainability and CSR goals that are compatible with United Nations Sustainable Development Goals (UNSDGs) involving private enterprises and private actors to bring about a significant wind of change for a sustainable and responsible future.

Noting that the Middle East is one of the least researched regions worldwide, in appreciation of all the efforts made by academia and CSR professionals, and CSR-championing institutions, of which this book is a living example, we thank all contributors to this book and contributors to international conferences and seminars organized on behalf of the academia and the business community.

Outline of the Book

Part I of the book consists of four chapters presenting the evolution of CSR theories and practices globally and in the Middle East. Chapter 2, "Corporate Social Responsibility: An Outline of Key Concepts, Trends, and Theories" by Frynas and Yamahaki, provides a comprehensive overview of CSR literature and practice in a wider global context. Frynas and Yamahaki discuss the various concepts of CSR and the main global trends and the academic scholarship on CSR. The authors highlight the importance of local context and argue that the understanding and the practice of CSR differs significantly between countries, sectors of activities, and organizational factors such as size. The authors reflect critically on the best practice literature and posit that when it comes to CSR there is no one-size-fits-all best practices but that CSR should always be understood in its local context.

Chapter 3, "CSR in the Middle East: From Philanthropy to Modern CSR," by Mellahi and Rettab, focuses on the evolution of CSR practices in the Middle East region. The authors argue that while philanthropy has been part of the cultural DNA of Middle Eastern societies, modern CSR is relatively new to the region. They trace the evolution of CSR from an altruistic-based philanthropy model to strategic philanthropy and finally modern CSR. They provide evidence to show that CSR is picking up steam in the region. The chapter discusses the significant developments in the field of CSR since the early 2000s.

Chapter 4 by Dima Jamali and Mohamad Hossary examines CSR Logics in the Middle East. They argue that CSR Logics research in the Middle East and North Africa (MENA) region is still an understudied form of CSR discourse and practice. They posit that juxtaposing the myriad forms of expressions across different countries and subregions is necessary to drive future research in this context forward. The authors discuss how each nation in the MENA region has a unique constellation of institutions (political, cultural, social, and economic) that help shape CSR Logics in context in somewhat different ways. In particular, the authors consider the institutions relating to state, corporation, family, and religion in the Middle East and how they shape localized expressions of CSR, with nuanced comparisons between different MENA sub-clusters of contexts while keeping in mind the analysis of Western Assumptive Logics of CSR and their increasing salience across the globe. They cluster the subregions in MENA according to socio-economic measures, namely, Human Development Index (HDI), and include Gulf Countries Council (GCC), middle-HDI cluster, and low-HDI cluster, each having a unique set of political, social, and cultural understandings that shape CSR practices in the Middle East in different ways.

Chapter 5 by Geoff Wood examines the management of sovereign wealth funds (SWFs) in the Middle East and ethical and social responsibility issues associated with them. The chapter draws on some best practices from around the world to identify potential ways forward. Chapter 6 by Belaid Rettab and Kamel Mellahi examines the association between CSR and organizational performance. The authors explore the mechanisms through which CSR impacts performance focusing on the Middle Eastern context. The chapter draws on evidence from the Dubai business community.

Chapter 7 by Kamal Al Yammahi, Vijay Pereira, and Yama Temouri explores how CSR can contribute to national responsibility to achieve the international agendas related to sustainability. The empirical evidence reveals that in the context of sustainability within the UAE, the private sector through CSR is highly motivated to support the national and international sustainability agenda. Findings from the primary research contribute to the process of designing sustainable development strategies for the federal government of the UAE to encourage the private sector to support sustainability agenda. Chapter 8 by Nicolina Kamenou-Aigbekaen discusses CSR-gender issues pertaining to the Middle East region. The chapter explores the association between CSR and gender in the workplace focusing on women in organizations in the Arab Middle East. The author highlights key opportunities and barriers within a relational framework which acknowledges the macro- (contextual), meso- (organizational), and micro- (individual) levels as key determinants of women's work and career opportunities. Chapter 9 by Ayesha Saeed Husaini looks at the role and evolution of corporate citizenship (CC) in the Middle East. It illustrates the analysis with the Manzil case study. The chapter highlights some of the drawbacks, challenges of and strategies facing charitable organizations, and strategies to overcome them.

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Part I

CSR in the Middle East: Theoretical, Conceptual, and Empirical Issues

2

Corporate Social Responsibility: An Outline of Key Concepts, Trends, and Theories

Jędrzej George Frynas and Camila Yamahaki

Abstract This chapter puts corporate social responsibility (CSR) in the Middle East in the wider global context and is designed to help the reader to navigate this increasingly complex area. It discusses the meaning of CSR and related terms, the key global trends with regard to CSR practices, the role of context including differences between CSR in different countries, the use of CSR for corporate strategies, and the academic scholarship on CSR. What emerges is that CSR is very context specific: the understanding and the practice of CSR differ enormously between different countries, between different industries, or between small and large companies.

Keywords CSR theories • CSR concepts • CSR in context • CSR practice

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The public increasingly expects businesses to act in an ethical or socially responsible manner, above and beyond legal requirements. According to a 2015 survey of 30,000 consumers in 60 countries, 66% of global respondents are willing to pay more for sustainable goods, while 45% find the company's environmentally friendly reputation a key driver to the purchasing decision (Nielsen 2015). Reflecting the concerns of today's consumers, many large companies have ethical codes of conduct, environmental management systems, and corporate responsibility reports. According to the consulting firm KPMG, 92% of the world's 250 biggest companies had a corporate responsibility report in 2015, an increase from 45% in 2002. In recent years, corporate social responsibility (CSR) activities grew fastest in emerging economies such as India and South Korea. In the Asia Pacific region, the average proportion of the 100 largest companies with a CSR report increased from 49% in 2011 to 79% in 2015 in the surveyed countries (KPMG 2015).

Preoccupation with the ethical and social dimensions of business activity is not new. Business practices based on moral principles and 'controlled greed' have been advocated by Western thinkers such as Cicero in the first-century BC and their non-Western colleagues such as Indian statesman and philosopher Kautilya in the fourth-century BC, while the Islamic religion and the medieval Christian church publicly condemned certain business practices, notably usury. The modern precursors of CSR can be traced back to the nineteenth-century boycotts of foodstuffs produced with slave labour, the moral vision of business leaders such as Cadbury and Salt who promoted the social welfare of their workers, and the Nuremberg war crime trials after the Second World War, which saw the directors of the German firm I.G. Farben found guilty of mass murder and slavery (Ciulla 1991; Pegg 2003; Sekhar 2002). From a historical perspective, CSR is simply the latest manifestation of earlier debates as to the role of business in society.

In contrast to earlier debates on the social responsibility of business in the nineteenth century or even the 1960s, what is new today is that ethical and social initiatives are led by multinational companies (MNCs) and the debates on CSR are much more global than they have ever been. Furthermore, there has been a significant broadening of the range of ethical and social issues that business is expected to address. MNCs are increasingly expected to address such diverse concerns as global climate change, poverty alleviation, healthcare provision, and human rights. These trends are also reflected in the Middle East, where MNCs such as the Etisalat Group and SABIC often spearhead CSR initiatives and use global CSR frameworks, while issues such as global climate change and sustainable procurement are increasingly addressed.

This chapter puts CSR in the Middle East in the wider global context. We discuss the meaning of CSR, the key global trends, and the academic scholarship on CSR. What emerges is that CSR is very context specific: the understanding and the practice of CSR differ enormously between different countries, between different industries, or between small and large companies. There are no easy recipes as to what the key social responsibilities of a business are and what the 'best' CSR practices are. But we hope that our chapter helps the reader to navigate this increasingly complex area.

What Is Corporate Social Responsibility?

While the public expectations of business have steadily increased, there is no agreement between scholars and practitioners on the exact meaning of CSR. McWilliams and Siegel (2001, p. 117), for example, defined CSR as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law" (i.e. conceiving CSR as any voluntary social action by the firm without actually specifying the firm's 'responsibilities'). The European Union defined CSR as "the responsibility of enterprises for their impacts on society" (i.e. conceiving responsibilities as mitigating the firm's own impact on society) (European Commission 2011), whereas Husted and Allen (2006) considered the companies' responsibilities to be broader as "the obligation to respond to the externalities created by market action" (i.e. conceiving responsibilities as mitigating the negative consequences of market capitalism more generally). To make things difficult, new terms have entered our vocabulary that are sometimes intended to either replace or supplement the use of the term 'social responsibility', such as sustainability (Elkington 1994), corporate citizenship (Matten and Crane 2005), and accountability (Owen et al. 2000). Table 2.1 lists some of the main terms related to CSR.

Table 2.1 Corporate social responsibility and related terms

Concept	Definition	Sources
CSR	"an umbrella term for a variety of theories and practices all of which recognize that companies have a responsibility for their impact on society and the natural environment, sometimes beyond legal compliance and the liability of individuals"	Blowfield and Frynas (2005, p. 503)
Sustainable development	"the integration of environmental thinking into every aspect of social, political and economic activity"	Elkington (1994, p. 90)
Corporate citizenship	"describes the role of the corporation in administering citizenship rights for individuals"	Matten and Crane (2005, p. 173)
Accountability	"refers to whether a corporation is answerable in some way for the consequences of its actions"	Crane and Matten (2010, p. 76)
Corporate social performance (CSP)	"…a business organization's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships"	Wood (1991, p. 693)
Corporate social responsiveness	"…the action phase of management responding in the social sphere"	Carroll (1979, p. 502)

There is a recognition among many writers that CSR is context dependent and relational, that means, CSR means different things in different contexts. In particular, there are huge differences in the perception of social responsibilities in different countries, which can be traced back to culturally specific mental models of social responsibilities (e.g. Fassin et al. 2015; Schlierer et al. 2012) or distinctive political traditions, government policies, or regulations with regard to the social responsibilities of business (e.g. Doh and Guay 2006; Knudsen et al. 2005). There can also be crucial differences in the understanding of social responsibilities and CSR practice across different industries (Colombo et al. 2017; Muthuri and Gilbert 2011), between small and large businesses (Spence et al. 2018), and between individual corporate leaders (Glavas 2016; Robertson and Barling 2013), while the understanding of CSR can change over time (Carroll 1999; Matten and Moon 2008).

CSR in Context

The meanings and practices of CSR differ enormously across national contexts. To investigate such variations, Kang and Moon (2012) analysed the influence of national institutional arrangements on CSR in three models of capitalism: in liberal market economies (e.g. the USA and the UK), coordinated market economies (e.g. Germany and Japan), and state-led market economies (e.g. France and South Korea). They found huge differences in the way that managers understand and practise CSR in different countries (see Table 2.2 for some key differences).

In liberal market economies such as the USA, top managers are typically very sensitive to the demands of shareholders given the strong firm reliance on the stock market for corporate financing. Given the focus on shareholders, the firms' motivation for CSR is largely competitive, that means, firms seek to enhance corporate performance through CSR. Likewise, other actors such as the government and investors prefer market-based solutions to pursue CSR. For instance, investors may adopt

Table 2.2 Models of capitalism and their impact on CSR

Models of capitalism	Examples	Characteristics	Impact on CSR
Liberal market economies	USA UK	Shareholder value system Managers are sensitive to the demands of shareholders	Competitive motivation for CSR CSR actors adopt market-based solutions
Coordinated market economies	Germany Japan	Stakeholder value system Managers are sensitive to the demands of stakeholders	Relational/socially cohesive motivation for CSR CSR actors adopt non-market-based solutions
State-led market economies	France South Korea	Public value system Managers are sensitive to the demands of the state	The government is a key actor in CSR Developmental and competitive motivations for CSR Weak CSR actors, starting to adopt market-based solutions

Source: Adapted from Kang and Moon (2012) socially responsible investment strategies that help to encourage firms to be more socially responsible while protecting their business interests.

In coordinated market economies, there is much greater focus on a wider range of stakeholders, that means, diverse groups that can affect the success of the firm (e.g. employees, customers, the government). Stakeholder participation is inherent in the firms' structure, either through co-determination (e.g. in Germany, union representatives sit on the board of directors) or through a more informal or shared understanding of consensual managerialism (e.g. in Japan). As a result, top managers are especially sensitive to the demands of stakeholders, which induces a relational, socially cohesive motivation for CSR. Likewise, there is much greater focus on non-market-based approaches to tackle social conflicts (e.g. through negotiations with employee representatives, lobbying).

In state-led market economies, there is an implicit understanding that the government can solve many social issues by introducing coercive regulation (e.g. compulsory CSR reporting in France) and by encouraging firms to be more responsible (e.g. promotion of company welfare schemes in South Korea). Top managers are more sensitive to the demands of the state, which is the most powerful stakeholder and has greater control over the financial system and labour relations. The national development agendas are given primacy (e.g. education has been a key CSR issue in South Korea) and firms often make public declarations of their duty to uphold national economic interests, inducing a developmental motivation for CSR.

In developing countries, the institutions that support economic activities (e.g. capital markets, regulatory regime, legal systems, etc.) are often under-developed and fail to adequately support the development of CSR. Nonetheless, even if these countries lack some of the institutional characteristics mentioned above (e.g. a strong state, responsible investment strategies of shareholders, etc.), the motivations for engaging in CSR may stem from professional standards, family ties, and religious influences. For example, CSR practices in Nigeria have often been shaped by religion (both the Qur'an and the Bible) and family ties (including ties to an extended family and a wider clan), while CSR practices in Lebanon have been shaped by long-standing philanthropic traditions of family-based companies and Islamic ethical values (Jamali et al. 2017).

In addition to institutional influences mentioned above, CSR practices in different countries have often been influenced by some important formative events that created a discontinuity for business operations and forced companies to adopt certain CSR practices. For example, the initial development of CSR in Argentina was linked to the financial crisis in 2001 when the state was no longer able to afford various social welfare activities and companies were expected to fill this gap, while CSR in South Africa has been shaped by the legacy of the racist apartheid regime and the need to provide greater equality for black people (see Table 2.3 for examples).

Cultural values and language also have a significant influence on CSR and can explain differences in CSR practices even between geographically close countries. For example, in the UK, philanthropy is considered as part of CSR especially by owner-managers of small- and medium-sized enterprises (SMEs), which is influenced by the Anglo-Saxon economic context and cultural traditions; in contrast, there is no tradition of philanthropy in Norway and the needs which philanthropy normally addresses in other countries are taken care of by the government and the social welfare system. There can also be variations to what CSR and sustainability mean when translated in different languages. For example, in the Dutch-speaking part of Belgium, there is a close association between CSR and sustainability, which is partly due to the content and format of the terms in the Dutch language: CSR (maatschappelijk verantwoord ondernemen or MVO) and sustainability (duurzaam ondernemen) are used in the verb form 'ondernemen' (to enterprise), adding to the perception that CSR and sustainability (which includes business sustainability) are perceived as synonyms. In contrast, in the French-speaking part of Belgium and in neighbouring France, sustainability is seen as being linked specifically to

Table 2.3 Formative events for the development of CSR

Country	Example of a formative event for CSR
UK	Activist campaign on Brent Spar in 1995
South Africa	Legacy of apartheid regime
Argentina	Financial crisis in 2001
Nigeria	Community unrest in the Niger Delta from 1995
South Korea	New government in 1998

green/environmental management—but not economic sustainability—because in the French language the term 'développement durable' is not linked to long-term business sustainability (e.g. in contrast to Dutch or English) (Fassin et al. 2015).

Additionally, there can be differences in the concept of CSR across different industries (Colombo et al. 2017; Muthuri and Gilbert 2011). In 2013, the Global Reporting Initiative (GRI) conducted a piece of research to identify which CSR topics were considered most relevant by stakeholders in different business activities. In the oil and gas sector, carbon abatement, payments to governments, and oil spills were some of the topics mentioned by the sector's stakeholders. In the retailing industry, stakeholders cited materials sourcing, energy and water consumption, and labour conditions. In telecommunications services, topics included electromagnetic radiation and customer privacy and data protection (GRI 2013).

Finally, there can be differences in CSR practices between small and large firms. Due to a lack of slack financial resources, small firms often experience more difficulty if compared to larger ones to engage in social responsibility practices that have no immediate return, require systemic changes, or are boundary spanning (Lepoutre and Heene 2006). On the other hand, smaller companies have more relational network capital than larger firms, as they have better relationships with their stakeholders, particularly with their employees (Soundararajan et al. 2018) to whom they may exhibit a caring relationship (Spence 2016). In addition, the flexible, relationship-oriented, and less hierarchical nature of smaller companies enables them to be more innovative and experimental in terms of engaging genuinely in social responsibility than larger businesses (Soundararajan et al. 2018).

In summary, CSR means something different in different contexts, and different aspects of CSR are emphasized by different types of organizations. Therefore, it is simply inevitable that CSR means something very different to a Shell manager and a manager from Saudi Aramco, a British manager and an Egyptian manager, a small company and a large MNC, and a business manager and a Greenpeace activist. Hence, it is appropriate to define CSR as an umbrella term for a variety of concepts and practices, all of which recognize that (1) companies have a responsibility for their impact on society and the natural environment, often beyond legal compliance and the liability of individuals; (2) companies have a responsibility for the behaviour of others with whom they do business (such as suppliers and business partners); and (3) business needs to manage its relationship with wider society, whether for reasons of commercial viability or to add value to society (Blowfield and Frynas 2005, p. 503). This definition guides this chapter.

CSR in Practice

Global consumers are increasingly committed to social responsibility and sustainability. Investigating the perception of 30,000 consumers from 60 countries on how sustainability impacts purchasing decisions, market research company Nielsen (2015) found that 66% of consumers are willing to pay more for sustainable goods, an increase of 16% in relation to 2013. Age, level of income, and region were found to influence purchasing behaviour, but—perhaps surprisingly—the survey found that it is *not* wealthy consumers who are most concerned with social responsibility and sustainability. Indeed, consumers earning $20,000 or less and consumers from Latin America, the Middle East, Asia, and Africa are more willing to pay more for products that come from companies committed to positive social and environmental impact.

Many business leaders are also committed to social responsibility and sustainability. According to PricewaterhouseCoopers (2016), which interviewed approximately 1400 Chief Executive Officers (CEOs) from 83 countries, business leaders are mindful of stakeholders' expectations on how companies should conduct themselves in global society. While 84% of the CEOs surveyed believe that their organizations are expected to address wider stakeholder needs, 52% of them believe that creating value for wider stakeholders helps their organizations to be profitable. Furthermore, 50% of CEOs are concerned about climate change and environmental damage as threats to the organization's growth prospects. According to McKinsey (2014), which surveyed over 3000 global executives between 2011 and 2014, the main reasons for companies to address sustainability relate to alignment with the company's business goals, reputation management, and cost cutting.

Reflecting the concerns of the general public and of business leaders, corporations have been increasingly involved in CSR activities. Philanthropy has traditionally been a key activity and still continues to be a key CSR-related activity in many countries. It normally involves some sort of company funding for community development activities in the areas of education, health, agriculture, and poverty alleviation. CSR activities related to employees also feature high on the agenda of companies, not least since employees are crucial for the company's success. CSR activities aimed at employees may involve employee health improvement schemes, safe working conditions, rules against discrimination, or work-life balance policies. Over time, environmental protection has become a key concern for many companies. Environmental measures may include the reduction of greenhouse gas emissions, recycling activities, the reduction of water usage, or the development of new environmentally friendly technologies. Beyond activities related to communities, employees, and the environment, the CSR agenda has been gradually expanding to consider other areas such as anti-corruption measures, human rights, and tax payments to governments. Naturally, the importance of these different activities varies between countries, industries, and individual companies.

Reflecting the global growth in CSR activities, various global organizations such as the International Organization for Standardization (ISO) and the United Nations (UN) as well as new CSR-supporting institutions such as the GRI have developed various formal social and environmental guidelines for companies. For example, the ISO developed the ISO 14000 family of environmental standards and the ISO 26000 general CSR standard. The number of companies with ISO environmental certificates is substantial: by the end of 2017, there were more than 362,000 ISO 14001 valid certificates, providing assurance about companies' environmental management systems (ISO 2018). The UN developed the Global Compact, a list of ten general principles in the areas of human rights, labour, the environment, and anti-corruption. As of June 2018, over 13,000 companies from 162 countries were signatories to the Global Compact (UN Global Compact 2018). Table 2.4 provides a summary of some of the main global CSR-related initiatives.

In addition to supra-national organizations such as the UN and the ISO, some civil society groups, trade associations, and multi-stakeholder

Table 2.4 Some of the main sustainability initiatives, frameworks, and standards

Initiative, framework, or standard	Description	Year of establishment
The Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises	Recommendations addressed by governments to multinational enterprises operating in or from adhering countries which provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards[a]	1976
ISO 14000 family of standards for environmental management	The ISO 14000 family of standards provides practical tools for companies and organizations of all kinds looking to manage their environmental responsibilities[b]	1994
Global Reporting Initiative (GRI)	GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance, and social well-being[c]	1997
United Nations Global Compact	The UN Global Compact supports companies to: Do business responsibly by aligning their strategies and operations with ten principles on human rights, labour, environment, and anti-corruption; and Take strategic actions to advance broader societal goals, such as the UN sustainable development goals, with an emphasis on collaboration and innovation	2000
ISO 26000 guidance on social responsibility	ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way[d]	2010

[a]OECD (2017)
[b]ISO (2017a)
[c]GRI (2017)
[d]ISO (2017b)

initiatives have developed specific CSR standards or guidelines related to a particular industry or a specific issue (e.g. human rights, labour issues). For example, in the mining sector, the International Council on Mining and Metals (ICMM) developed a series of standards for mining companies that its global members must abide by, while the Canadian Diamond Code of Conduct specifically introduced guidelines for diamond retailers who trade in Canadian diamonds. The proliferation of these different standards and guidelines can make it difficult even for some very large companies to effectively implement all standards and guidelines.

However, the growth of CSR activities and CSR guidelines has not solved many of the world's pressing social and environmental problems, and many experts remain critical of the companies' contribution to social responsibility and sustainability. Surveying over 900 sustainability experts from different sectors and nationalities, the 2016 Sustainability Leaders Survey (GlobeScan, SustainAbility and Sustainable Brands 2016) found that, while NGOs are seen as having made the largest contribution to sustainable development since 1992, the private sector is falling behind expectations. At the same time, the experts believe that companies together with national governments should lead the sustainable development agenda over the next 20 years. In other words, the expectations on companies with regard to CSR are high.

CSR as Corporate Strategy

While the public expectations on companies have grown, companies have discovered that CSR can help to improve organizational performance. CSR can help to learn new environmental skills and capabilities (Russo and Fouts 1997), to enhance product differentiation and create barriers to entry for other firms (McWilliams and Siegel 2001), to improve employee recruitment as part of human resource management (Brekke and Nyborg 2008), and to develop new business innovations (Bocquet et al. 2013), among others. Table 2.5 provides a list of selected organizational benefits from CSR.

Table 2.5 Selected organizational benefits from strategic CSR

Organizational benefit from CSR	Examples of organizational benefit	Academic references
Improvements in human resource management	A company's reputation for CSR helps to recruit better employees and to motivate them	Brekke and Nyborg (2008)
Product differentiation	A company's reputation for eco-friendly products helps to differentiate the company against competitors and to sell such products at a premium	McWilliams and Siegel (2001)
Access to new markets	A company develops new products such as micronutrients and cheaper medical equipment, which provide health improvements for poor people, while helping to access new markets in developing countries	Anderson and Billou (2007)
New environmental capabilities	A company develops new environmental capabilities, which help to develop new eco-friendly products or to reduce waste	Russo and Fouts (1997)
Technological innovation	An oil company develops new technology patents in areas of process improvement, sulphur dioxide recovery, or carbon capture and storage	Sharma and Vredenburg (1998)

Since many managers recognized that CSR may have organizational benefits for their company, they started to integrate social and environmental issues into their business strategies. CSR can be considered 'strategic' when it involves key organizational decisions related to social and environmental matters that are coordinated and integrated in order to achieve important objectives for and on behalf of the entire organization, regardless of motive (cf. Frynas 2015, p. 246). By CSR strategy, we do not mean that a company passively responds to and counteracts external pressures for CSR activities by investors, social activist groups, or the media—such CSR activities allow the company to deflect external pressures to a varying extent but do not allow for social and environmental issues to be seen as business opportunities. For example, individual philanthropic decisions related to natural disaster relief, or an ad hoc social initiative to address negative media publicity, are not genuine CSR strategies.

A genuine CSR strategy allows the firm to align social and environmental goals with its core business strategy (Kanter 1999; Porter and Kramer 2006). Management thinkers such as Michael Porter argue that the main benefit of CSR strategies for firms is to discover future business opportunities and to confer a competitive advantage on selected firms. According to Porter and Kramer (2006), CSR strategies should be seen as "a long-term investment in a company's future competitiveness". By integrating CSR strategies into core business strategy, the main benefit of CSR strategies is in helping firms find new ways to grow and develop. Indeed, different studies show that CSR strategies can lead to business innovations (e.g. Bocquet et al. 2013; Kanter 1999; Wagner 2010).

CSR strategies can particularly yield business benefits for companies when they relate to environmental improvements such as reduction in the use of materials and emissions, recycling, and other eco-friendly practices (Louche et al. 2010; Porter and van der Linde 1995; SustainAbility 2001, 2002). A study of 129 CSR-related innovations by Louche et al. (2010) found that 34% of such innovations related to environmental sustainability. A focus on environmental sustainability frequently forces firms to fundamentally reconsider the day-to-day business operations and may lead to genuinely new innovations and production processes (Leonidou et al. 2013; Shu et al. 2016). For instance, a study by Sharma and Vredenburg (1998) compared seven Canadian oil companies and found that the two companies most proactive on environmental improvements greatly benefited from related innovations such as technology patents in the areas of process improvement, sulphur dioxide recovery, waste reduction and disposal, soil restoration, and less polluting fuels. In turn, innovations helped the development of new revenue streams for those companies such as sales of less polluting fuels (Sharma and Vredenburg 1998).

Another important area of innovation is the development of new products targeted at low-income customers in emerging economies (cf. Louche et al. 2010). Global products of multinational firms are often too expensive or unsuited for the low-end market of 4 billion consumers who live on less than US$2000 a year. New business models known by the term 'bottom of the pyramid' for targeting poor consumers suggest that private firms can help reduce poverty and make profits at the same time.

For instance, multinational banks such as Citigroup and Standard Chartered Bank offer microfinance services to poor creditors; microfinance provides poor people with small loans without the need for collateral, while helping banks to reduce their overhead costs and reach out to new groups of clients. The two multinational firms, Unilever and Procter & Gamble, have developed products specifically targeted at poor consumers such as micronutrients and new types of detergents; these products allow poor people to improve their health or simply to access new consumer goods, while helping Unilever and Procter & Gamble broaden their markets in often poor neighbourhoods in countries such as India and Brazil (Anderson and Billou 2007; Kolk et al. 2014).

Innovation depends on the area of activity and the industry sector. Environmental improvements can especially yield business benefits and stimulate innovations in industries such as chemicals and petroleum focused on engineering solutions (examples include the petroleum companies mentioned above). New business models for addressing poverty can especially lead to innovations in industries focused on manufacturing consumer products (examples include Unilever and Procter & Gamble mentioned above). Whatever the industry sector that the company is part of, firms will have increasingly to manage CSR issues in the same way as other strategic issues, as they are relevant to competing in a global market.

CSR Research

The academic research on CSR has developed considerably in the past two decades (see, e.g. reviews by Aguinis and Glavas 2012; Jamali and Karam 2018). We now have considerable knowledge of the drivers and influences on CSR (see review by Aguinis and Glavas 2012), the business case for CSR or the organizational value of CSR (Carroll and Shabana 2010), the contextual diversity of CSR (Örtenblad 2016), and the psychological underpinnings of CSR (Glavas 2016), among others. In order to make sense of this bewildering wealth of influences on CSR, it is helpful to employ theories for explaining CSR (for recent theory reviews, see Frynas and Stephens 2015; Frynas and Yamahaki 2016; Mellahi et al. 2016).

Theories can provide explanatory frameworks to simplify a complex reality, helping scholars understand how social change might be triggered or hindered at different levels of analysis (Aguilera et al. 2007; Unerman and Chapman 2014). Two main types of theories are used in the CSR literature (Mellahi et al. 2016). Theories related to the external drivers of CSR (such as stakeholder theory, institutional theory, legitimacy theory, and resource dependence theory [RDT]) analyse the nature of relations between the firm and society, where CSR is conceived as the outcome of social relationships and societal norms. Theories related to the internal drivers of CSR (e.g. resource-based view and agency theory) concentrate on understanding corporate management and social values of individuals inside organizations, where CSR is either conceptualized as the outcome of managerial decisions and economic calculations or the outcome of ethical values and judgements.

To review the general theories that have been applied in CSR research, the authors (Frynas and Yamahaki 2016) analysed 462 peer-reviewed articles from 13 academic journals published between 1990 and 2014. They found that theories of external drivers dominate the literature, with 45% of published articles applying stakeholder theory and 31% employing institutional theory. There was also a significant number of applications of legitimacy theory (16%), the resource-based view (9%), and agency theory (9%). The core assumption of each theory can be found in Table 2.6. The frequency of theory applications is provided in Table 2.7.

Table 2.6 Main theoretical perspectives on CSR

Theory	Explanation of company behaviour
Stakeholder theory	Firms are affected by stakeholder actions and therefore must attend to their interests
Institutional theory	Firms' survival and growth depend on acquiring legitimacy within institutional environments
Legitimacy theory	Firms operate on the basis of a social contract with society and their survival and growth depend on legitimacy
Resource-based view	Performance differentials among firms are influenced by firm-specific non-market resources and capabilities
Agency theory	Managers as agents have distinct incentives and objectives from their principals
RDT	Firms' survival and growth hinge on accessing requisite resources from external parties

Source: Frynas and Yamahaki (2016)

Articles employing *stakeholder theory* (206 of 462 articles) have generally provided evidence of how pressures from different stakeholders (e.g. company owners, employees, financial investors, local communities) influence how companies conduct CSR-related activities. Previous studies have investigated, among others, the influence of stakeholder pressures on environmental policies and strategy (Christmann 2004; Darnall et al. 2010), environmental disclosure (Elijido-Ten et al. 2010; Neu et al. 1998; Roberts 1992), and corporate philanthropy (Brammer and Millington 2003, 2004; Moir and Taffler 2004). For example, Brammer and Millington (2003) found that firms' charitable donations have become increasingly responsive to stakeholder influences during the 1990s, while Christmann (2004) found that MNCs standardize environmental policy dimensions in response to pressures from external stakeholders.

Studies applying *institutional theory* (141 of 462 articles) have shown that CSR can be driven by conformity to different institutional contexts. According to the theory, firms often conform to the social norms in a given business environment because certain practices "are taken for

Table 2.7 Application of theories, number of applications and papers, 1990–2014

	Year					
Applied theory	1990–1994	1995–1999	2000–2004	2005–2009	2010–2014	25-year total
Stakeholder theory	6	12	21	55	112	206
Institutional theory	1	5	8	47	80	141
Legitimacy theory	1	6	10	24	32	73
Resource-based view	0	5	6	9	21	41
Agency theory	2	1	7	8	24	42
RDT	0	1	2	8	13	24
Other	1	0	8	21	54	84
Number of applications	11	30	62	172	336	611
Number of papers	10	24	44	127	257	462

Source: Frynas and Yamahaki (2016)

granted as 'the way we do these things'" (Scott 2001, p. 57). Several authors have identified what institutional factors influence or shape responsible behaviours (Campbell 2007; Jackson and Apostolakou 2010; Montiel and Husted 2009; Zeng et al. 2012). For instance, Campbell (2007) developed a number of propositions specifying the institutional conditions under which corporations are likely to behave in socially responsible ways. Jackson and Apostolakou (2010) compared the influence of different institutional environments on CSR policies of European firms, finding that firms from the more liberal market economies score higher on most dimensions of CSR than firms from the more coordinated market economies. The literature has also explored how MNCs operating in multiple environments face a multitude of competing institutional pressures (Aguilera-Caracuel et al. 2012; Hah and Freeman 2014; Jamali 2010). Aguilera-Caracuel et al. (2012) found that a high environmental institutional distance between headquarters' and subsidiaries' countries deters the standardization of environmental practices, while Marano and Kostova (2016) identified a set of factors that make certain institutional pressures more salient than others in firms' adoption of CSR practices.

CSR research using *legitimacy theory* (73 out of 462 articles) has demonstrated that CSR can act to retain congruence between society's and organizational objectives. The theory assumes that firms operate on the basis of a social contract between the firm and society and that firms require social approval to ensure the firm's survival. There are two main approaches to studies of legitimacy: institutional and strategic. While the institutional perspective is almost synonymous with institutional theory, under the strategic approach, legitimacy is considered a resource that is conferred by groups outside the organization. The strategic perspective has been widely used to investigate corporate social disclosure to close gaps between societal expectations and business practices (O'Donovan 2002; Patten 1992). Campbell (2003) observed that companies with higher environmental sensitivity (i.e. more vulnerable to criticism) will disclose more environmental information than companies in sectors with lower environmental sensitivity, providing support to legitimacy theory. Similarly, Adams, Hill, and Roberts (1998) found that very large companies are significantly more likely to disclose all types of corporate social information, while environmental disclosures are more relevant in industries that use large quantities of limited natural resources.

The RDT indicates that organizations are dependent on their surroundings to guarantee the flow of critical resources for their survival and, hence, a firm will pay more attention to social actors who control these resources (Frooman 1999; Pfeffer and Salancik 2003). In the CSR literature (24 out of 462 articles), RDT explains, for instance, why organizations with a high dependence on female staff pay considerable attention to work-life balance issues (Ingram and Simons 1995) or why natural resource firms with high dependence on rural local communities in developing countries invest in extensive local development initiatives in health and education (Hess and Warren 2008).

Regarding the application of theories of internal drivers, CSR studies employing the *resource-based view* (41 out of 462 articles) argue that specialized skills or capabilities related to investment in CSR can lead to firm-specific economic benefits for firms (Hart 1995; McWilliams and Siegel 2011; Russo and Fouts 1997). Therefore, CSR could be justified as an investment in capabilities that will allow the firm to differentiate itself from its competitors and enhance organizational performance. Under this perspective, Chen, Lai, and Wen (2006) found that green innovation is positively related to corporate competitive advantage, while Lourenço, Callen, Branco, and Curto (2014) noted that the net income of firms with good sustainability reputation has a higher valuation by the market when compared to their counterparts.

Finally, *agency theory*, which analyses the relationship between principals (persons or organizations who employ another party to carry out specific work) and agents (those who carry out that work), has been applied in the literature (42 out of 462 articles) to provide evidence that CSR can be driven by the misalignment between agents and principals. For example, Galaskiewicz (1985) found that CEOs employ the philanthropy strategy to gain approval and respect from local business elites. Similarly, Barnea and Rubin (2010) argue that managers tend to overinvest in CSR to obtain private reputational benefits, while Faleye and Trahan (2011) found that labour-friendly corporate policies have been used by managers to get away with managerial excesses at the board level.

Conclusions

This chapter has outlined the practical and theoretical aspects of CSR in order to help provide the setting for this book. There are helpful parallels between CSR in the Middle East and European countries. Some of the social and environmental concerns are similar such as giving back to the local community, environmental concerns, and sustainable procurement, while companies in the Middle East increasingly adopt some of the global CSR tools such as the GRI and ISO standards. Similarly to the rest of the world, many of the companies most engaged in CSR are those with an international outlook such as the Etisalat Group and SABIC. These companies have discovered that CSR is not just about improving social and environmental practices, but it can also help to improve organizational performance and may lead to innovations.

But this chapter has emphasized that CSR must always be understood in its proper local context. The understanding of CSR greatly differs between countries and regions because of religious, political, social, economic, or legal differences between countries. One cannot understand CSR in the Middle East without an understanding of the Islamic faith, the monarchy, or the role of the national oil companies—which bring a different flavour to CSR at the national level. At the same time, one cannot understand CSR without an understanding of the specific industry, given that the social and environmental practices are greatly influenced by the requirements of each industry. Finally, one cannot understand CSR without considering past and current political and corporate leaders, who may have influenced the evolution of CSR through individual decisions taken in the past.

Consequently, an academic study of CSR requires different theoretical lenses to make sense of national influences, industry influences, and individual influences. Clearly no single scholar can study all of these influences all at once, and we need collaboration between scholars to uncover the importance of different aspects of CSR. This edited collection is an excellent collaborative project that greatly helps towards a much better understanding of CSR in the Middle East.

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3

CSR in the Middle East: From Philanthropy to Modern CSR

Kamel Mellahi and Belaid Rettab

Abstract Since the early 2000s, a number of significant developments have occurred in the field of corporate social responsibility (CSR). This chapter provides an overview of the evolution of CSR in the Middle East. It tracks the evolution of CSR in the Middle East from its philanthropic origins to its current practice. The chapter draws on a survey of business in Dubai to illustrate the practice of CSR in the Middle East.

Keywords Philanthropy • Strategic philanthropy • CSR • Middle East • Dubai

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Introduction

This chapter provides a comprehensive overview of the evolution of corporate social responsibility (CSR) in the Middle East. While philanthropy has been part of the cultural DNA of Middle Eastern societies, modern CSR is relatively new to the region. That said, CSR is picking up steam and organizations are increasingly taking it up seriously. Since the early 2000s, we have witnessed a number of significant developments in the field of CSR. Organizations in the Middle East have been asked by various stakeholders to assume new social and environmental responsibilities. There has also been a notable change in the perception of managers toward their broader societal obligations.

On the research side, while research on CSR is still limited, scholar's interest in CSR is on the rise as reflected in the increasing number of conferences and workshops. Interestingly, the term CSR has gained increasing acceptance in the Middle East, albeit, means different things to different people. While for some it represents a mere relabeling of philanthropic activities, for others, however, it means a significant shift in how the organization interacts with and manages its stakeholders.

The chapter is structured as follows. It starts by discussing the evolution of CSR in the Middle East, starting from traditional philanthropy to strategic philanthropy and moving to modern CSR. It concludes by recent developments in CSR in the region.

Evolution of CSR Practice in the Middle East

Traditional Philanthropy

Individual, collective, and corporate altruistic-driven philanthropy is deeply embedded in Middle Eastern societies (Jamali et al. 2009; Jamali and Sidani 2008). This is largely because of the engrained Islamic and Arab traditions of giving—A'taa. A'taa is an old age practice in the Middle East whereby those who have make donations in cash or in kinds to support those who do not. Several forms of philanthropy are well structured and institutionalized. Examples of traditional institutionalized philanthropy practices include charitable trusts or Islamic endowments (Waqf) and Zakat (Raimi et al. 2014). A Waqf "is an unincorporated trust established under Islamic law by a living man or woman for the provision of a designated social service in perpetuity. Its activities are financed by revenue-bearing assets that have been rendered forever inalienable" (Kuran 2001, p. 842). It is generally established by affluent members of society to help vulnerable and needy members of the society by providing free or heavily subsidized relief services and access to valuable socioeconomic services (Ahmed 2007). Like many Middle Eastern countries, in Egypt, several Waqfs have been established to provide regular financial assistance for students from poor families to attend universities.

In addition to Waqf, Zakat—a religiously mandated charity under Islamic law which entails giving out annually 2.5% of an individual's net monetary income or wealth to specified types of disadvantaged groups in the society (Adebayo 2008; Doi 1990; Raimi et al. 2014)—plays a major part in improving social and economic justice in society.

Overall, with the exception of Zakat, historically voluntary benevolence has played a pivotal role in the function and cohesion of Middle Eastern societies. Islamic values constituted the main driving force behind philanthropic activities (Soltani et al. 2015). For a long time, philanthropists' main motivation was more idealistically driven primarily by altruistic impulses and concerns and less strategically driven for commercial purposes. Indeed, most of the philanthropic donations were provided anonymously and little records are available to document them. There is a saying that donors are often identified after they pass away as the giving stops. Philanthropic culture runs very deep in many firms in the Middle East. For example, philanthropic contribution goes back a long way at Hamoud Boualem, an Algerian soft drink manufacturing company established in 1887. Its philanthropic contribution started when it made significant contributions during the Algerian war of independence between 1954 and 1962 that nearly led to its closure. This was characterized by a sense of obligation and support for several activities associated with the national struggle for independence from France.

The philanthropy landscape changed significantly after the discovery of oil and launch of national industrialization policies by many Middle

Eastern countries. The discovery and commercialization of oil in the 1960s and 1970s led to the creation of rentier states and wealthy individuals. Rentier states in oil-rich countries such as Gulf Cooperation Councils (GCCs) invested vast oil revenues in modern infrastructure, health, education, as well as the overall welfare of the population. In GCC countries, both public and private sector organizations were heavily involved in philanthropic activities. As a result, within a decade, GCC countries witnessed a dramatic increase in literacy rates and school enrollment levels and various other social development measures. At the same time, with oil revenues, a new superrich class emerged. The latter philanthropic activities focused on financial donations to community projects such as schools, hospitals, and building of religious institutions such as mosques.

In centrally planned countries such as Algeria and Libya, oil revenues were used to finance the establishment of large state-owned enterprises and social and public services. For example, until the late 1980s, the socialist government in Algeria was the primary institution for promoting and delivering social welfare. The private sector was weakened and marginalized and was not allowed to get involved in CSR activities. In contrast, large and heavily subsidized state-owned enterprises took on a social role and provided social welfare for their employees and their families. Children of employees working for state-owned enterprises were offered free summer vacations and employees were offered access to subsidized shops and health services often not available to employees working in the private sector. Welfare activities were kept squarely under the control of the state through state-owned companies. CSR activities were mandated by the state and directed primarily at employees' welfare. Activities outside the boundaries of the firm, such as tree plantations, were carried out by employees and orchestrated by the state through publically owned enterprises. Some of the large state enterprises, such as oil company (SONATRACH), steel company (SNS), and vehicle production (SONACOM), became so big that they were able to offer their employees comprehensive welfare packages unmatched by small and medium or private sector companies. Community engagement was politicized and state-owned enterprises were not allowed to engage in such activities. Only a small number of non-profit agencies were allowed to operate in the country.

From Pure Altruism to Strategic Philanthropy

The 1990s was marked by a remarkable disintegration of large public sector enterprises in ex-centrally planned economies in the Middle East region. At the same time, because of a sharp decline in oil revenues, several Middle Eastern states retreated from some of their generous welfare programs. Many of the welfare activities were taken over by private sector organizations. Private sector businesses, especially multinational enterprises, started donating a portion of their resources to local social causes, often in a form of sponsorship, with the aims of enhancing their corporate image and strengthening their competitive position. Given the ultraistic culture of philanthropy in the Middle East, several stakeholders, especially customers, struggled with the concept of philanthropic activities beyond altruism. Overall, several stakeholders were not ready for the idea of tying corporate giving to strategic corporate objectives such as enhancing corporate image and competitive position.

By the early 2000s, strategic philanthropy emerged as one of the CSR tools. Government welfare budgets started to diminish as a result of budgetary constraints. Private and public sector companies were publically encouraged to play a bigger role in tackling mounting environmental and social challenges. This coincided with a major push by international certification agencies and international consultants for aligning organizations' activities with their overall strategic objectives. In their quest to sync their philanthropic activities with their line of business, few pioneering organizations, mainly large organizations and subsidiaries of multinational enterprises that have the required capabilities, structure, and financial and human resources to carry out such philanthropic activities, started thinking more strategically about their charitable work. Philanthropic activities gradually became the responsibility of the marketing and public relations departments and were given, at least in part, on the basis of their potential benefit to the company. As a result, private businesses started putting in place formal policies to balance altruistic giving with strategic donations. In so doing, corporations aimed to fulfill their commitment for their communities as well as their shareholders. This perhaps explains the rise of philanthropy in the Middle

East. For instance, Coutts Million Dollar Report 2016 reported that more than $33 billion was donated by countries in the Middle East in 2015. The United Arab Emirates (UAE) tops the list of donating countries ranking 10th globally (CAF World Giving Index 2016, p. 11). One of the biggest strategic philanthropic donations was made by the Dubai-based Mashreq Bank donating $1.1 billion "to invest in improving the quality of education and helping promising Arab and Emirati youth from underprivileged backgrounds to pursue higher education". Voluntary donations in the Middle East were estimated at $232 billion and $560 billion globally in 2015 (Alkhalisi 2017).

In addition to corporate giving, voluntary individual—do-gooders'—donations remain significant in the Middle East especially in GCCs. In 2016, more than 5000 people living in GCCs were worth more than $30 million with an estimated combined wealth of around $994 billion. However, data on such donations is very scarce. This is primarily because, for religious and cultural reasons, Middle Eastern business people make and keep corporate donations private. Most donations are in the form of anonymous checks to charities. In 2015, Coutts, a private bank that tracks corporate and individual donations, was only able to track 20 donations of $1 million or more from the GCC region. This is about 17 times less than what was recorded in the UK during the same period. In the UAE alone, in 2015 the wealthiest philanthropist donated over $10 million per person (Coutts 2016). In addition to individuals, organizations actively engage in philanthropic activities especially during the month of fasting of Ramadan. For example, during the month of Ramadan, a number of hotels and restaurants erect Iftar—breaking fast—tents that provide free food throughout the month of Ramadan. Examples of firms that try to align its philanthropic activities with their line of business include Slices, an organic food company, that provides daily healthy meals to school children and a Dubai-based doll-maker Dumyé that gifts a doll to an orphaned or vulnerable child in need for every doll purchased.

From CSR as Philanthropy to CSR as a Strategic Corporate Activity

Since the early 2000s, a new perception of CSR started gaining hold in the Middle East. The concept grew rapidly and prodigiously and currently assumes a high status even if the practice still lags behind. There was a significant rise in CSR awareness around the early 2000s. A number of internal and external drivers pushed for CSR in the region. Chiefly among them are regulatory agents such as government agencies, normative agents such as social movements and local and international non-governmental organizations (NGOs), managerial attitudes, and motivation to adopt Western best practices and pressures from multinational firms especially for their suppliers and partners. Early research on the drivers for CSR in the region showed that the above pressures positively influenced UAE-based firms' propensity to engage in CSR activities (Rettab et al. 2009).

In addition to high awareness, managers' motivation to engage in CSR activities started to rise. This acceptance of CSR is partly due to the religious nature of Middle Eastern societies. A large body of evidence advocates that religious people are more predisposed to support CSR activities than non-religious people (c.f. Weaver and Agle 2002). This is perhaps of the religious obligation to do good (Murphy and Smolarski 2018) and the need to balance the demands of afterlife and this world (Chapra 1992; Williams and Zinkin 2010).

However, as reported by Rettab et al. (2009), despite the high awareness and motivation to engage in CSR activities, firms lacked the necessary knowledge to develop and implement effective CSR initiatives. Firms reported lack of capability to manage the complexities involved in the management of CSR initiatives such as dealing with various stakeholder expectations and mobilizing the organizations to engage in CSR initiatives within and across the firm's boundaries.

It is worth noting that the CSR landscape in the Middle East is very heterogeneous due to social, political, and economic differences between countries. While the practice of CSR is regulated by law such as environmental and labor laws in Morocco (El Khazzar and Benfares 2017), it is less so in many Middle Eastern countries. Also, while in GCC countries, the private sector has an overall good social acceptance, until recently this was not the case in other parts of the Middle East. In North Africa for instance, because of the widely held perception of private sector corruption, there was a strong climate of mistrust toward privately owned firms as well as multinational corporations. This was perhaps a legacy of decades of demonizing privately owned businesses and multinational corporations as greedy and act purely on self-interest. As a result, CSR activities were viewed as a form of deceptive manipulation to enhance corporate image. However, a combination of pro-business policies, strong social needs, strained public finances, and highly visible business initiatives in support of emerging NGOs in needs of support improved the public image of the private sector and positive role of multinational corporations. In other cases, frustration with often "too little too late" government initiatives to deal with mounting social and environment challenges, NGOs and civic society turned to private businesses for support.

There are a plethora of signs that CSR is taking hold in the Middle East region. An increasing number of companies have started issuing CSR or sustainability reports (KPMG 2017). Most business school courses have CSR and sustainability embedded in them. Some even provide corporate sustainability degrees. Also, there has been a chorus of calls for businesses to internalize the social and environment costs of their actions. As a result, several NGOs started assessing private businesses' civic virtue and responsibility on their environmental and social performance.

Although an increasing number of organizations are now engaging in CSR in the Middle East and putting in serious efforts to integrate CSR into various aspects of their businesses, the nature of CSR in the Middle East remains unclear. To date, there is no clear consensus on its meaning and impact. In most cases, it is whatever the manager, policymakers, or a stakeholder wants it to be. Our review of the literature and close observation of the practice of CSR in the region show that until a decade or so ago, CSR commanded little attention from scholars and practitioners alike.

When one speaks of philanthropy, one feels it is indigenous to the Middle East but whenever one speaks of CSR, it feels like an important practice brought to the Middle East by multinational corporations and international institutions such as the UN. This is because until quite recently CSR was non-existent and whatever practiced were copies of Western practices.

Recent Developments

The last decades have witnessed significant developments in the area of CSR and sustainability in the region. Before we discuss the recent developments, it is important to highlight the observed heterogeneity of CSR practices in the Middle East. This is primarily due to the different national CSR strategies that are shaping CSR practices. For instance, the UAE has made CSR and sustainability one of its national long-term strategies. As a result, 2017 was dedicated to "giving" and focused on five pillars including CSR, volunteering, and serving the nation. Such dedication galvanized the nation around CSR issues. Indeed, CSR dominated the national discourse for the entire year. 2017 also saw the launch of the CSR national strategy operationalized through an App that traces, measures, and rewards companies that engage in CSR. In North African countries, on the other hand, CSR remains implicit with no explicit national champions. That said, social demands and expectations of business are at an all-time high throughout the Middle East. This is because, as explained above, up until recently, governments in the Middle East stayed outside the realm of CSR and did not interfere in the operations of business organizations. Firms were left to their own devices to decide on what, when, and how to engage in CSR. Their CSR activities were limited to philanthropic initiatives.

As far as CSR is concerned, the laissez-faire business-government relationship is changing rapidly. Recently, many Middle Eastern governments are playing an active role in encouraging companies to voluntarily, and in some cases involuntarily, assume greater responsibility for the community, social, and environmental impacts of their business practices. This is done through enforceable standards of behavior and in others through financial contributions to community projects. Throughout the Middle East, CSR initiatives are promoted and championed by national governments. This has resulted in a stronger and explicit commitment to CSR.

Evolution of CSR: Case of Dubai Business Community

Given the lack of literature on recent developments in CSR practices in the Middle East, we provide below results of a yearly survey conducted by the Dubai Chamber Centre for Responsible Business to document and analyze CSR practices in Dubai. The results provide a snapshot of the status of CSR in Dubai. The survey tracks the adoption of CSR policy and strategy among Dubai companies between 2008 and 2014. In particular, the number of companies which adapted CSR policy and strategy was more than doubled between 2012 and 2013, and it reached its highest level of 33% in 2014.

The results of the surveys show that the percentage of the responding Dubai companies which had a special person to oversee CSR practices increased from 12% to 22% to 43% in 2012, 2013, and 2014, respectively. This underscores the importance given to CSR activities. With regard to stakeholders' dialogue, the results show that in 2008 and 2010, only few companies stated that they included stakeholders in the dialogue and allowed them to participate in decisions related to CSR activities or initiatives. However, in 2012 and 2013, the percentages of companies that involved stakeholders to participate in the decision-making of CSR activities were more than double in comparison to 2010. Interestingly, in 2014 more than half of the responding companies engage stakeholders in their decisions relating to CSR.

As shown in Fig. 3.1, in all analyzed years, companies had more internal communication than external about their CSR activities. Almost half of the companies were communicating their CSR activities internally in 2014. This could be perhaps because of lack of perceived appreciation by external stakeholders. This is reflected in the low number of companies

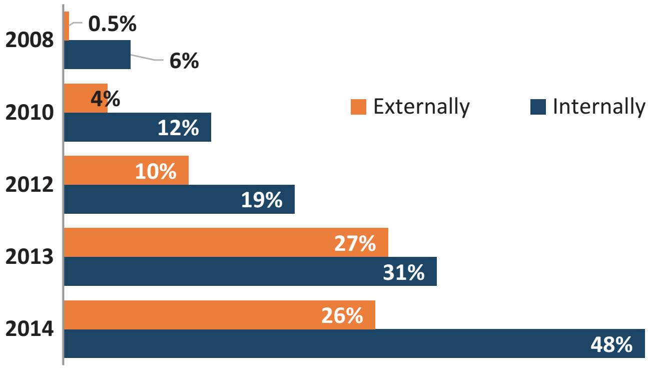

Fig. 3.1 Percentage of companies which communicated their CSR activities externally and internally

producing sustainability reports in the region. It is interesting to note that although the level of communicating CSR externally is relatively low, it has increased significantly from less than 1% in 2008 to over a quarter in 2014.

CSR Practices in the Community

In terms of CSR practices, the results of the survey show that more than 40% of the surveyed companies donated to charity organizations in 2008 and 2010. The percentage increased to more than half in 2012 and 2013 and reached 67% in 2014. Workplace CSR also changed significantly over the years. While only 39% of companies supported their employees for volunteering in the community, the percentage increased to 68% in 2014. Interestingly, responding companies pay relatively higher attention to environmental issues than other CSR practices. The number increased from below 50% in 2012 to more than 70% of the companies having comprehensive practices that include measurement systems of key environmental factors.

Conclusion

CSR in the Middle East is evolving rapidly as firms focus on new social and environmental challenges facing the societies within which they operate. This chapter discusses how CSR evolved incrementally from altruistic philanthropy to strategic philanthropy and then moved from a philanthropic CSR to a modern CSR with unique Middle Eastern features. Using a yearly survey, we briefly discussed some of the practices prevalent in the Dubai business community. The survey results show that CSR evolved rapidly over the last decade. The pressing challenge now for scholars and practitioners is to develop effective CSR strategies and practices that are aligned with local contexts.

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4

CSR Logics in the Middle East

Dima Jamali and Mohamad Hossary

Abstract Corporate social responsibility (CSR) Logics research in the Middle East and North Africa (MENA) region is still an understudied form of CSR discourse and practice. Juxtaposing the myriad forms of expressions across different countries and subregions is necessary to drive future research in this context forward. In recent years, CSR practices in MENA have become salient through tailoring and adaptation of Western CSR Logics. Each nation has a unique constellation of institutions (political, cultural, social, and economic) that help shape CSR Logics in context in somewhat different ways. In this book chapter, we consider the institutions relating to state, corporation, family, and religion in the Middle East and how they shape localized expressions of CSR, with nuanced comparisons between different MENA sub-clusters of contexts. We also keep in mind the analysis of Western Assumptive Logics of CSR

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and their increasing salience across the globe. The subregions in MENA that we study are clustered based on socioeconomic measures, namely, Human Development Index (HDI), and include Gulf Cooperation Council (GCC), middle-HDI cluster, and low-HDI cluster, each having a unique set of political, social, and cultural understandings that shape CSR practices in the Middle East in different ways.

Keywords CSR • Middle East • CSR Logics • Human Development Index • MENA

Introduction

Corporate social responsibility (CSR) is still an elusive concept with broad definitions through the literature. Several authors have identified different aspects of meaning associated with the notion of CSR. The World Business Council for Sustainable Development (WBCSD) provides an inclusive definition of CSR as a commitment to sustainable economic and social development, through involving multiple stakeholders and assimilating social and environmental values within business strategies and processes rather than simple philanthropic initiatives (WBCSD 2002). Managerial action is also a common determining component of CSR in practice; greening management is a phenomenon describing managerial awareness and action to manage company impacts on the environment and surroundings (Azzi and Azoury 2017). The European Commission also provides a definition of CSR that has an action component describing it as the voluntary integration of social and environmental concerns into core business operations and with stakeholder interactions (Commission of the European Communities 2002). So managerial cognition and managerial action through effective stakeholder consultations and engagement are core to effective CSR enactment.

Business activities have been rooted in the Middle Eastern culture across history, mainly through trade being a core aspect of business practice. The Middle East region acts as a geographical link between three continents and different cultures (Seghir 2017). In recent years, CSR practice has caught traction in the Middle East and North Africa (MENA) region through the sharing of best practices with globalization and increasing interest by local businesses (Kassis and Majaj 2012). This process of diffusion of Western CSR meaning and practices escalated in recent years with the rise of social media, education in the area of CSR, greater demands for accountability, and sustainable human development (Azzi and Azoury 2017; Seghir 2017; Kassis and Majaj 2012). Businesses increasingly recognize that they no longer have the sole purpose of commercial activity and maximizing shareholder benefits but are rather being held increasingly accountable for responsibility and inclusiveness agendas (Seghir 2017; Mellahi et al. 2016). This has caused a shift in company evaluation from only considering economic metrics to including social investments and corporate citizenship at the heart of the business (Kassis and Majaj 2012). CSR has become an important aspect of business practice and a competitive differentiator where companies are communicating their CSR practices through their marketing strategies to strengthen brand image, cement their bond with local communities, and pursue higher financial performance and long-term profits (Azzi and Azoury 2017).

To study managerial perspectives of CSR in the Middle East, Jamali, Sidani, and El-Asmar (2008) suggest a two-paradigm characterization of CSR perspectives, adapted from Quazi and O'Brien (2000), entailing classical versus modern perspectives. The modern paradigm views corporations as intentional acting agents that bear duties on a corporate scale making CSR an essential component of business success on economic, legal, ethical, and philanthropic measures (Jamali and Sidani 2008; Jamali et al. 2008). In contrast, the classical paradigm perceives a corporation as a legal entity with merely two obligations—to generate wealth and follow relevant business regulations; in the classical paradigm, social issues are the purview of the state and CSR practice becomes conflicting to sound business practice (Jamali and Sidani 2008; Jamali et al. 2008). The results highlight the high representation of the modern outlook of CSR through their sample of Middle East business managers, underlining the augmented awareness of CSR and social welfare among managers in the Middle Eastern context. Carroll (1991) outlines, in a corporate social responsibility pyramid, four main categories of corporate responsibilities that constitute CSR based on concepts of wealth maximization, legal requirements, responsible decision-making, and human welfare; these responsibilities span economic, legal, ethical, and philanthropic domains.

Corporations take time and practice to develop and advance such an inclusive set of responsibilities (Azzi and Azoury 2017), and business development through this journey is fueled by public pressure, company culture, competition, and the role of governments and media (Azzi and Azoury 2017). CSR usually starts out due to public criticism against corporations to do no harm and, through a multiphase process, can gradually evolve into a do-good approach with goals of local development and reduction of poverty (Barsoum and Refaat 2015). As outlined by Azzi and Azoury (2017), the first of these stages is a defensive reaction to public criticism with denying statements from legal and communication departments; then the compliance stage entails managers responding with decisions and actions aimed to reduce risk of legal lawsuits and bad reputation. The managerial stage follows where the realization of inadequate compliance leads to long-term planning and investments for responsible engagement (Azzi and Azoury 2017). The fourth and strategic stage entails assimilating social issues with the core strategies of a business to gain competitive advantage and added value (Azzi and Azoury 2017). Lastly, the civil stage is when a business contributes in a meaningful way to social and environmental initiatives (Azzi and Azoury 2017). These stages closely relate with the corporate responsibility pyramid that sets an inclusive framework for businesses undergoing changes toward corporate citizenship (Fig. 4.1). However, the theoretical inferences outlined above that characterize perceptions and stages of CSR are closely tied with developed country contexts, paradigms, nuances, and meanings focused on national economic growth and efficiency as presented by mainstream business literature, which does not necessarily reflect the complex evolution of CSR in developing world contexts (Jamali and Karam 2016). Indeed, the Middle East comprises distinct contexts for CSR analysis and peculiar expressions that differ from Western connotations and are generally understudied and not sufficiently explored and understood.

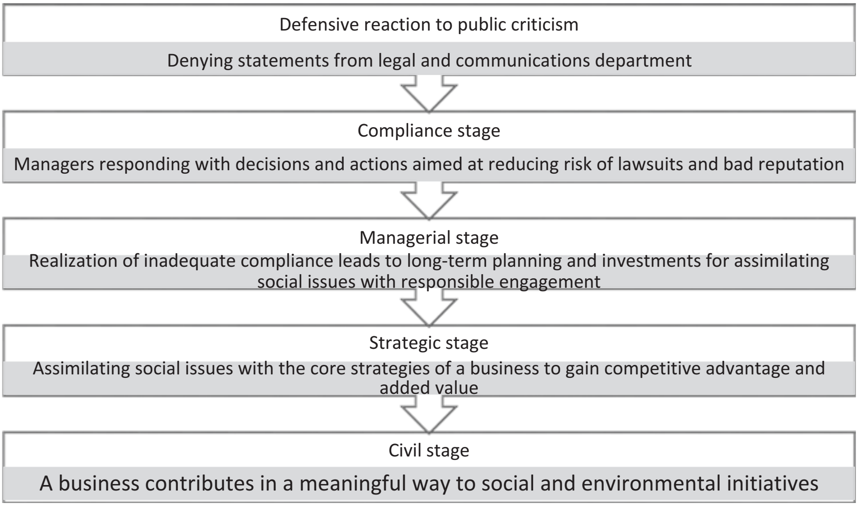

Fig. 4.1 Five-stage transformation into a socially responsible organization (Azzi and Azoury 2017)

Western-Centric CSR Norms

Western-centric CSR notions and connotations are referred to as Generalized Assumptive Logics. The fundamental building blocks of these logics are different systems of government that are salient in developed countries. These systems are composed of well-developed governance systems that link different broad institutional arrangements (Kang and Moon 2012) (Table 4.1). Generalized Assumptive Logics are closely linked to configurations of national business systems (NBS) that are common to the Global North (Jamali et al. 2017). In contrast, the developing world is characterized with political, social, historical, cultural, and socioeconomic diversities that allow for a wide range of CSR expressions, especially in the Middle East, providing incentives for a closer examination of nuanced CSR manifestations (Jamali et al. 2017). For instance, in Nigeria, Lebanon, China, and India, there exist high levels of perceived corruption (Jamali et al. 2017). Therefore, a nuanced analysis of CSR is needed outside developed world contexts, allowing for in-depth explanation of local specificities and giving space for a broad scope of analysis

Table 4.1 Generalized Assumptive Logics within institutional order (Jamali et al. 2017)

Institutional order	Western Generalized Assumptive Logic
CSR-State	CSR is regulated through some form of government apparatus reflective of consensus around national norms of proper governance of responsible business
CSR-Market	CSR as a tool for economic value creation or interpreted as beyond the scope of market dynamics
CSR-Corporation	Corporation is an integral part of the market; CSR is a central tool or facilitator of neoliberal market economics
CSR-Profession	Inspired by Western standards of professionalism, there are best practices for CSR that can serve as a global benchmark
CSR-Family	CSR related to nuclear family relational dynamics and patterns of obligation
CSR-Religion	CSR linked to moral, spiritual, and religious values and beliefs founded largely within Judeo-Christian traditions

and comparison, moving away from global templates and traditional or universal categories of CSR expressions (Jamali et al. 2017). Specifically, an in-depth understanding of the diffusion of Generalized Assumptive Logics of CSR into incoherent NBS is necessary (Jamali et al. 2017). This is particularly important in the context of rather weak political and social structures and incompetent governmental provision that predominates across the majority of the Middle Eastern region (Najjar 2017).

This chapter examines the application of CSR, its meaning and practices as adopted or adapted in developing world contexts, and specifically salient CSR Logics in the MENA region where peculiar or incoherent NBS are prevalent. This chapter provides a nuanced understanding of CSR Logics in MENA with an analysis of CSR expressions and connotations across different countries and subregions. Each nation has a set of institutional logics that form the dominant logics within each system of meaning; these dominant logics interact to create a unique combination of institutional order logics. Logics pertaining to CSR interact with local institutional logics of state, corporation, family, and religion and amalgamate with Generalized Assumptive Logics of Western CSR to create nuanced applications through CSR-institutional order interfaces (Jamali et al. 2017). Therefore, CSR Logics are invariably shaped by the salient institutional logics in context and interact in complex ways with Western best practice CSR Logics to shape CSR expressions and configurations in the MENA region (Jamali et al. 2017).

The institutional logics perspective is a meaningful conceptual framework to conceptualize the interrelationships between institutions and the decision-making agents and the choice patterns by actors in organizations (see also Jamali et al. 2017). Thornton et al. (2012) discussed this approach in detail and defined institutional logics as the constellation of social and historical factors and cultural values and material practices by which organizations and individuals find meaning in daily actions and experiences. Friedland and Alford (1991) define institutional orders that are used to study CSR diffusion, translation, and adaptation. The institutional order of the state is dedicated to governance and policymaking and translating various issues into majority consensus; the market institutional order is concerned with the aggregation, categorization, and pricing of human activities; the institutional order of the corporation sets skills and knowledge for a hierarchal structured performance; the institutional order of professions set standards for professional ethics through codes of conduct, usually put forth by external entities; the institutional order of family is dedicated to looking after the interest of family members; and the institutional order of religion sets moral values for action and understanding of the world (Friedland and Alford 1991).

Global challenges affect developing countries through institutional logics within the various institutional orders. The global conversation around CSR is situated within Western developed frames of reference. As a result, global challenges make their way into Western discussions around CSR, thus editing and shaping the global assumptive logics (Jamali et al. 2017). These global assumptive logics, shaped by global challenges, then diffuse to developing countries, undergoing transformation and adaption in the process. The following sections provide an overview of the most relevant and salient logics in the Middle Eastern context relating to state, corporation, family, and religion institutional logics and how they interact with and shape CSR-related logics in the MENA region.

Capitalizing on an institutional logics approach coupled with the Scandinavian literature on the circulation of ideas, Jamali et al. (2017)

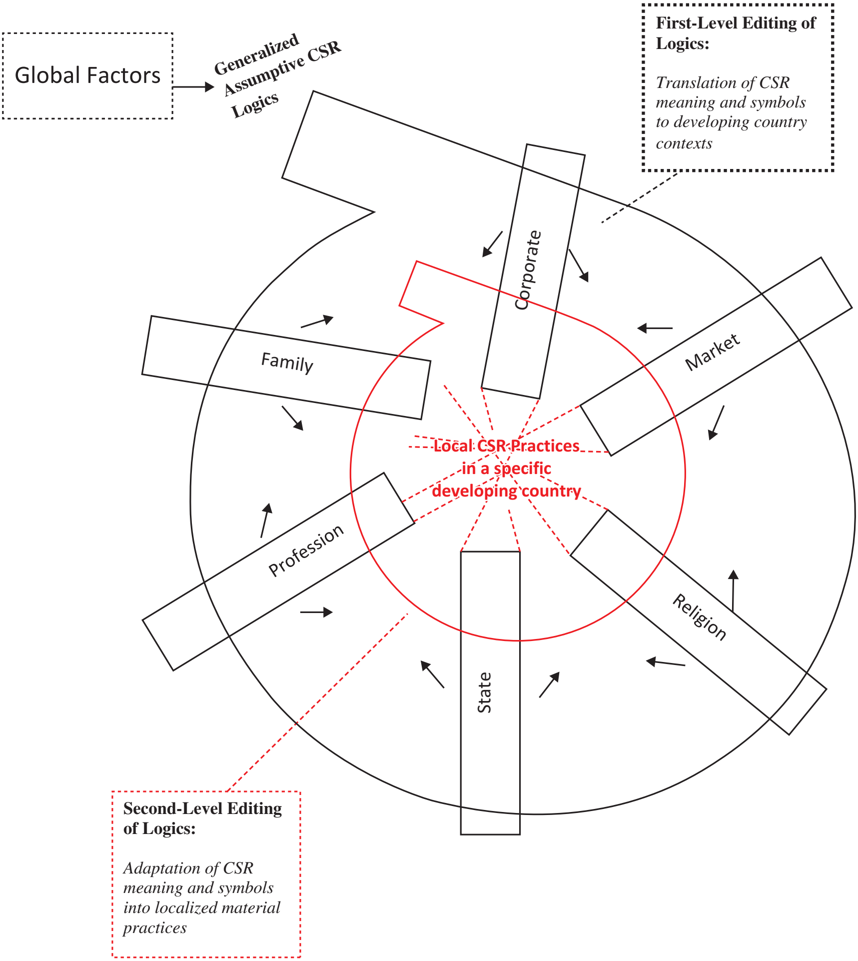

Fig. 4.2 Two-step editing process of CSR meaning and practices (Jamali et al. 2017)

present a dynamic and iterative process of translation and adaptation of CSR Logics in developing world contexts as outlined in Fig. 4.2. The translation process shapes the dominant Generalized Assumptive Logics of each CSR-institutional order interface, the interface between CSR and the six aforementioned institutional orders, for greater local relevance and meanings in developing world contexts (Jamali et al. 2017). The second step, adaptation, is where specific connotations and practices are differentially applied to the realities of specific local arrangements of institutional orders; the constellation of institutions and logics in a specific country allows for refined variations and stratifications (Jamali et al. 2017). The Scandinavian tradition of neo-institutionalism helps capture the nuanced complexities of CSR in developing countries, as it moves away from simple diffusion of meaning and practice and calls for a dynamic and iterative approach to capture the process by which ideas are localized and transformed in a specific setting (Jamali et al. 2017).

Methodology

The MENA region consists of around 24 countries with unique political, social, and economic states that reflect the diversity found across the region. There is no standardized definition of MENA and what specific sovereign states are included; different authors and organizations may include or exclude some countries from their analysis. The term Arab World refers to the Arab states in MENA; however, the region also includes some non-Arab countries such as Iran and Turkey forming a rich landscape and geographical collection of various institutional orders and logics. For the purpose of this analysis, we categorize the region into clusters based on socioeconomic measures, specifically the Human Development Index (HDI) that reports on health, education, income, and other socioeconomic measures for each country. HDI was used as the primary metric for cluster analysis in order to capture the unique social, political, and economic differences that exist across the region. Two countries may have many similarities, but different scores in the HDI can indicate unique attributes that may influence local manifestations of CSR. Our categorization uses 19 countries listed in Table 4.2 from highest to lowest HDI as reported by UNDP (2016). This categorization provides a framework of comparison and classification of CSR expressions across these clusters of MENA countries.

The first category of countries with very high HDI measures forms the GCC cluster with the exception of Oman. However, the HDI of Oman is 0.796, which is only a 0.004 difference from the threshold of this

Table 4.2 Categorization of MENA countries

UNDP classification	Country	Category
Very High HDI	Bahrain	GCC
	Saudi Arabia	
	United Arab Emirates (UAE)	
	Qatar	
	Kuwait	
High HDI	Oman	
	Iran	Middle-HDI MENA
	Turkey	
	Lebanon	
	Algeria	
	Jordan	
	Tunisia	
	World Average	
	Libya	
Medium and Low HDI	Egypt	
	Palestine	Low-HDI MENA
	Iraq	
	Morocco	
	Syria	
	Yemen	

grouping. Therefore, it is clustered and analyzed with the other GCC countries and, as such, the first category includes Qatar, Saudi Arabia, UAE, Bahrain, Kuwait, and Oman. The second grouping includes high-HDI countries to which we added Egypt, given that it ranks closely to Libya on HDI measures. The third cluster is the medium-HDI countries, which include Palestine, Iraq, and Morocco. The last cluster encompasses the low-HDI MENA countries and includes Syria and Yemen. For purposes of our analysis in this chapter, we lumped the medium- and low-HDI countries together into one cluster to simplify the clustering and subsequent analysis; refer to Table 4.2. Note that literature on CSR is scant and not readily available for the lowest HDI countries, and hence another rationale for this specific clustering is presented in Table 4.2.

Through an inductive approach to content analysis, sources were analyzed to extract qualitative data on specific CSR Logics identified for each country and inferences were drawn for clusters across MENA. Political, economic, and social systems are complex and diverse in the MENA region; while some logics and social issues are shared across MENA, others are cluster or country dependent. For example, issues of gender equality and worker rights are generally common across several developing world contexts. In contrast, socioeconomic differences exist between different nations across the Arab and non-Arab Middle East and create peculiar amalgamations of institutional orders and unique CSR expressions. For instance, the GCC region contains most of the oil and natural gas preserves in the MENA; they have the highest per capita CO_2 emissions in the world and are therefore liable to local environmental challenges (World Bank 2016). On the other hand, the GCC has been relatively successful in improving social welfare by increasing human development outcomes such as life expectancy, income, and adult literacy; these remain pressing challenges in other parts of the Middle East, the high and medium-HDI MENA, and particularly in the least developed Middle Eastern countries. Therefore, there are institution-specific logics across MENA clusters that will in turn shape CSR Logics in peculiar ways. This interaction of institutional logics and CSR Logics across the clustered MENA countries is further analyzed and fleshed out below.

State-CSR Logics: Supportive, Non-supportive, or Neutral?

The State in Western contexts generally provides proper governance and regulatory systems that also incentivize and govern the practice of CSR, which tend to be generally lacking in the developing world. For instance, countries in Europe or Northern America have prominent governmental bodies that could provide proper CSR incentives, opportunities, and monitoring to regulate and promote its application (Jamali et al. 2017), meanwhile developing contexts are generally characterized with feeble political and social organizations and inept governance (Najjar 2017). Hence, the way CSR manifests itself is expected to be different in complex, corrupted, and changing norms of governance (Jamali et al. 2017). The adaptations of State-CSR Logics into the MENA region can be identified through literature, and the complex governance systems available are likely to create heterogeneity in the region. However, we can discern supportive, non-supportive, and neutral State-CSR Logics, as they are adapted across specific MENA clusters.

Supportive State-CSR Logics can be seen, for example, through the GCC that has made systematic efforts in recent years to promote water and energy efficiency, through setting higher standards for development projects and supporting sustainable development (Najjar 2017). Other authors refer to governmental organizations in the region that are introducing policies to support initiatives raising awareness about CSR and in some cases applying tax reductions for corporations enacting CSR strategies (Azzi and Azoury 2017). In the United Arab Emirates (UAE), the Government of Dubai has made efforts to regulate CSR activities through the Community Development Authority (CDA), particularly through the Department of Investment and Social Responsibility that aims to bridge the gap between the private sector and other societal actors promoting sustainable development (CDA 2017). Indeed, by 2018, CDA launched an online platform, which operates as a direct link between the private sector and the local community, with tax incentive options currently under discussion (CDA 2017). Additionally, the UAE Ministry of Economy (2017) developed a smart platform that contains projects, initiatives, and the government's development strategy in order to support CSR and to push for sustainable development. Other initiatives in the UAE include the Dubai Chamber CSR Label that provides adopters with a voluntary set of CSR standards as well as feedback on their strategy ("Dubai Chamber" n.d.). The government of Oman has also laid down a national socioeconomic development plan that aims to garner tri-sector collaborations and partnerships between the state, private sector, and nonprofits to achieve the 'Vision 2020' goals such as poverty alleviation and other social welfare targets (Minnee et al. 2013). Moreover, the Saudi Arabian government has emphasized the importance of CSR in light of the Arab Spring emergence in 2010–11; CSR has transformed from an economic necessity into a political priority in the Kingdom (Ali and Al-Aali 2012). In Kuwait and Bahrain, research on CSR practices is still limited; however, as reported by Trans-Arabian Creative Communications Services (2004), one example pertains to how the Kuwait Ministry of Education and the Bahraini Ministry of Education collaborated with Microsoft to enhance computer learning and utilization in public schools.

Table 4.3 Examples of State-CSR Logics in the GCC cluster

Cluster	Country	Examples of State-CSR Logics
GCC	UAE	Online platforms linking private sector and local community
		Online platform that lists projects, initiatives, and the government's development strategy
		CSR label that provides adopters with set of CSR standards and feedback on their CSR strategy
	Qatar	Created semi-governmental organizations that aid and encourage social welfare and philanthropy
		Set up Qatar National Vision 2020 that includes sustainability goals
	Oman	Set up national socioeconomic development plan that aims to create collaboration between private sector, public sector, and the state
	Saudi	Emphasize CSR as a political priority, given the Arab Spring
	Kuwait	Collaborated with Microsoft to encourage computer learning in public schools
	Bahrain	Collaborated with Microsoft to encourage computer learning in public schools

This initiative shows the state's role in promoting CSR activities through private-public partnerships (Table 4.3).

In middle-HDI MENA countries, there are salient factors affecting institutional CSR precursors at the state level such as international treaties and external institutional forces, driving national regulatory agendas by the state as seen in Turkey and Iran (Ascigil 2010). However, across these countries, we also note deficiencies in properly implementing CSR policies and regulations, such as in Lebanon and Jordan (Jamali et al. 2017); this ambiguity in CSR regulations could also be salient across other middle-HDI MENA countries that lack proper governance and efficient regulatory bodies. For example, Tunisia, as the only emerging country from the Arab spring, is building a new democracy with major reforms; however, State-CSR regulation or promotion remains nonexistent, with some efforts seen by non-governmental organizations (NGOs) such as the Arab Institute of Business Leaders to promote proper corporate social and environmental reporting (Chakroun et al. 2017). Therefore, neutral CSR Logics are evident in middle-HDI MENA countries through a laissez faire approach and the lack of initiatives for cooperation and efficient CSR regulation. Jamali (2009) identifies the important role of Lebanese public-private relationships by reexamining state-business partnerships and casting doubt on state capabilities to solve social issues without the help of the private sector. Despite the urgent need for reforms in Lebanon, the weak governmental bodies have left most social challenges unaddressed and with no strategy for the 25 percent increase in population due to the hosting of Syrian refugees (World Bank 2016). Many authors have turned their attention to the urgency for economic, social, and political reform in middle- and low-HDI MENA to address local development issues (Najjar 2017); the need to bridge the gap between business and government through cooperation and coordination of the two sectors; and to ensure the inclusiveness of citizens (Jamali et al. 2008; Seghir 2017). Neutral expressions of State-CSR Logics are thus identified through this lack of state involvement in critical social issues in middle-HDI MENA cluster and the lack of serious efforts to promote or incentivize CSR or for promoting collaborations across sectors for sustainable development. For instance, Seghir (2017) characterizes the public, private, and civil society sectors in Egypt as adversaries, calling for the need to coordinate for sustainable goals where civil society initiatives have the potential to act as a bridge to insights from local communities (Seghir 2017). Seghir (2017) also notes that middle-HDI countries are obsessively focused on economic performance through monitoring gross domestic product (GDP) or foreign direct investment (FDI) metrics; this prevalent economic outlook is exclusive in nature and supersedes issues of sustainability, corruption, poverty, and inequality. Yet it is important to note that the Arab Spring, for instance, occurred in countries with good economic growth based on the traditional economic metrics (Seghir 2017). Seghir (2017) also calls for the need for proper policies to regulate CSR, with transparent procedures and enforcement as a main concern throughout the middle-HDI countries in the region. Furthermore, in middle-HDI MENA, there exists a need for robust governance systems for CSR activities due to the absence of environmental and community protective laws (Jamali et al. 2008) (Table 4.4).

In low-HDI MENA, the lack of information limits findings and inferences we can draw pertaining to this cluster. However, specific State-CSR Logics can be remotely discerned. In prewar Syria, the government has attempted to promote CSR through collaborating with the United

Table 4.4 Examples of State-CSR Logics in the middle-HDI MENA cluster

Cluster	Country	Examples of State-CSR Logics
Middle-HDI MENA	Lebanon	Weak governmental bodies left most social challenges unaddressed
		No strategy for 25 percent increase in population due to Syrian refugees
	Tunisia	No State-CSR regulation and promotion
		CSR is promoted by NGOs and Arab Institute of Business Leaders
	Egypt	Private, public, and civil society sectors are characterized as adversaries
		There is a need to coordinate for sustainable goals

Nations Development Programme (UNDP) to introduce a chapter of the UN Global Compact around mid-2000s; nevertheless, according to Selvik (2013), government initiatives underline a hidden agenda by the state to adapt to the changing social, political, and economic trends and produce new frameworks of authoritarian domination. On the other hand, limited initiatives to regulate CSR exist in Morocco where the Confederation of Moroccan Enterprises acts as an institutional driver for CSR commitment and reporting (Elbaz and Laguir 2014). Across the low-HDI MENA cluster, most countries have been through or are currently through war and external or internal conflicts, such as in Palestine, Syria, Iraq, Yemen, and Sudan. This greatly affects business development and progress of CSR practices in these countries. Palestine has been under permanent Israeli occupation and in a state of war for decades and consequently has an unstructured government with a feeble legal system. However, a vague notion of CSR can be seen as gaining traction in a sketchy way, for example, the security exchange market in Palestine laid down voluntary principles for corporate governance based on international standards (Barakat et al. 2015). In Yemen, the government showed supportive CSR Logics in 1995 by enacting several laws promoting worker rights in line with social responsibilities such as providing jobs for minority groups, especially women and people with disabilities (Al-Samman and Al-Nashmi 2016). However, there is a pressing need for an integration process between all sectors in Yemen, to reach awareness and successful implementation of CSR concepts (Al-Samman and Al-Nashmi 2016).

Corporation-CSR Logics: Business Case Versus Development Logics?

The corporation is an integral aspect of the market and a significant tool for market economics; therefore, it closely relates with market Logics. Corporations conducting CSR activities that are based on Western logics often undertake these activities as a means to maximize profits and to further achieve market integration (Jamali et al. 2017). The Logics pertaining to Corporation/Market-CSR are diffused and translated into the developing world to create peculiar and differentiated CSR Logics across different MENA clusters. Yet it is possible to discern two categories of Corporation-CSR Logics across two types of corporate actors in MENA, namely, multinational corporations (MNCs) and small and medium enterprises (SMEs). SMEs, which are mostly family businesses (Samara and Berbegal-Mirabent 2018), form the backbone of developing economies. Their contribution to CSR is equally as important (Samara et al., 2017). SMEs receive donor funds and can act as suppliers for international companies (Jamali and Tarazi 2012). Thus, their CSR practices are affected by domestic and foreign trends. SME and MNC adaptations of the CSR-Corporate Logics in the MENA region are discussed next.

Two opposite Corporation-CSR Logics can be differentiated through looking at the literature, namely, the Business Case Logics and the Development Logics. The business case focuses on whether it pays off for business to engage in CSR through 'creating a shared value' for all stakeholders and integrating it with business operations, competition, and profitability (Barsoum and Refaat 2015); this is an expression of the first Logic where corporations match the hegemonic patterns of Western corporate dominance through standardized strategies (Jamali et al. 2017). The business case, however, fails to effectively bridge the gap between business and society and is differentiated from a development outlook or Logic, where societal needs and development goals are placed at the heart of business operations (Barsoum and Refaat 2015). This CSR Logic transpires through MNCs when they follow standardized strategies, usually through a framework set by regional or main headquarters. SMEs can also follow this Logic if their CSR activities are not properly planned to aid local development. In fact, societies in the Middle East may resent philanthropic efforts if they are done as a pure public relations (PR) exercise. These efforts are particularly criticized for being sporadic and small scale (Barsoum and Refaat 2015). As a result, a developmental focus on CSR can provide positive societal impact by consolidating CSR efforts and focusing on continued support for substantive development issues.

In this way, the Development Logic focuses on 'good development' and sustainability by aligning CSR with the core of business activities (Barsoum and Refaat 2015). This Logic manifests itself with corporations attempting to aid welfare and social development; it is also coupled with Logic expressions where collaboration with multiple local stakeholders occurs to help identify social issues and build more effective CSR strategies to better serve the local communities. MNCs could develop localized CSR strategies to do just that; in consultation with multiple stakeholders for a more locally responsive approach, but this is sometimes fragmented, and lacking in accountability (Jamali 2010). On the other hand, SMEs are more locally attuned than MNCs and organically tend to exhibit a more developmental strategy in their CSR practices to better serve local communities. For example, in Egypt, practitioners assert that the secular notion of CSR need not be borrowed from global MNCs, as it is considered more sincere and authentic when practiced by local SMEs as a cultural tradition; the standardized MNC version of CSR is seen in Egypt as alien and not context dependent, giving CSR a transnational dynamic (Barsoum and Refaat 2015). SMEs tend to practice informal CSR activities that are commonly referred to as 'silent CSR', which are of great significance as SME managers have more autonomy over business activities than MNCs and an ability to address pressing social needs as they are positioned closer to local communities (Jamali and Tarazi 2012).

The Business Case Logic is often translated through a standardizing Corporate-CSR Logic that is more salient across MNCs operating in middle-HDI MENA such as Lebanon and Jordan (Jamali 2010), where a proactive, integrated approach and community-anchored approach tends to be missing. These strategies are also seen in Lebanon and Egypt, where MNCs are not sufficiently attuned to the local context of poverty, unemployment, and the needs of non-business stakeholders and where CSR is discounted to just a PR or marketing utilitarianism (Barsoum and Refaat 2015; Jamali 2010). Barsoum and Refaat (2015) conducted a study involving key players in the CSR field in Egypt, mainly MNC subsidiaries and international NGO personnel. The key findings on the Egyptian CSR arena support the fact that MNCs apply CSR as a pure marketing tool where most of them spend more on communicating their CSR activity than on the activity itself with lack of obligation and authentic responsibility (Barsoum and Refaat 2015). Similarly, in Turkey and Iran, MNC subsidiaries follow headquarter guidelines for CSR and adopt standardized global strategies when forming their CSR activities (Ilhan-Nas et al. 2015). In Turkey, MNCs drive a standardized CSR strategy to strengthen brand image and company reputation (Öksüz and Görpe 2014). Different institutional pressures motivate the Libyan MNC CSR arena in light of major political unrest during the Arab Spring but are still comparable to other cases in middle-HDI cluster (Pratten and Abdulhamid Mashat 2009). During the Qadhafi rule, MNCs in Libya invested in creating social ties with bureaucrats or the Qadhafi family to earn local legitimacy with the state; however, the overthrow created an urgency to garner social legitimacy by investing in post-transition social-benefit projects as a critical survival strategy, where MNCs with former CSR activities had better chances of survival (Sidki and Hill 2016). The Libyan MNC case is thus analogous to other countries in the middle-HDI cluster as it falls under the business case for CSR; the underlying agenda is to gain legitimacy with little to no focus on aiding social welfare and local development (Elmogla et al. 2015).

Conversely and ironically, we see more Developmental Corporation-CSR Logics in high-HDI countries, the GCC cluster, that aim to aid social welfare and sustainable development by crafting responsive local CSR strategies addressing the challenges faced by local communities. For example, the Government of Oman has outlined a socioeconomic development strategy by enacting collaborations between several sectors to promote national competitiveness and social equality and is thus exerting a considerable effort to promote more Developmental Corporation-CSR Logics (Minnee et al. 2013). MNCs in Oman follow a philanthropic

CSR practice mixed with strategic forms of giving to align with the state's development goal and vision (Minnee et al. 2013). Furthermore, a study by Ali and Al-Aali (2012) traces the development of CSR perceptions in Saudi Arabia where executives conform to a broad scope of CSR that transcends beyond philanthropic traditions, aligning in turn with governmental directives on promoting corporate citizenship. Kirat (2015) highlights the growth of CSR in Qatar where developmental goals are placed at the core of CSR activities; however, strategic planning is still missing in Qatar, and activities are limited to areas of health, education, environment, and sports. Ronnegard (2010) on CSR in the UAE (as referenced by Kassis and Majaj 2012) asserts that although MNCs participate in CSR activities that are distinguishable from endogenous philanthropic traditions, they are often inspired by local practices, and that there are salient patterns of local isomorphism.

In low-HDI MENA countries, there is a lack of CSR studies; however, standardizing CSR strategies is salient as a CSR Logic in some low-HDI countries such as prewar Syria (Jamali 2010). Selvik (2013) claims that Syrian companies rarely have coherent strategies and mostly apply philanthropic initiatives to sponsor NGOs, individuals, or governmental institutions. In Morocco, Lagoarde-Segot (2011) asserts that, similar to middle-HDI countries in the region, MNCs' CSR strategies follow international frameworks and regulatory systems to garner legitimacy and achieve global competitiveness. On the other hand, private initiatives to regulate CSR exist in Morocco; the Confederation of Moroccan Enterprises awards a CSR certification to Moroccan companies that are committed to CSR principles where this label provides private companies with several benefits including 'customs, taxes, social insurance, and credit facilities' (Elbaz and Laguir 2014). However, awareness and commitment of Moroccan companies to CSR remain inadequate as business leaders do not regard CSR as instrumental to economic performance (Elbaz and Laguir 2014).

Family/Religion-CSR Logics—Supportive, Non-supportive, or Neutral?

Religion plays a major role in CSR in the region where Islam and Christianity coexist, and both encourage charitable activities. The ancient philanthropic practices have evolved over time, but the fundamental concept that businesses and individuals both have social responsibilities have remained perpetual (Kassis and Majaj 2012). These deeply rooted beliefs and practices significantly augment Logics of CSR, mainly due to the dominance of family-owned businesses (Azzi and Azoury 2017). Indeed, family businesses constitute 80 percent of companies in the Middle East, employing 50 percent of the regional work force (Seghir 2017). Due to the close relations between Religion-CSR and Family-CSR Logics in MENA, both are discussed in this section, with differences fleshed out across different Middle Eastern clusters.

Family institutional order in the Middle East builds on close relations and priority accorded to helping family members and relational in-group; this is the first expression of Family-CSR interface Logics. Kassis and Majaj (2012) mention the common practice of managers advocating for the support of philanthropy toward issues they associate with socially or culturally. The family values usually transfer into the policies and practices developed and implemented by SMEs in the region; hence, another Family-CSR Logic expression is when the head of a family business has most of the decision-making power in allocating resources for CSR (Jamali et al. 2017). As mentioned earlier, low-HDI MENA cluster lacks research in the field of CSR; however, in Morocco, a study by Elbaz and Laguir (2014) shows a positive supportive involvement of family businesses in CSR to garner public legitimacy and good reputation. Moreover, the study indicated that family business members act as stewards in their business practices by supporting employees and enhancing employee collaborations to fulfill organizational goals (Elbaz and Laguir 2014).

In middle-HDI MENA, studies show the importance of personal managerial values in driving CSR strategies, as well as the management of social networks, which include in-group relations; this is evident in Turkey and Iran (Farook et al. 2011). Most of the companies in MENA are family-owned businesses; this is exceptionally true in Lebanon (Azzi and Azoury 2017). Therefore, SMEs in Lebanon are greatly influenced by the vision and religious or secular moral orientation of the family founding member or manager. Furthermore, in Lebanon and Jordan, ownership structure of an organization greatly affects its CSR activities (Jamali et al. 2010). However, cultural attitudes to familial structures across MENA indicate the high importance of extended family, tribe, and village relations along with the prominence of sectarianism, regionalism, and confessionalism as evident in middle-HDI countries, specifically Libya (Agnaia 1997), Egypt (Mohamed and Mohamad 2011), and Lebanon (Ariss and Sidani 2016). Therefore, the Family-CSR Logic is often complicated by nepotism and discrimination where personal relationships or religious affiliations play a significant role in business decisions and career promotions (Agnaia 1997; Ariss and Sidani 2016).

Religion-CSR Logics, on the other hand, are more salient across CSR activities in the GCC region. The sociopolitical context of the GCC makes Islam a significant antecedent for CSR as the region holds high reverence to Islamic values and principles, and CSR still stems from philanthropic religious traditions. Logic expressions for 'specific religious doctrines guiding CSR' exist in this cluster (Jamali et al. 2017); an obligatory religious philanthropy tradition persists among cases of voluntary secular CSR practices. Therefore, across GCC countries, companies are operating within a national commitment to Islamic Sharia Law, especially in Saudi Arabia. Qatar also has prevalent Religion-CSR Logics, especially among Muslim practitioners (Gualtieri and Topić 2016). Religious philanthropic CSR is also practiced in Oman and at times mixed with a systematic CSR strategy integrating societal, environmental, and economic issues (Minnee et al. 2013). This makes Islamic philanthropic CSR practices salient in GCC; however, with globalization and liberalization, there is a growing pressure to align with international CSR regulations, creating voluntary secular expressions of CSR (Jenkins and Karanikola 2014). For instance, a study by Rashid et al. (2013) showed how Islamic banks in Saudi Arabia are moving away from Islamic banking principles and endorsing a customer-centric secular banking philosophy that is internationally prevalent throughout the industry. This implies that Islamic traditions are slowly amalgamating with secular practices that, unlike MNC strategies, are more localized and context specific. Furthermore, studies have shown that nations with an Islamic Sharia provision and high Muslim populations are exhibiting improved CSR activities (Farook et al. 2011). Nonetheless, proper and transparent CSR reporting is still a pressing challenge in GCC countries (Farook et al. 2011). More than 90 percent of businesses in Dubai do not embrace proper auditing and reporting on CSR (Rettab et al. 2009).

In middle-HDI MENA, there is less importance accorded to Islam through the literature in contrast with the GCC cluster. For instance, in Turkey and Iran, Religion-CSR Logics are less salient. Iran is an Islamic State and although Turkey is constitutionally secular, it is ruled by the Muslim Brotherhood; nonetheless, we see less affinity to CSR-Islamic Logics in these countries (Farook et al. 2011). This is not necessarily due to cultural differences between Arab and non-Arab Middle Eastern cultures. Indeed, even across Arab countries, there is heterogeneity in the importance of Islamic CSR Logics. Commonly throughout middle-HDI MENA, there are fewer occurrences for Religion-CSR Logics through literature with some relevance of religious CSR Logics in the context of Jordan (Bella and Al-Fayoumi 2016).

In low-HDI MENA, religious philanthropy practiced by companies is also less salient than in the GCC cluster, but some cases prevail in the Syrian prewar arena. Syrian Muslim managers during interviews conducted by Selvik (2013) took pride in their religious affiliations and the guiding principles Islam proposes for business activity. Similarly, in Yemen, the major form of CSR is as charitable donations in fulfillment of religious obligations to the community (Al-Samman and Al-Nashmi 2016). In other low-HDI countries such as in Morocco, corporate compliance to laws and regulations is considered as a CSR expression; this establishes CSR under a legal nonreligious framework, contrary to the findings in GCC (Lagoarde-Segot 2011).

Generally, religion plays a significant role in driving local philanthropic activities embedded in a cultural tradition that propagated through generations. Contrary to popular assumptions, diversity exists in the MENA region through the spectrum of institutional Logics, with regard to the importance of religion as an antecedent of CSR in business activities. In the GCC, expressions of religious giving as a form of CSR philanthropy are salient in non-free-trade zones, while increasingly coexisting with secular CSR expressions and norms as inspired by international standards and evident in Saudi Arabia and Oman. In contrast, religion is less of a driving force for CSR in middle- to low-HDI countries such as Lebanon, Jordan, Iran, Turkey, and Morocco. Regardless of religious affiliations, CSR ought to gradually evolve as a legitimate business and professional practice and a responsibility toward multiple stakeholders (Azzi and Azoury 2017).

Concluding Remarks

The Middle East is characterized with a diverse set of cultures, traditions, practices, and systems of meaning that translate into varied combinations of institutional logics across nations. Each country has a unique and peculiar social, economic, and political structure framing CSR practices with localized flavors and connotations. CSR has evolved in the region in recent years due to MNC subsidiaries bringing Western Assumptive Logics of CSR into light in local contexts. However due to the endogenous philanthropic traditions that are salient across many countries in the region, Western logics get translated and adapted for more relevance, and this allows for specific CSR Logics and categories to emerge. In this regard, this chapter highlights the main CSR-Order interfaces in the Middle East and their accompanying logics; the translated Western logics are adapted and reframed in each country in light of the specific institutional dynamics shaping this adaptation.

In the context of GCC countries, the state has specific supportive CSR Logics to promote and incentivize CSR. MNCs in the GCC cluster are generally following local strategies to aid social development, alongside cases of traditional philanthropic cultural practices tied in with religious beliefs. MNCs in the GCC cluster have more resources to allocate to CSR and hence report better practices than SMEs. Ironically, the approach of MNCs seems to differ across MENA clusters, with more of a business case approach to CSR in the less endowed middle- and low-income MENA countries. In contrast, in the middle-HDI cluster SMEs seem to be involved in CSR through a mostly developmental logic.

Moreover, religious CSR Logics, while predominant in the GCC region, are less prevalent across other clusters, while family-led decision-making and family CSR Logics are most salient in middle-HDI countries.

In low-HDI MENA countries, the limited studies on CSR offer little ground for general conclusions. However, several logics outlined are also salient across the low-HDI cluster, such as in Palestine, Syria, Morocco, and Yemen. CSR initiatives and research in low-HDI MENA countries are scarce with significant divergence presented in our findings. For instance, religious CSR practices are salient in Yemen and prewar Syria, but Morocco has a State-Legal Logic to CSR that seems lacking among other low-HDI countries in MENA. Moreover, standardized business case CSR Logics are salient in Morocco and prewar Syria as compared to more developmental SME logics even in low-HDI cluster. In terms of State-CSR Logics, governments across this cluster have made fragmented and insufficient attempts at incentivizing CSR practices, with social development still a main challenge faced by communities in this cluster.

While this book chapter provides a preliminary excursion into discerning variations in CSR across the MENA region using institutional theory and an institutional lens, much more remains to be done to gain a better understanding of how CSR is adapted differentially in local contexts. However, what is clear from the analysis presented in this chapter is that through the institutional logics lens and circulation of ideas frameworks, we are able to better track and document the myriad forms of cultural connotations and knowledge production regarding CSR in the Middle East. The analysis presented here also helps advance the international comparative CSR agenda and begins to lay down key distinctions shaping fundamental insights for future research.

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Part II

CSR Practices in the Middle East

5

SWFs and Corporate Social Responsibility

Christine Bischoff and Geoff Wood

Abstract In recent years, alternative investors—private equity, hedge funds, crowdfunding, and sovereign wealth funds (SWFs)—have assumed an increasingly high profile worldwide. What sets such investors apart are their distinct agendas, their lack of commitment to specific industries or locales, and their focus on securing maximum returns and/or the furthering of a clear and distinct agenda. With this prominence has come a host of ethical and social responsibilities: these range from the responsibility to balance between the interests of different stakeholders which might be sometimes conflicting to intergenerational competition for resources. Many resource-rich states—including those in the Gulf—have their own SWFs. This chapter provides an introduction to the SWF ecosystem and highlights the range of ethical and corporate social responsibility (CSR)

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debates that emerge, both for Middle Eastern SWFs and those from further afield, identifying best practices and potential ways forward.

Keywords Middle East • Sovereign wealth funds • Gulf states • Norway's Government Pension Fund-Global

In recent years, alternative investors—private equity, hedge funds, crowdfunding, and sovereign wealth funds (SWFs)—have assumed an increasingly high profile worldwide. What sets such investors apart are their distinct agendas, their lack of commitment to specific industries or locales, and their focus on securing maximum returns and/or the furthering of a clear and distinct agenda. With this prominence has come a host of ethical and social responsibilities: these range from the responsibility to balance between the interests of different stakeholders which might be sometimes conflicting to intergenerational competition for resources. Many resource-rich states—including those in the Gulf—have their own SWFs. This chapter provides an introduction to the SWF ecosystem and highlights the range of ethical and corporate social responsibility (CSR) debates that emerge, both for Middle Eastern SWFs and those from further afield, identifying best practices and potential ways forward.

Understanding Sovereign Wealth Funds

The primary function of SWFs is a state-run intergenerational savings device; many, but not all, are funded by oil and gas revenues. There are at least 90 SWFs in the world today, although the overall number may be disputed, as a few national investment funds do not fully fit into this category; an example would be South Africa's Public Investment Corporation, which is a repository of public sector pensions but which has been used by successive national governments to pursue some of the objectives of SWFs.

SWFs originated in the Middle East and are financial bodies husbanding large foreign exchange inflows. The first SWF was the Kuwait Investment Authority; Abu Dhabi established its SWF in the 1970s and

Singapore and Norway in the 1980s. Thus, SWFs are an example of government-owned investment vehicles which have become noticeable in the global financial network. SWFs allow for state ownership which crosses international boundaries (Wood and Wright 2015): in other words, firms may be state owned but by a foreign government. This process is not one without controversy. On the one hand, it has been argued that SWF investments challenge national sovereignty. On the other hand, the disquiet of host governments has sometimes been on very ethically dubious grounds. For example, the US government has, on occasion, voiced its displeasure at the Norwegian SWF driving ethical managerial practices within the firms it targets (Wood et al. 2017).

Although some SWFs are prohibited from investing at home, others have, as part of their brief, helped in the boosting of indigenous strategic industries and/or promoting employment. This may enable governments to increase the amount of decent work and encourage firm-level practices that serve more than the simple pursuit of profit. There is no such moral obligation in respect of investments abroad. In practice, SWFs may serve not only financial, but also diplomatic, developmental, and other policy objectives; some also have an obligation to promote national values, an example being Norway's. A noteworthy minority of SWF deals involve a considerable or controlling shareholding though they tend to focus on debt and fairly small non-equity stakes (Sauvant et al. 2012; Butt et al. 2008).

The quality of SWF governance varies greatly. In some cases, such as Brunei and Equatorial Guinea, there has been a blurring of the financial interests of stakeholders and their SWF (Cumming et al. 2017a). Again, immediate concerns may eclipse the long-term purpose of intergenerational savings. This raises a key ethical concern: does a shift away from a formal intergenerational savings focus entail not only the violation of an implicit contract with the citizenry, but also whether national governments have a moral obligation to husband at least part of natural resource windfalls, given that, in resource curse terms, mineral-rich countries automatically pay a price from their endowments (Ross 2012; Cumming et al. 2017a).

At the same time, their fiduciary duties go well beyond generating returns and encompass issues of sustainability and responsibility as well

(Karametaxis 2015). It has been argued that part of the core functions of the government is an ethical responsibility to improve the conditions of its citizenry (Brown 2018). Given that it could be argued that a failure to husband at least a proportion of the wealth flowing from mineral windfalls represents a failure of responsibility, conversely, it could be argued that the decision to establish a properly administered national SWF represents in its own right an example of governmental social responsibility. Within a European context, the decision of successive UK governments not to establish an SWF to save a proportion of North Sea oil revenues represents a systematic failure of responsibility, especially when compared to Norway which did.

Again, SWFs vary greatly in terms of their relative transparency. In part, this does reflect variations in cultures and what is acceptable in different national settings (Aggarwal and Goodell 2018). It has been argued that greater transparency is more compatible with cultures that are associated with propensity to take longer term views (ibid.). At the same time, relative transparency is associated with particular patterns of investment; whilst not all opaque SWFs make "bad" investments, it is easier for ethical lapses in investment strategies to take place or persist when funds are less open to public scrutiny. A further issue is that whilst it is easy to trace and monitor significant SWF investments in publically listed firms, no matter how opaque the fund is, it is much harder to document the scale and scope of other types of SWF investments and investments in or in concert with other types of alternative investors, such as private equity or hedge funds (Cumming et al. 2017a). One of the reasons why this matters is that significant components of the latter have attracted serious ethical controversies, most notably over the relative propensity to load target firms with debt and shed employment (Engelen et al. 2017). Again, there is much variation in the performance of private equity and hedge funds (Wood and Wright 2009); indeed, it could be argued that investing in riskier funds represents an inappropriate strategy for SWFs given their function of husbanding foreign exchange windfalls (Fig. 5.1).

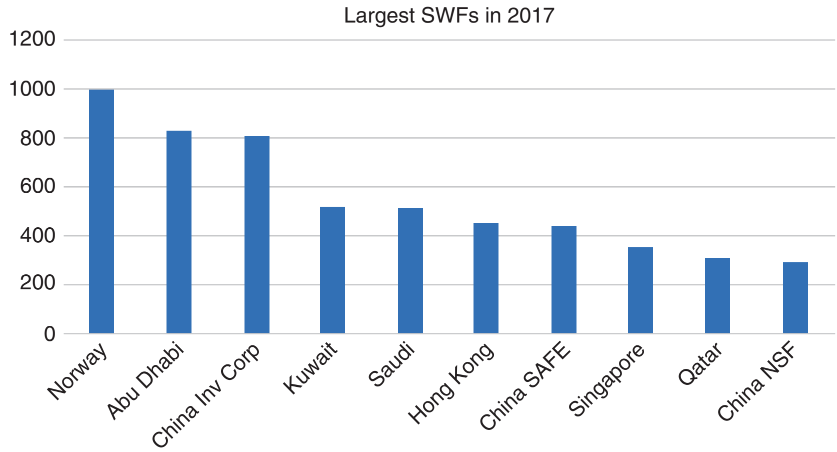

Fig. 5.1 The above graph presents the largest SWFs in the world in 2017. (Source: Statista 2017)

The Many Purposes of SWFs

Despite the primary focus on intergenerational savings, the purposes of SWFs are multifaceted. Some SWFs have extensive domestic investments in order to finance critical industries, to help preserve jobs, to sponsor monopolies, or to stimulate national development (Truman 2011) such as in the case of Dubai where SWF's resources are being used to diversify the economy away from oil and maintaining considerable and stable economic growth with oil revenues of less than 3% of gross domestic product (GDP). They can also play a fiscal stabilization role: low and volatile oil prices in recent years have led to many oil-producing nations dipping into their SWFs to plug growing and proliferating holes in their national budgets. This is not necessarily problematic, given that one of the core functions of SWFs is sustaining national prosperity, as long as the intergenerational savings function is not emasculated by this. SWFs can also play a pension reserve role. As noted above, South Africa's quasi-SWF, the Public Investment Corporation, has a primary role of husbanding state pensions (Cumming et al. 2017a, b). Although this is a generational, rather than an intergenerational, commitment, a host of ethical issues have emerged including a lack of transparency, the blurring of fund interests and those of individual politicians, and investments in controversial asset classes.

As noted above, they can also play a national developmental role through investing in strategic industries; they may also temper privatization initiatives, through buying shares in privatized firms, shoring up, or recovering state influence over the latter.

It is worth reiterating that SWFs also represent an effort by states to locally attain the advantages of financial globalization through the institutional replication of global financial actors (Monk 2011). Given that a significant component of the latter has become shrouded in ongoing and persistent ethical controversies, and that actual track records remain uneven, this does raise some ethical concerns. Firstly, association with controversial players such as certain hedge funds may result in SWFs becoming morally compromised. Secondly, whilst a common criticism of hedge funds and private equity is that they gamble with “other people’s money” (Froud et al. 2007), in the case of SWFs, this is the national exchequer.

SWFs in Emerging Economies

For developing countries, SWFs are often instituted to augment reserve saving schemes designed to shield national budgetary and balance of payments sovereignty from international financial and trade shocks such as intense commodity price fluctuations. On the one hand, being able to dip into their SWFs has certainly insulated several Gulf states from oil price volatility and relative decline; on the other hand, short-term stabilization functions may eclipse longer term viability. Kotter and Lel (2011) noticed that more transparent SWFs tended to offer capital to financially hindered firms and augment operations: in other words, they fulfil a stabilization role that goes beyond simply plugging gaps in the national fiscus. This would represent the adoption of a “business angel” role, providing firms with much-needed capital at key stages of organizational development in order to help secure their future. In the case of domestic investments, this could represent part and parcel of a broader national developmental brief. Again, they may serve as "white knights", providing mature firms with much-needed capital during times of financial crisis, a role they performed during the 2008 economic crisis (Wirth 2018). In the case of investments abroad, this might not only make host countries more hospitable, but also represent a good in its own right; from a utilitarian perspective, as long as the outcomes are good, the underlying rationales are relatively unimportant (Singer 1993).

A sizeable number of SWFs can be categorized as "sovereign development funds", for which national or international strategic aims are of prime worth. Although this is true for some of the Gulf state SWFs, they have to date only had an uneven track record in ensuring sustainable development at home; it could be argued that a number of East Asian SWFs have been more successful in this regard, but these are countries (e.g. China, Singapore) which are much less dependent on natural resource endowments.

SWFs are disposed to widespread portfolio assets on sectoral and regional lines (Balding 2008). Recent research indicates that such investments exert a positive effect on institutions in host countries (Kant 2018). They also are critical for steadying international capital movements (Beck and Fidora 2008). The USA runs at a large balance of trade deficit, and forex inflows, inter alia, in the form of SWF investments help keep the international system afloat. As arms of national governments, SWFs assist in fostering parent country diplomatic objectives (Kimmitt 2008). Although these may, at times, be controversial, they may also serve to disseminate the positive dimensions of national values into target firms (Goergen et al. 2017). Through their acquisition of strategic assets, including firms that retain bespoke technology or agricultural land, SWFs may also help further parent country national development (Reisen 2008). This may advance food security in the case of host countries with limited capacity for developing agriculture at home.

SWFs may advance a resource nationalism agenda abroad due to the securing of foreign assets (Blackburn et al. 2008). Examples of the latter would include the procurement of agricultural land in Africa, most notably in Ethiopia and Mozambique. On the one hand, this has helped countries with poor rainfall and limited agricultural land to gain access to fertile arable land internationally. On the other hand, this has led to more ethical disputes, such as genetically modified crops polluting indigenous seed stock, the forced dispossession of indigenous peasants, an extreme use of pesticides, agricultural chemicals leaking into the runoff, and excessive use of water (Lavers 2012; Ambaye 2015; Hall 2011; Rahmato 2011). Again, it could be argued that funds intended to safeguard future generations at home should not participate in behaviour that exposes future generations abroad. There is also a pragmatic argument: in the teeth of peasant resistance, such investments may not be sustainable. Indeed, there is wide-ranging low-key resistance in Ethiopian lowlands, ranging from arson to hit-and-run attacks (Moreda 2015). A range of similar concerns emerge in the case of mining investments abroad, particularly in repressive and conflict-ridden societies.

Transparency and Regulations

It can be seen that SWF investments may be subject to scrutiny at two levels. Firstly, this would be in terms of when they invest in listed firms, which would be subject to national corporate governance regulations. Secondly, there is regulation by home-country monetary authorities and the extent of the willingness to release key information on the latter into the public domain. In the case of the first, it is worth noting that there are differences in how SWFs assess their assets in diverse national contexts, and subsidiary investments via financial agents, which suggests that their size is essentially underestimated (Balding 2008). This may imply that the more opaque SWFs that invest in alternative investors—specifically private equity and hedge funds—may have significantly more funds than what a scrutiny of their holdings in listed firms might suggest. On the one hand, this might suggest that such funds may be more resilient than commonly assumed. On the other hand, it does open up further ethical concerns: if it is hard to trace where SWFs are investing, then it opens up further opportunities for unscrupulous actors to divert funds to suit their own interests.

With regard to the second, SWFs are regulated by national monetary authorities and are administered individually from other government assets, but they have global partialities (Blackburn et al. 2008; Makhlouf

2010). Again, how efficiently they are regulated by such authorities would reflect the quality of national government (see Baker and Boatright 2010).

Monitoring and Financial Protectionism

Many financial and political leaders have highlighted the significance of scrutinizing SWFs and some have called for their monitoring. It has been alleged that SWF investments can lead to the capture of strategic assets and the potential loss of national autonomy. Most notably, there have been periodic calls for financial protectionism—that is, greater regulation against the foreign purchase of key assets—in the USA. Indeed, there is clearly an explicit connection between the transparency of the SWF and the strength of its home-country institutions and their rule of law, as discovered by Drezner (2008).

Practically, there is a range of legal frameworks for SWFs as several countries have preferred discrete legal methods for these funds. On the positive side, the majority of SWFs publish annual reports that include information on the growth of asset allocation and investment strategy over time as well as the financial statements.

Preceding the global financial crisis and to address US apprehension and mounting demands for financial protectionism, there was an expansion of the 2008 Santiago Principles of best practices which had been drafted by the IMF and 14 of the biggest SWFs (Norton 2010). The International Forum of SWFs was founded in 2009 to create a self-regulatory method for applying, adjusting, and interpreting the principles (Norton 2010). Approximately 30 funds, encompassing the majority of SWF assets, have affiliated to the International Forum in 2016 (IFSWF 2016). Consequently, a measured attempt towards better transparency and accuracy in management with a greater emphasis on returns has materialized with briefer-term time possibilities (Balin 2010).

More transparent SWFs are exposed to extraordinary public scrutiny in their home country. This could compel fund managers to exploit returns, even if this entails more risk taking than may be necessary. More opaque SWFs may disregard human rights. For example, some of the most notorious of the abovementioned land deals in Africa apparently incorporate blatant human rights abuses, encompassing ethnic cleansing and the murder of local human rights activists (Hall 2011; Rahmato 2011).

SWF Trajectories and Alternatives

Governments of countries that face mineral or any other foreign exchange windfalls may use this to finance an effective industrial policy, encouraging a move away from oil and gas. The idea here is that whilst the windfall will be spent, it will help enable a country to cope well with the inevitable exhaustion of mineral resources once industries have become self-sustaining. A limitation of this approach is that, whilst few countries have industrialized without an active industrial policy, easy mineral revenues may result in the challenges of securing the long-term viability of the resultant industries being neglected.

A further issue is that future generations share responsibility for the ultimate spending of mineral revenues: not only does this reduce risk but it also means that the value of the economic long term is formally recognized.

Although SWF investments abroad may court controversy, there are many examples of where they have had significantly beneficial effects (Cumming et al. 2017b). More specifically, some SWFs have successfully used their finances to help companies experiencing financial problems and thus help save many jobs that would have been lost. An example of positive SWF commitment is the billions of dollars that were granted to the troubled financial companies such as Citigroup and Merrill Lynch from China and countries like Kuwait during the global credit crisis of 2008 (ibid.). More broadly speaking, it has been argued that Gulf SWF investments have provided German industrial firms with a key source of capital, helping secure long-term approaches and, hence, ultimately shore up the German model (Haberley 2014). Even if public participation in policy setting may be low, the Abu Dhabi case would suggest that it is possible to follow broad responsible investment principles (Letourneau 2016). Again, the Saudi Public Investment Fund has, in collaboration with the Japanese Bank, Soft, initiated a project that envisages the construction of the largest solar array in the world (DiChristopher 2018). This will provide sustainable energy security and reduce greenhouse gas emissions from the region. Some SWFs from lower income countries have adopted responsible investment policies, indicating that wealth is no barrier to responsibility (Letourneau 2016). However, as noted, the absence of a formal mandate to pursue socially responsible objectives has not precluded several funds from making investment choices partially informed by environmental or social issues (Richardson and Lee 2015). Nonetheless, piecemeal interventions may only have limited effects (ibid.).

The Case of an Ethical SWF: Norway's Government Pension Fund-Global (NGPF-G)

The NGPF-G is an SWF where the surplus wealth created by Norwegian petroleum income is retained. Despite its name, the NGPF-G is not a pension fund but could assist in funding state pensions. Managed by the Norwegian Ministry of Finance, its operational management is assigned to Norges Bank Investment Management, a division of the Norwegian Central Bank (Ainina and Mohan 2010).

The Norwegian parliament has formal control over the fund, with the Ministry of Finance being responsible for supervisory oversight and the Norges Bank for day-to-day management.

According to its governance codes, the NGPF-G may not invest at home (Alm 2012). The NGPF-G is assigned the task of ameliorating future pensions' liabilities as the Norwegian population is ageing (Dixon and Monck 2012).

In addition to this, the NGPF-G was established as an intergenerational savings mechanism to husband the wealth generated by Norway's North Sea oil windfall (Lenihan 2014; Dixon and Monck 2012). It is also intended to offer some security for Norway to counter unanticipated internal economic difficulties as well as external failures (ibid.). Thus, it was planned to serve as a stabilizing force and in fact it managed to achieve this at the start of the 2008 economic crisis as well as during the period of a swift decline in oil and gas returns, in the wake of the 2015–2016 weakening of petroleum prices (Martin 2016).

The NGPF-G is a significant SWF globally due to its equity reserves as well as its size, as it owns about 1.2% of all globally listed securities and about 2.5% of all European-listed securities (Norges Bank Investment Management 2013).

The NGPF-G prides itself on being an ethical investor. Indeed, the NGPF-G is frequently described as an exemplary transparent investor in that it is answerable to the Norwegian public for its financial accomplishments. Apart from this, it has as its mandate an obligation to campaign for Norwegian values in the global arena and it endeavours to achieve this via advancing investor performance.

The Norwegian Ministry of Finance consistently publicizes its requests and discounts investment in the following types of firms: those that are weapons manufacturers, those that conduct business with such manufacturers, those whose actions negatively affect human rights, and those who participate in dishonest and other breaches of ethical norms or "severe environmental degradation" (Reiche 2010). The list of firms excluded includes tobacco manufacturers and palm oil producers, Walmart for concerns about labour (Dixon and Monk 2012; Pier 2007), and Cairn and Kosmos for a range of other ethical problems (Milne and Kiran 2016). From 2012 to 2014, the NGPF-G disinvested from 114 companies (Milne 2015). The Fund has voted in opposition to 15% of board agreements at annual shareholder meetings. Despite its comparatively minor ownership holdings, the NGPF-G is disposed to making its views seen and expects that they are attended to; it has not hesitated to exit from firms when its voice has not been heard (Goergen et al. 2017).

A key attribute of the NGPF-G is its predisposition to sell off its stake in companies whose activities it disproves of (Goergen et al. 2017). This penchant to exit may be about directing firms to operate correctly or in a defensible manner. However, the extraordinary attention paid by the Norwegian public as well as the political consideration of its performance may also make for overly short-term actions of its managers. Nonetheless, recent research has revealed that firms subjected to even quite small NGPF-G investments adopt a longer term approach to their people and are significantly less likely to make use of redundancies (Goergen et al. 2017) nor has the fund followed its ethical policy only in negative lines, in other words, in avoiding ethically controversial firms. For example, for a number of years now, it has invested in the renewable energy sector, with the explicit purpose of encouraging the reduction of carbon dioxide emissions.

There are three key lessons from the experience of the NGPF-G. The first is that it is possible for an SWF to generate robust returns on its investments whilst following a strictly ethical agenda. Indeed, although the comparative evidence is limited, there is a case to be made that superior returns have been secured primarily through following an ethical agenda and through adhering to principles of good governance. The second is that greater transparency encourages ethical behaviours; there is little doubt that the NGPF-G has been held to its ethical brief through public debate as to the relative moral desirability of its investment strategies at home. The third lesson is that the pursuit of an ethical agenda is an open-ended project. Over the years, the definition of what constitutes an ethical investment has been tightened; ironically, this has now included a decision to divest from hydrocarbons (Wood et al. 2017).

Conclusion

SWFs provide a unique mechanism for husbanding a proportion of natural resource windfalls that may enable and equip future generations to secure their prosperity independent of remaining natural resource reserves and whatever their prices may do. At the same time, it can be seen that their activities raise a host of ethical issues. Firstly, their relative transparency varies greatly. Whilst it would be incorrect to say that all opaque SWFs are badly run or associated with the misallocation of their assets, in a few cases, this appears to be regrettably the case. Secondly, country of origin of these institutions plays a defining role on how SWFs operate. Thirdly, whilst SWF investments have far-reaching implications for employees and other stakeholders, there is little information on what precisely these effects are, other than in the case of Norway, where they appear to be beneficial. Finally, low and volatile oil and gas prices have fed into the rapid diminishment of some SWFs, even if others, through continued forex inflows and/or better management, have grown. This would suggest a broad evolutionary process at play in the SWF ecosystem, which is likely to have far-reaching implications for both citizens of their countries of origin and stakeholders of firms they chose to invest in.

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6

CSR and Corporate Performance with Special Reference to the Middle East

Belaid Rettab and Kamel Mellahi

Abstract This chapter addresses the presumed link between corporate social responsibility (CSR) and corporate performance in emerging economies with a specific focus on the Middle East. The chapter draws on a multiyear survey of the Dubai business community to highlight the adoption of CSR in the Middle East and examine the association between CSR practices and various organizational performances. The results support the business case for CSR in the Middle East.

Keywords CSR • Middle East • Organizational performance • CSR practices • Survey

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Introduction and Background

A large body of research provides evidence to suggest that corporate social responsibility (CSR) influences corporate performance positively (Tang et al. 2012; Story and Neves 2015; McWilliams and Siegel 2000; Waddock and Graves 1997), but so far, only few studies in emerging markets demonstrated that CSR may have a similar effect in emerging markets contexts (Brik et al. 2011; Gao 2009; Bihari and Pradhan, 2011; Muller and Kolk 2009; Cheung et al. 2010). The lack of research focus on the strategic value of CSR for the last three decades is understandable in the context of emerging markets. The question of why firms in emerging markets adopt CSR practices has not been fully addressed. Emerging markets have been lacking appropriate institutions and incentives to coerce firms to conform to market principles, fair competitive environment, and have suffered from prevalent deficient market information and corporate transparency. Drivers that pushed firms in developed markets to adopt CSR practices such as community pressure, governments, non-governmental organizations (NGOs), and customers are still weak in emerging markets context. As a result, most firms in emerging markets, understandably perhaps, opted to disconnect from stakeholders because they could not see economic value in doing so. Conventionally, CSR was understood as a philanthropic activity to demonstrate the act of giving back to society. At the microlevel, the subsequent implication is that firms lacked long-term structural commitment to their markets either, which in turn reenforced the existing awkward institutional environment to definitely determine a manager's perceptions, and as a result, managers were not motivated to consider strategic CSR and envisage its possible impact on performance.

Against this background, a first cross-sectional survey of 280 firms operating in Dubai, United Arab Emirates (UAE), was conducted (Rettab et al. 2009; Brik et al. 2011) and, perhaps surprisingly, has found a positive impact of CSR on all three measures of organizational performance, namely, financial performance, employee commitment, and corporate reputation. More surprising, the study has shown that CSR practice in Dubai has gone beyond philanthropy and extended its scope to include strategic CSR components. This fact reinforced the belief that recently, CSR should have definitively evolved in the Middle East and many other emerging markets with a demonstrated positive impact on organizational performance, thereby challenging the old existing assumption that weak institutional settings determine the nature and scope of CSR as an ad hoc and trivial practice in emerging markets and thereby has no impact whatsoever and whenever on organizational performance.

Following this study, as shown in Fig. 6.1, interest in CSR applications by firms in the UAE increased significantly—from 33% in 2008 to over 50% in 2014.

Hand in hand with increasing firm's interests in CSR, the academic interest in analyzing the underlying mechanisms determining the causal relationship between CSR and organizational performance in emerging markets took off steadily too.

The lack of research on strategic value of CSR in emerging markets has contributed to the inconclusiveness of findings about the impact of CSR on performance in emerging markets. The bulk of research focuses mainly on philanthropy, corporate citizenship, corporate irresponsibility, and motives for CSR in these countries. This has kept the scope of the above studies and CSR practice very narrow and the relationship between CSR and organizational performance questionable.

This chapter aims at achieving three goals. First, it discusses in depth why managers broadly assumed lack of institutional incentives and ignored strategic CSR and the value of CSR for potential corporate

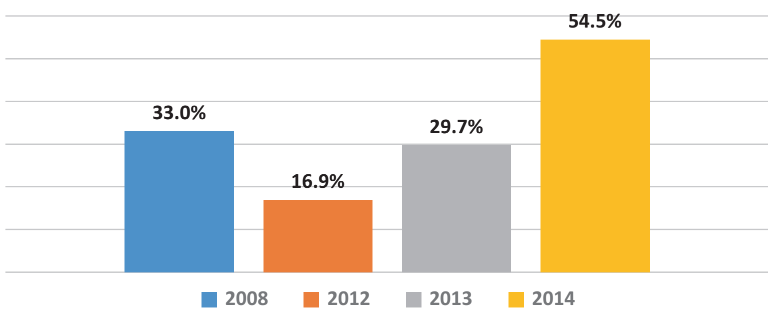

Fig. 6.1 Percentage of firms adopting CSR strategy/policy in Dubai/UAE, 2008–2014. (Source: Rettab 2014)

performance in the Middle East and its positive impact on organizational performance. Second, the chapter attempts to link CSR research and debate in the Middle East to broader literature, to establish a shared CSR conceptualization framework. Finally, it helps drive CSR research in the region in a way to drive corporate strategies in practice to make CSR one of the firm's competitive capabilities. These goals will achieve two objectives. First, it draws more attention to the wider business environment, the institutional settings, and market incentives in the Middle East, which shape CSR practices regardless of firm- and individual-level factors, and stresses the role of market incentives in enticing, or not as the case may be, firms to engage in CSR activities.

Second, it highlights the high relevance of CSR in emerging economies, particularly in the case of fast developing economies, such as the Middle East, given the immense drive of the economic growth for managers in pursuing profit maximization, thereby tempting to abuse the general environment and jeopardizing the long sought-after sustainable development in these economies.

In other words, due to the high degree of laissez-faire in some of these economies, firms might tend to acquire market power and resort to unethical practices in order to achieve financial rewards abruptly. CSR is then the best strategy to manage the risk of turning the competitive advantage and economic boom of a relaxed and deregulated business environment into a long-term challenge.

In the next sections, we discuss the association between CSR and organizational performance and pay significant attention to the association between CSR and three specific aspects of organizational performance, namely, financial performance, employee commitment, and corporate reputation to delineate the scope of future research in this field.

CSR: A Gift or a Curse?

A significant body of research highlights the positive relationship between CSR and organizational performance (Griffin and Mahon 1997; Swanson 1999; Schuler and Cording 2006; Husted and Allen 2007; Moneva et al. 2007) but not convincingly reaching consensus on whether or not and how does CSR affect organizational performance (Margolis and Walsh 2001, 2003; Revelli and Viviani 2015; Mellahi et al. 2016). Discrepancies in the CSR research findings are, at least in part, the result of four reasons. First, the utilization of different theoretical frameworks underpinned by different theories, and thereby different indicators of organizational performance, tends to produce conflicting results (see also Carroll 1991; Griffin and Mahon 1997; Waddock and Graves 1997). For instance, studies using institutional theory look for legitimacy whereas studies using resource-based view may focus on organizational performance indicators such as profitability or market share. Mellahi et al. (2016) reported that CSR–performance association is influenced by the theory used to examine the relationship. They reported that stronger positive association by studies using Resource Based View (RBV), instructional, and stakeholder theories in contrast to only about 50% of the studies reported such association when scholars used resource dependence and agency theories.

Second, utilizing a single or too narrow concept of CSR might lead to overlooking other relevant aspects of CSR performance (see also Egri et al. 2004). For example, strictly relying on financial performance ignores the full impact of CSR on the firm's overall performance on other relevant indicators such as employees' and customers' satisfaction and corporate reputation (Husted and Allen 2007).

Third, incongruities of perceptions and attitudes of managers toward CSR depend on the firm's environmental settings in regions and countries, which might strongly influence CSR outcomes and business performance in general. Business system theory, for example, holds that countries have different business systems (Whitley 1992), which might affect manager's behavior.

Fourth, the lack of a sound CSR theoretical concept and definition especially in emerging economies and the complexity of operationalization of research and thereby the data limitations frequently result in a failure to capture the direct and indirect outcomes in a well-defined structure of causalities. A well-known limitation is the usually, unobservable CSR contribution to short-term financial performance, due to the small size of CSR inputs as catalyst to generate revenues and profits relative to other inputs.

Subsequently, many studies reported a negative relationship between CSR and firm's performance (Vance 1975), while others reported a positive relationship (Moskowitz 1972; Spencer and Taylor 1987; Abott and Monsen 1979; Bragdon and Marlin 1979; Graves and Waddock 1994; Waddock and Graves 1997). Following these limitations, it is plausible that future research efforts will face the same challenge unless the problem definition is improved and properly operationalized in a more systematic and standardized way.

However, although previous literature is not very convincing when it comes to the impact of CSR on performance, over two decades ago Pava and Krausz's (1995) comprehensive review of literature found that, overall, firms which were perceived to meet their social responsibility objectives, as a result, have either outperformed or performed equally to firms with no CSR (see also Orlitzky et al. 2003). Meaning that overall, strategic CSR when properly applied and measured is not a curse and could not be detrimental to organizational performance.

Strategic CSR in Emerging Markets Context

Strategic CSR could then be understood as investment not a cost to firms. CSR is a strategic business model, seeking to boost the business strategy through stakeholder engagement and sustainability. Strategic CSR should be aligned with a firm's long-term business strategy. It helps govern the goals of the company, the approach, and the process of optimization of the allocation of scarce resources to satisfy the needs of stakeholders and create long-term costumer value. It is a social contract mandating the firm to manage factors of production efficiently in order to maximize the social value at the workplace, marketplace, the community, and the environment, each of which consists of essential strategic areas sought after by the firm according to its materiality to establish the firm's capabilities and competitive edge for the long term.

In fast-growing emerging markets such as the Middle East, industrial policies to diversify the economy, however, when managed inappropriately, may lead to higher social inequality, poor labor practices by firms, and higher risks for the environment.

The Gulf Cooperation Council (GCC) region, for example, has sustained a period of rapid growth during the last three decades, moving from an obscure semi-nomadic economy to a global economic player which has recently built up significant competitive advantages mainly due to three main factors. The first is the economic ambition to become a global player, the second is the aggressive open market strategy to attract foreign direct investment, and the third is the growing population.

Subsequently, the exceptional economic growth recorded for the previous two decades generated by extensive human and capital inputs has resulted in significant incentives for opportunistic behavior. These practices ranged from mistreatment of workers by unscrupulous employers to dishonesty with customers and harm to the environment.

Scholars argue on one hand that the weak enforcement of laws and regulations gives the impression that firms can get away with socially irresponsible actions (Mellahi 2007). Although the government introduced a number of laws to regulate firms' conduct, much of it hinges on the institutional capacity to monitor and enforce regulations (North 1990).

On the other hand, a number of scholars argued that while sanctions enforced through regulations may discourage firms' irresponsible behavior, others argue that adherence to voluntary socially responsible behavior, inspired by supportive institutions such as chambers of commerce, business, and industrial associations, is capable of mobilizing social opinion, shifting consumer behavior, and enticing firms to subscribe to CSR (see also Gala-Skiewicz 1991; Campbell 2006).

Notwithstanding the fact that despite the tendency of political institutions in most emerging economies such as China, India, and the UAE to promote CSR awareness and practices in order to mitigate harmful consequences of fast-growing economic activity such as pollution, consumer, and labor abuse, unfortunately, CSR remains a low priority for many firms compared to developed countries. This situation which is enforced by the absence of CSR awareness of firms, makes frail nongovernmental institutions and social associations capable of raising social expectations that exert pressure on firms. In the next section, we illuminate previous research contradictory findings about the impact of CSR on financial performance as related to the aforementioned limitations of scope and definitions of CSR.

CSR and Financial Performance in Emerging Economies

Financial performance is one of the most studied indicators of the strategic value of CSR. Margolis and Walsh's (2001) meta-analysis found that 55% of the 160 studies examined identified a positive relationship between CSR and financial performance, 22% reported no relationship, 18% found a mixed relationship, and 4% a negative relationship. This is evidence enough to admit the impact of CSR on performance. Furthermore, Orlitzky et al. (2003) conducted another meta-analysis and found that it is widely accepted that CSR improves the firm's financial performance. Finally, Aguilera et al. (2007) called for closure of this debate arguing that there is an overwhelming evidence of a positive and significant association between CSR and performance. A recent meta-analysis of the relationship by Busch and Friede (2018) found the same results.

Furthermore, a number of assumptions have been debated as to why CSR has a positive impact on financial performance (see also Allouche and Laroche 2006; Orlitzky et al. 2003; Busch and Friede 2018). It is being stated that the way a firm satisfies its stakeholders' expectations and communicates CSR activities to them enhances the effect of CSR on financial performance. Lankoski (2009) argues that communication with stakeholders and visibility of the firm's CSR initiatives is very important. Similarly, Mellahi et al. (2016) argue that "for firms wishing to generate goodwill and inhibit stakeholder skepticism, they need to be credited for their initiatives". Brammer and Millington (2008) argue that CSR tends to have a positive impact on performance when it addresses issues salient to key stakeholders. Lev, Petrovits, and Radhakrishnan (2010, p. 198) reported similar findings noting that firms are able to justify CSR initiatives "if they can explain how corporate giving will enhance customer satisfaction and, in turn, sales growth". Therefore, one could argue that in emerging economies, the link between CSR and financial performance of the firm might have been weakened partly because stakeholders are insufficiently informed to shape their expectations properly and partly because of the missing feedback channels on the CSR efforts of the firm.

The availability and diversity of information channels to disseminate information on the firm's CSR initiatives and to gauge for stakeholders' expectations as well as preferences of stakeholders shape stakeholders' attitudes toward CSR efforts (see also Schuler and Cording 2006). Hartman et al. (2007) argued that notwithstanding the motivation for the engagement, firms must ultimately communicate it to stakeholders. Overall, firms in emerging economies do not appreciate the critical importance of communicating their CSR activities to stakeholders (Foo 2007; Wright et al. 2003).

In the case of Dubai, our extensive research over the years shows that the following factors are the main contributors to ineffective stakeholder's engagement:

- failure of CSR communication tools and reporting,
- failure to integrate the stakeholder's expectations management strategically in the business strategy,
- firms' failure to think materiality when considering the expectations of stakeholders vis-à-vis organizational priorities due to monopolistic position in the UAE market,
- complexity of CSR communication due to diversity of the stakeholder's background, experiences, and expectations, and
- inability to build long-term relationships and trust with stakeholders because of high turnover of managers and employees resulting from a high turnover in the labor market.

These above factors sometimes oppress stakeholders' expectations and subsequently result in diffidence of firms to engage in CSR activities as they perceive it to have little benefit on profit. Furthermore, because of the lack of institutionalized communication platforms to disseminate information about CSR activities, even when applied, CSR efforts often go unnoticed by stakeholders and the market at large, with a subsequent negligible impact on performance.

It is important to note here that we are not in agreement with opponents of CSR or those who make the case against CSR because of problems with CSR communication and/or misalignment with salient stakeholders. We advocate that stakeholders are unlikely to punish firms for their CSR activities at least for two key reasons. First, when stakeholders are not fully aware of firms' CSR activities, CSR is not being rewarded but also not punished.

Second, in an era of economic boom in emerging markets, where markets allow for exceptional financial performance due to "laissez-faire" institutional environment, firms should at least tend to share market value with consumers to sustain an acceptable consumption level and create positive externalities for the long term.

CSR and Employee Commitment in Emerging Economies

In addition to financial performance, a key performance indicator of CSR performance is employee commitment. It refers to "the extent to which a business unit's employees are fond of the organization, see their future tied to that of the organization, and are willing to make personal sacrifices for the business unit" (Jaworski and Kohli 1993, p. 60). CSR impacts employee commitment as a component of organizational performance; although heavily discussed (Shen and Benson 2016; Suh 2016; Hur et al. 2016; Lee and Yoon 2018; Opoku-Dakwa et al. 2018), there is a near consensus on the positive association between CSR practices and various human resource-related outcomes.

Aguilera et al. (2007) noted that employees make judgments about their employer's CSR efforts based on their observations of the firm's CSR actions, outcomes of the CSR actions, and the handling of the implementation process. The authors posit that "socially responsible or irresponsible acts are of serious consequences to employees" (p. 843). A number of studies have explored the link between CSR and employee commitment (Albinger and Freeman 2000; Backhaus et al. 2002; Greening and Turban 2000; Maignan et al. 1999; Peterson 2004; Turban and Greening 1997; Shen and Benson 2016; Suh 2016; Hur et al. 2016;

Lee and Yoon 2018; Opoku-Dakwa et al. 2018) and reached broadly similar conclusions. Overall, past research shows that a firm's social responsibility actions matter to its employees (Albinger and Freeman 2000; Backhaus et al. 2002; Greening and Turban 2000; Peterson 2004; Turban and Greening 1997) and tend to have a positive impact on employees' commitment. Branco and Rodrigues (2006) reported that firms perceived to have a strong social responsibility image often have an increased ability to attract better job applicants, retain them once hired, and maintain high employee morale. Similarly, Maignan et al. (1999) posited that firms that engage in CSR activities are likely to enjoy enhanced levels of employee commitment for two main reasons: (1) they are dedicated to ensuring the quality of workplace experiences and (2) they address social issues—such as the protection of the environment or the welfare of the community—that are of concern to society in general and therefore also to employees.

The above discussion is in line with the extensive research on employees' justice perceptions, which posit that employees' perceptions of their firms' CSR activities shape their perceptions of the firm (Rupp et al. 2006; Lee and Yoon 2018; Opoku-Dakwa et al. 2018). Furthermore, firms that engage in CSR tend to extend their CSR efforts internally to their employees through fair and socially responsible practices. Thus, it is reasonable to expect firms that engage in CSR activities foster a positive relationship with their employees and are as a result more likely to earn employees' commitment than their counterparts that do not engage in CSR initiatives. In addition, contrary to the presumed link between CSR activities and drivers of financial performance, CSR activities are easily observed by employees and as a result may make an instant favorable impression on them that could boost their morale and their commitment to the firm. Given that a number of firms in emerging economies take advantage of a weak institutional environment to develop exploitative working conditions where workers are poorly paid and work excessive hours in hazardous working conditions (Budhwar and Mellahi 2007), CSR activities benefiting employees make a significant difference and are highly appreciated by employees (Dögl and Holtbrügge 2014).

CSR and Corporate Reputation in Emerging Economies

Corporate reputation contributes to a firm's competitive advantage (Barney 1991; Deephouse 2000; Fombrun and Shanley 1990; Roberts and Dowling 2002; Shamsie 2003). This is because "the development of a good reputation takes considerable time and depends on a firm making stable and consistent investments over time" (Roberts and Dowling 2002, p. 1091). Indeed, corporate reputation is enhanced or destroyed by firms' decisions to engage or disengage in CSR activities. Bhattacharya and Sen (2003) pointed out that CSR "builds a reservoir of goodwill that firms can draw upon in times of crisis". Similarly, McWilliams and Siegel (2001, p. 120) reported that CSR "creates a reputation that a firm is reliable and honest".

However, the link between CSR and corporate reputation in emerging economies is not straightforward. Contrary to employee commitment where employees are directly observing their firms' CSR conduct, the impact of CSR on corporate reputation is mostly of external stakeholders' concern and is shaped by the long-standing commitment and behavior of the firm toward stakeholders and the consistent involvement of and communication to them about its CSR goals and objectives. Branco and Rodrigues (2006) noted that when firms are able to demonstrate, by communicating effectively with a wide range of stakeholders, that they operate responsibly, they can build a positive reputation. Whereas failing to do so can be a source of risk to their reputation.

Unfortunately, effective communication tools were not always available for firms in many emerging markets. The lack of familiarity with communicating internal activities such as CSR initiatives to stakeholders impedes firms' ability to inform their stakeholders and explains the incapability to influence stakeholder perceptions in order to boost corporate reputation. Generally speaking, CSR practice is not yet sufficiently recognized by the media which remains a serious hurdle for generating public goodwill that could ultimately translate into an attractive corporate reputation.

Conclusion

This chapter discusses the association between CSR and organizational performance with special reference to emerging markets in general and Dubai in particular. We sought to provide guidance, on the one hand, to future research agenda by putting forward a standard definition for CSR away from philanthropy but strictly focusing on stakeholders' needs relating to workplace, marketplace, community, the environment, and the creation of long-term customer value being the ultimate outcome.

On the other hand, we focus more on three core performance areas, namely, the financial, the employee's commitment, and organizational reputation, which can be given several designs drawing on different approaches and disciplines to close the gap there in between, meanwhile encouraging a multidisciplinary approach. This will help to reach consistent measurement and constructive conclusions.

This chapter concludes that CSR has a significant and positive impact on all three pillars of performance, thereby refuting the belief that due to the absence of strong institutional support, and the predominance of ineffectual laws, firms in emerging economies do not capture full benefits from CSR; instead, they are tempted to resort to exploitative practices of customers, exploitation of human resource, and the physical environment. The chapter explained that the above bias is mainly an unintended result of incorrect measurement being distorted by factors such as philanthropy, absence of stakeholder's engagement and of communication, and reporting CSR practices.

Furthermore, this chapter argues that the *impact* of CSR on organizational performance in emerging economies is similar to that in Western developed economies. At the core, the differences in the impact on performance outcomes, when recorded between developed and emerging economies, are attributable chiefly to the differences in the respective regulatory/institutional systems. However, this (dis)similarity in impact will persist, up to the point where the regulatory systems, overall, will approach a standard level that is fully supported by stakeholders and a communication and reporting system is being put in place.

Therefore, on the basis of these results, scholars should perhaps put less emphasis on the institutional differences between developed and emerging economies when it comes to CSR activities but more on definitions and a standard measurement. For practitioners of CSR, this chapter is backbone for their confidence. It will also intensify the practice of CSR as a strategy in the region.

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7

Supporting National Responsibilities in the Quest to Achieve an International Agenda: An Exploratory Case Study from the UAE

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Abstract This chapter aims to explore how corporate social responsibility (CSR) can contribute to national responsibility to achieve the international agendas related to sustainability. This research reveals that in the context of sustainability within the United Arab Emirates (UAE), the private sector through CSR is influenced/motivated to support the national and international sustainability agenda. Findings from this research contribute to the process of designing sustainable development strategies for the federal government of the UAE to encourage the private sector to support sustainability agenda.

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Introduction

Modern societies face enormous and wicked problems due to population growth and resource scarcity and their combined impact on the economy (Dilworth 2009). Likewise, climate change is a global phenomenon affecting communities with increasingly severe natural disasters such as hurricanes, which inflict serious human and economic damage (Compton 2014). The problems resulting from resource scarcity were identified and, in some cases, accurately predicted in the mid-twentieth century by pioneering ecologists, geologists, economists, and engineers (Hall and Day 2014). In addition, there is much talk about sustainability, along with an emerging new field called 'sustainability science' (Burger et al. 2012). Nevertheless, it is unlikely that increasing global dependence on energy can be sustained (Hall and Day 2014). Non-renewable energy resources account for 87% of the total global primary energy demand, whereas renewable resources provide 13% of the total demand (May 2010). Although renewable energy is sustainable and widely available, it requires expensive infrastructure and cannot completely replace some types of non-renewable energy (May 2010). The crisis involving natural resources and sustainability affects all aspects of life; therefore, it demands greater responsibility, particularly at the corporate level, for addressing and resolving these problems.

Amid growing interest in preservation of natural resources, an increasing amount of scholarship highlights the importance of responsibility through collective efforts supporting human rights and sustainability at a global level (Miller 2007; Schmeller et al. 2014). In a global context, nations have their own interests, which sometimes coincide and often collide with those of other nations (Marshall 1952). Humans are both victims and agents because of their unlimited needs and vulnerability; at the same time, they must take responsibility for their own well-being

(Miller 2007). There is a consensus that all nations need to work collectively by exercising 'national responsibility'[1] to eliminate, or at least alleviate, global problems and achieve a better future (Abdel-Nour 2003; Miller 2007). This chapter discusses how the private sector in the United Arab Emirates (UAE) is playing a role to achieve such goals.

Sustainable Development Goals

The idea of creating the Millennium Development Goals (MGDs) was born in the 1980s and 1990s.[2] In the year 2000, during the Millennium Summit of the United Nations, eight MGDs were officially announced as the United Nation Millennium Declaration 3 (Lomazzi et al. 2014), constituting a new method of mobilizing resources and setting important social priorities worldwide (Sachs 2012). Further, the MDGs became the most widely supported and comprehensive development goals the world has ever established (Lomazzi et al. 2014).

These 8 goals and 18 targets provide a concrete framework for tracking poverty, hunger, maternal and child mortality, communicable disease, education discrepancies, gender inequality, environmental damage, and the global partnership for development (Cohen 2014; Lomazzi et al. 2014). Since the year 2000, a multitude of high-level meetings and summits were conducted to follow up on the progress of these goals. In the face of severe climate change and other critical environmental issues, there is widespread agreement that environmental objectives require as much attention as plans to reduce poverty (Sachs 2012).

A new round of international goals, the Sustainable Development Goals (SDGs), was proposed in 2012 to follow the 15-year period of

[1] National responsibility (NR) refers to the direct and indirect responsibility of national leaders, institutions, or groups in society to shape particular policies, actions, and outcomes (Shaw 2011).

[2] Millennium Development Goals (MDGs) refer to an international agenda managed by the United Nations and implemented by the developed countries to support underdeveloped countries. Comprising 8 goals and 18 targets, this agenda provides a concrete framework for tracking poverty, hunger, maternal and child mortality, communicable disease, education discrepancies, gender inequality, environmental damage, and the global partnership for development. This agenda covers the period between 2000 and 2015 (Cohen 2014; Lomazzi et al. 2014).

MDG, to begin after 2015 (Sachs 2012; Lomazzi et al. 2014).[3] The SDGs have quickly gained prominence because of the growing urgency of sustainable development throughout the world (Sachs 2012; Lomazzi et al. 2014). Almost all societies around the world acknowledge the need for a balanced combination of economic development, environmental sustainability, and social inclusion (Sachs 2012). Achieving the moral and pragmatic imperatives embodied by the UN's MDGs requires 'responsible markets': that is, markets rewarding companies that embrace responsible practices in their daily business operations. This is the only way in which competitive markets will create a 'race to the top' trend of escalating productivity, human development, and environmental responsibility (Zadek 2006).

In consequence, the UAE has made a positive commitment to participating in this global agenda. In accord with the mandate of the UAE Ministry of International Cooperation and Development, strategic indicators have been established to highlight the UAE's commitment to supporting and participating in the MDGs (UAE Ministry of Foreign Affairs and International Cooperation and Development 2014). Based on information provided by the Ministry, foreign assistance is playing an important role in the gross national product (GNP) of the UAE. The total UAE disbursement for foreign assistance as a portion of GNP was 0.30% in 2010, 0.62% in 2011, and 0.46% in 2012. In 2014, total net Official Development Assistance (ODA) of the UAE reached USD 5.1 billion, representing a decrease in real terms of 6% during 2013. The ratio of ODA as a share of gross national income (GNI) also fell in 2014 to 1.26%, down from 1.34% in 2013 (OECD 2016). The figures of 2013 and 2014 are the highest internationally. As a nation, the UAE discerns a clear commitment to the international agenda of solving global problems like poverty and resources scarcity. The country is setting benchmarks to track its progress towards these goals.

[3] Sustainable Development Goals (SDGs) are a follow-up on the MDGs, to be enacted between 2015 and 2030. The goals are still fluid but targeted enough to focus on developing and developed countries in parallel, with a focus on achieving sustainable development through economic growth and diversification, social development, and environmental protection (Sachs 2012; Sarabhai 2014).

Brief Literature Review

Role of Corporate Responsibility in Supporting SDGs

During the past decade, corporate social responsibility (CSR)—the voluntary engagement of businesses with social and environmental issues above the legally mandated minimum standard—has risen to prominence (Kinderman 2008). In light of the increasing influence of businesses on public policy and a reduction of the modern welfare state, CSR[4] could serve as an important guiding principle for scrutinizing approaches as well as for conceiving viable forms of CSR to come (Schneider 2014). As a result, corporations will help bridge the gap between policy and social welfare while maintaining profitability.

The institutional environment of a business plays a significant role in explaining why firms assume CSR (Fransen 2013; Campbell 2007; Matten and Moon 2008). Campbell (2007) argues that the relationship between basic economic conditions and corporate behaviour is mediated by several institutional conditions like public and private regulation, institutionalized norms regarding appropriate corporate behaviour, associative behaviour among corporations themselves, and organized dialogue between corporations and their stakeholders.

Gjølberg (2009a, b) states that political and economic systems developed decades before the CSR debate, and this continues to play a decisive role in companies' inclination and ability to respond effectively to the challenge of a globalized economy. The institutionalist hypothesis postulates that a company's CSR efforts are a function of institutional dynamics in a nation's political-economic system, thereby transforming the relationship between state and civil society and signalling a new role for private actors in future national governance (Gjølberg 2009a, b). Moreover, institutional theory maintains that an organization's CSR is embedded in socio-political indicators, implying that a nation's political bodies can impact

[4] Corporate social responsibility (CSR): when a business surpasses its profit-making functions to advance social objectives such as sustainable economic development, quality of life, and/or increasing the national standards of living, among others (Boulouta and Pitelis 2014).

the implementation of CSR at the organizational level (Campbell 2007; Matten and Moon 2008; Gjølberg 2009a, b). In his study, Dummett (2006) confirms that government intervention in the form of legislative policy encourages or forces greater corporate responsibility. German companies have adopted a position vis-à-vis CSR whereby they agree to increase their CSR efforts in exchange for reduced regulation and weaker corporatist institutions (Kinderman 2008).

As critical infrastructure in Western nations is largely controlled by private sector organizations, corporate responsibility for national objectives is not confined to national corporations. For example, Ridley (2011) concludes that some aspects of national and global security are CSR-related phenomena at the private sector level. Therefore, critical infrastructure resilience, where it is at least in part controlled by private corporations, may be viewed explicitly as a CSR-related phenomenon (Ridley 2011).

In a recent study, Boulouta and Pitelis (2014) show that the link between CSR and competitiveness has been examined mainly at the business level. They studied the link between CSR and national competitiveness in 19 countries over a period of 6 years and concluded that CSR is positively correlated to national competitiveness. In a study of the relation between corporate voluntary disclosures and the competitiveness of Indian firms in the international product market, Subramanian and Reddy (2012) demonstrate that firms become more competitive in international markets when they voluntarily disclose their practices. In another study, Porter and Kramer (2006) conclude that CSR will become increasingly important in guaranteeing success in business. As the study on German firms showed (Kinderman 2008), it is in a national government's interest to provide CSR-based incentives for firms by helping them become more competitive and achieve higher performance, thereby reinforcing allegiance.

However, Fransen (2013) shows that the literature is not specific in determining, first, what parts of political-economic configurations actually affect CSR practices; second, what precise aspects of CSR are affected by national-institutional variables; and third, how causal mechanisms between national-institutional framework variables and aspects of CSR practices work. Fransen (2013) argues that contemporary literature on the national integration of CSR is unable to show how national-institutional environments affect CSR practices. Another gap highlighted in the literature is that the measurements of CSR used in the literature do not reveal the extent of business commitments to social, environmental, or broader human rights standards (Fransen 2013).

Thus, CSR appears to play a role in facilitating the process between policymaking and achieving national competitiveness. According to Fransen (2013), more research is required to link CSR and national-institutional environments. 'From a policy-making perspective, more clarity regarding these questions also aids the work of business. In particular, how CSR in combination with other national arrangements may lead to more or less beneficial interactions between public and private institutions in the shaping of social and environmental outcomes'.

The institutional theory claims that policy affects CSR, and that an organization's CSR is embedded in socio-political indicators (Gjølberg 2009a, b; Campbell 2007; Moon and Matten 2008; Kinderman 2008). The concepts of institutional theory and institutionalization have been defined in diverse ways, with substantial variation among approaches (Scott 1987, p. 493). One of the basic premises underlying institutional theory is that organizations are socially constructed and that they are subject to pressures which influence the design and operation of their regulatory structure (Baker et al. 2014). Institutional theorists have directed attention to the importance of symbolic aspects of organizations and their environments (Scott 1987). Environmental agencies' ability to define the reigning forms of institutional structure will be determined largely by political contests among competing interests (Scott 1987). After a period of rapid growth and high creative energy, institutional theory in organizations has apparently entered a phase of more deliberate development, accompanied by efforts aimed at self-assessment and consolidation (Scott 1987).

In summary, this research, highlights the links between national responsibility, CSR, United Nations Global Compact (UNGC), and SDGs, as seen in recent studies of CSR and SDGs (Cahyandito 2012; Wuttke and Vilks 2014). Because CSR exemplifies a new relationship between state, market, and civil society and signals a new role for private actors in future national and global governance (Gjølberg 2009a, b), it is proposed that CSR practices, with the guidance of the government, can positively support national responsibilities.

Methodology

Results from this study clarify the incentives/elements that will motivate the corporate CSR in meeting national agenda—which support the international agenda—and will be used to inform policymakers on the possibilities of developing a framework that aligns corporate CSR with the national and international agendas. The information gathered includes participants' CSR activities and their view on national responsibilities and the international SDGs, as well as the secondary data gathered from the literature. The data collection process incorporates in-depth interviews with government representatives. The data will be managed and analysed by NVivo software.

Research Process

First Stage (The International Level)

The selected interviewees are senior professionals working in the Department of International Organizations in the Ministry of Foreign Affairs and International Cooperation. This department was selected primarily because it has direct contact with international organizations like the United Nations, handles international agendas like the SDGs, and hence had a better understanding of the UN's plans for enlisting the private sector in meeting the SDGs. Therefore, the research starts by interviewing one director (decision-maker), one manager (supervisor), one officer (executive), and one specialist (expert). The interviews were held in each interviewee's office during working hours and took approximately one hour to complete. The interviewee was free to withdraw from the interview at any time.

The findings of these interviews were submitted as data for the study. Each individual's response was treated confidentially and anonymously.

Interview records and memos were stored in a safe place until the end of the study, and only the researcher had the ability to access it. The data and records of this interview were stored in a password-protected laptop, which was accessible to the researcher only. The interviewee had the opportunity to obtain records or memos related to his/her interview. Otherwise, these items were destroyed after five to seven years.

Second Stage (The National Level)

The selected interviewees are senior professionals working in the Federal Competitiveness and Statistics Authority (FCSA). The FCSA was selected primarily because it develops national policies and strategies related to the SDGs. Thus, it had a better understanding of designing frameworks that include the private sector in supporting international agendas like the SDGs. In particular, the research is proceeded by interviewing one director (decision-maker), one manager (supervisor), one officer (executive), and one specialist (expert). The interviews were held in each interviewee's office during working hours and took approximately one hour to complete. The interviewee was free to withdraw from the interview at any time.

The findings of the interviews were submitted as data for the study. Each individual's response was treated confidentially and anonymously. Interview records and memos were stored in a safe place until the end of the study, and only the researcher had the ability to access it. The data and records of this interview were kept in a password-protected laptop which was accessible to the researcher only. The interviewee had the opportunity to obtain records or memos related to his/her interview. Otherwise, these items were destroyed after five to seven years.

Analysing the Interview Results

The interviews were recorded and then analysed by a third party to avoid any bias. NVivo software was used to analyse the data. The results of the interview were used in two ways. First, key research findings were included in the research paper. Second, the results informed the questionnaire that was distributed to UAE corporations registered in the UAE UNGC network. The highlighted questionnaire was designed and administered after interviews were completed at the international and national level.

Findings

First Stage: Interviews from Department of International Organizations in the Ministry of Foreign Affairs and International Cooperation

Category 1: Sustainable Development Goals

Each participant was aware of and expressed interest in the SDGs. These are a set of goals established by the international community in 2015 to support the three pillars of sustainability—ending poverty, protecting the environment, and ensuring global peace and prosperity. Broader than MDGs, which focus on sustainability at the international level by promoting government cooperation, the SDGs consist of 17 goals and 169 targets encompassing three key areas (economic, social, and environmental) of sustainable development. Within these areas, the SDGs seek to advance change for the greater good of humanity and the world we live in.

To achieve these goals, governments, private sector organizations, and individual citizens around the world need to take part. 'Leave no one behind', a popular slogan of the 2030 Agenda, emphasizes the SDG's commitment to individual rights and opportunities.

Below is an excerpt from an interview with Participant 2:

> *[The SDGs represent a] much more comprehensive and universal agenda, including sustainability, shared global responsibility, the role of both developed and developing countries in achieving these goals and increasing their self-reliance, and explicit inclusion of the private sector.*

According to Participant 4:

> *The Sustainable Development Goals are the de-aggregation of the Millennium Development Goals; it is a more detailed level of goal setting with a focus on sustainability. The result is sixteen SDGs with an additional goal (SDG17) that focus on partnership at the international level.*

Subcategory 1: Expectations from Corporate/Private Sector

Subcategory 1 includes the UN's expectations of the private sector in achieving the SDGs. While the SDGs come under government auspices, the private sector bears indirect responsibility for them. If a country advocates for the SDGs, its national policies will be impacted, and the private sector will be expected to support the government's initiatives.

Three participants agreed that the private sector needs to intervene in the economy by creating jobs, promoting gender equity, ensuring environmental protection and sustainability, and increasing funding for sustainability projects. They assert, moreover, that private sector partnerships are integral to global development. Below is an excerpt from an interview with Participant 2:

> *From those with commercial returns, impact investments, corporate social responsibility or purely philanthropic. Engagement with the private sector will build on the collective strength, motivation, innovation and resources of the private sector, and aligned with the priorities of the ministry, the UAE, and finally the global community.*

Interview participants differed on what can reasonably be expected from corporations. For example, Participant 1 makes the following observation concerning the private sector's contribution:

> *I think that the Federal Competitiveness and Statistics Authority is having meetings with youth to explore their expectations about different issues that might include sustainability. It will be interesting to explore what they expect the private sector to contribute in terms of sustainability.*

Subcategory 2: Impact on National Policies

This node explores the impact of the SDGs on national policies. All the participants share the view that the SDGs affect strategy-making at the national level and promote sustainability objectives. SDG indicators are very reliable, and every country can draw on them for setting national policy, provided they are aligned with national interests and values. According to Participant 4:

> *The SDGs are a list of goals, each goal focusing on a specific element. Any country that wants to contribute to sustainability will choose some of the goals that are aligned with their national objectives and focus on it by including these goals in their strategies. Not all the goals, but only those aligned with national interests.*

One participant explained that every country needs to articulate and, in some cases, revise and shift their policies to implement the SDGs by 2030. Policy coherence is particularly important in addressing systemic issues and market failures, encouraging broad social participation and ensuring a holistic government approach, including planning and implementing the SDGs regionally, nationally, and globally.

Participant 1 offered an example to illustrate the importance of assessing the SDGs at the local level:

> *China and India appeared to be doing great in developing and implementing their sustainable objectives. But when we look at the details, we find that some states within these countries are doing great and some others are still suffering. So, while the SDGs are motivating countries to include sustainability in national agendas, I think that we also need to develop our strategies further to be implemented at subnational levels.*

Subcategory 3: Impact on Private Sector

Three of the participant's assert that a growing number of private sector organizations are recognizing the 'business sense' of implementing the SDGs—conducting business with a long-term lens and aligning profit-oriented goals with sustainability and shared prosperity. Their CSR programmes are also motivated by how their businesses could contribute to global SDGs and foreign aid.

Companies within the UNGC network are already aware of the importance of sustainability. Therefore, these companies will adhere to the SDGs and ensure their achievement. Companies not part of the UNGC network might not be affected by the SDGs because their CSR activities are more philanthropic than sustainability oriented.

One participant suggests that the private sector (businesses, foundations, and philanthropic entities) can be effective and impactful in eradicating poverty and achieving sustainable development. The corporate sector should be included in efforts to achieve sustainability. According to Participant 4:

> *Yes, some of the detailed targets in the SDGs include engaging the private sector. The private sector is a big player in financing and innovating on sustainability.*

Participant 3, on the other hand, believes that SDGs do not directly affect the private sector: *The SDGs affect governments more than the private sector. However, they might affect the private sector indirectly through government policies and initiatives.*

Subcategory 4: Important SDGs

There are 17 SDGs in total. The Ministry supports all the SDGs and encourages equal focus on all the goals. This node covers all the major goals from each participant's point of view. The UAE Foreign Assistance strategy focuses on eight goals, listed below:

- Ending poverty: three out of four participants agree that ending poverty is the most important SDG. It is considered the first SDG because sustainability and economic well-being depend crucially on eliminating poverty.

- Forming partnerships: SDG17 focuses on cooperating with stakeholders to achieve sustainability goals. The UAE Foreign Ministry needs to cooperate with other countries to implement the SDGs. Three out of four participants believe that revitalizing global partnerships based on sustainable development is important for fulfilling 2030 agenda.
- Promoting gender equality: two out of four participants agree that achieving gender equality is essential in empowering all women and girls.
- Ensuring equitable quality education: two out of four participants agree that promoting lifelong, equitable, and optimal learning opportunities for all is vital for overall growth and development.

Below are four of eight goals considered important to the UAE Foreign Assistance strategy:

- Economic growth: to promote sustained, inclusive, and sustainable economic growth
- Reducing inequality globally
- Peace: to promote peaceful and inclusive societies and build effective, accountable, and inclusive institution at all levels
- Industrialization: to build resilient infrastructure, promote sustainable industrialization, and foster innovation

Participant 2 cited eight goals which he deems most important to the UAE:

> *The eight goals are: ending poverty in all its forms everywhere, ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all, achieving gender equality and empower all women and girls, promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation, reducing inequality within and among countries, promoting peaceful and inclusive societies, building effective, accountable and inclusive institutions at all levels, strengthening the means of implementation and revitalizing global partnerships for sustainable development.*

Category 2: SDGs Versus MDGs

In discussing the SDGs, all participants elaborated on the role of MDGs, as both initiatives are related. But when asked about the overlap, participants claimed that the SDGs are a continuation of the unfinished business of the MDGs, though with a much more comprehensive and universal agenda. Accordingly, the SDGs include sustainability, shared global responsibility, cooperation between developed and developing countries, increased self-reliance among developing countries, explicit inclusion of the private sector in achieving the SDGs, and greater emphasis on leaving no one behind and delivering on the three dimensions of sustainable development: social, economic, and environmental.

The SDGs are a more sophisticated and detailed, de-aggregated version of the MDGs. The MDGs provided a blueprint for the SDGs. As Participant 3 notes:

> *The Millennium Development Goals are a starting point for the Sustainable Development Goals. There is no overlap. The Sustainable Development Goals continue the path of the Millennium Development Goals. In fact, the SDGs are broader and more specific than the MDGs.*

Participant 1 drew a comparison between the SDGs and MDGs because of their focus on developed and developing countries. However, while the MDGs focus on developing countries, the SDGs are universal, concerning both developing and developed countries. Participant 3 explains the difference in time frames between the SDGs and MDGs and the need for the SDGs to evolve:

> *We started working on the Millennium Development Goals a few years before; the MDGs are an international agenda published by the United Nations in 2000, focusing on sustainability at the international level, while encouraging government participation. In 2015, there was a call to develop these goals further and expand its mandate, therefore a new set of goals was designed and developed, called the Sustainable Development Goals.*

Category 3: Link Between SDG and UNGC

This node examines the connection between SDGs and the UNGC, as both are part of the 2030 agenda.

Two participants were unaware of the UNGC, so they did not comment on the framework linking the SDGs and UNGCs. The other two participants believed there was no specific model that linked the SDGs with the UNGC. However, both agendas focus on sustainability at the international level. The international community is now conducting a series of discussions on developing such a framework. Here, Participant 3 explains how the SDGs are more common and popular than the UNGC:

> *I don't think that the UNGC initiatives are as strong as the SDGs…Besides, we see more activities related to the SDGs than the UNGCs.*

Category 4: United Nations Global Compact

The UNGC is an international agenda concerned with sustainability, mainly within the purview of the private sector. Two out of four of the participants were relatively unfamiliar with the UNGC, while the others could define it as a global platform allowing business owners to share their experience with sustainability and to adopt sustainable and socially responsible policies. Below, Participant 1 demonstrates a limited understanding of the UNGC:

> *To be frank, I know more about the SDGs than the UNGC, but I think it's part of the 2030 agenda at the global level, which includes the SDGs and UNGC.*

Subcategory 1: Expectations from Corporate/Private Sector

This node examines the UN's expectations from the private sector in fulfilling the SDGs.

Three out of four participants were unaware of any clear expectations from the UN. The remaining participant was not sure whether the UN expects any clear deliverables from corporations; however, he/she believes that the private sector is expected to invest in sustainability either by sponsoring sustainability projects or by investing in sustainable technology.

Analysis shows that corporations are willing to contribute foreign aid or to promote sustainability projects if they had a viable platform. To this end, the government is interested in exploring opportunities for the private sector to contribute to sustainability. One participant believes that private sector partnerships are crucial for fostering innovation and collective strength, thus supporting global development agendas. The private sector's contribution would be rich and broad and aligned with the priorities of the ministry and the global community. According to Participant 3:

> *Am not sure if they expect any clear deliverables and I don't think there is a clear restriction on this, however, the UNGCs branding is growing nowadays in the private sector so I expect that in the coming years, more companies will design their CSR activities according to the UNGC principles.*

Subcategory 2: Impact on National Policies

Participants believe the UNGC indirectly impacts national policy, as it chiefly targets the business community (whose activities are often regulated by the government). The UNGC encourages companies to embed sustainability measures within their business model rather than treating it as simple philanthropy. Such measures would affect the business environment within the country and, as participants also know, could lead to modification of business regulations. If the government focuses more attention on the SDGs, then the entire community will be affected, including the private sector. The government could use UNGC principles to redesign business regulation policy.

Subcategory 3: Impact on Private Sector

This node examines the effect of the UNGC on corporations and the private sector. Three out of four participants agree that it makes an impact on businesses, in as much as the UNGC is an international platform for business owners to implement sustainability within their business models. UNGC principles are taken into consideration by corporations while carrying out CSR activities.

Participant 1 observed that the UNGC represents a global movement that motivates the private sector to support a sustainability agenda. There are no clear expectations in terms of deliverables, but the private sector is expected to invest more in sustainability either by sponsoring sustainability projects or by investing in sustainability innovations. So, directly or indirectly, the UNGC has an impact on the private sector, particularly in undertaking sustainability initiatives. According to Participant 3:

> *Yes, the UNGCs are affecting the private sector, though CSR activities are more guided by UNGC principles. I think that the private sector can market itself more by announcing that their CSR activities are in accordance with UNGC principles.*

In order to make sense of the data, results were organized according to themes, which help determine a company's direction.

Theme 1: Expectations from Private Sector

Theme 1 consists of four categories, which include two subcategories of SDG and two of UNGC. This theme examines the supra-international expectations from corporations regarding sustainability, such as job creation, funding, environmental protection, gender balance, and access to opportunities that support sustainability.

These goals do not directly impact the private sector, but they ensure that companies' profit-oriented goals are aligned with sustainability and shared prosperity. Hence, effects indirectly on government policies and initiatives are indirect, as the private sector plays a significant role in finance and innovation.

Theme 2: Expectations from National Policies

The subcategory, impact on national policies, is placed under categories 1 and 2, forming theme 2.

The SDGs and the UNGC encourage countries to design policies based on sustainability objectives. Business regulation policy may be affected by the UNGC through government focus on SDGs.

All countries have a roadmap for eradicating poverty and achieving sustainable development—which was adopted by world leaders in 2015. In order to achieve the SDGs, national policies must be revised and shifted. SDG indicators can be used as input for designing and implementing national strategies.

With respect to 'Sustainable Development Goals', participants discussed two main goals. A word tree contextualizes those words or subcategories. By analysing the graph in Figs. 7.1 and 7.2, one can better understand this particular topic.

Below are two word trees for the words 'poverty' and 'partnerships'. Both fall under the subcategory, 'Important SDG', highlighting these two areas of concern as most important for the participants' organization, the Ministry of Foreign Affairs, and International Cooperation.

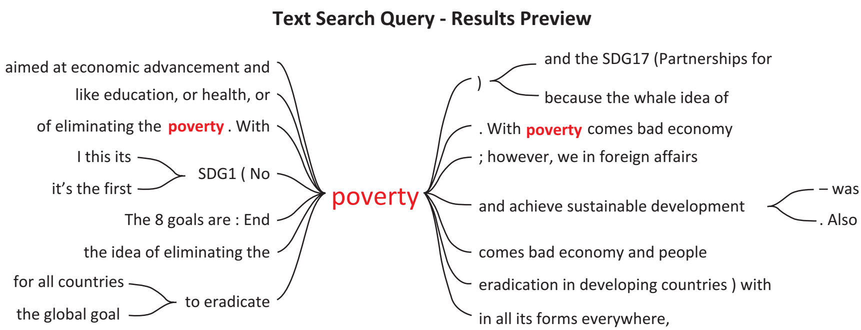

Fig. 7.1 Word tree—poverty

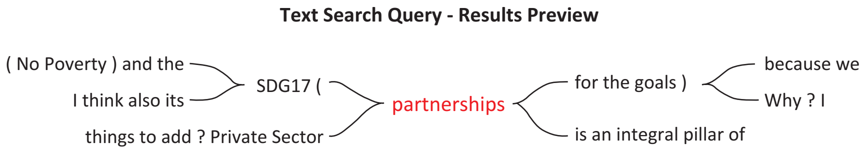

Fig. 7.2 Word tree—partnerships

Expectations from Private Sector

The two parent nodes that define this theme are the SDGs and UNGC, which reveal four distinct subcategories focused on business owners, their interest in sustainability, and how their businesses could contribute to global SDGs. The subcategories include: (a) SDG-Impact on Private Sector, (b) SDG-Expected Deliverables from Corporate and Private Sector, (c) UNGC-Impact on Private Sector, (d) UNGC-Expected Deliverables from Corporate and Private Sector.

The main subcategory, 'SDG's Impact on Private Sector', has 9.61% coverage. A total of 75% of the participants agreed that SDGs do have an impact, particularly as some SDG targets include engaging the private sector—an important player in finance and innovation. Indirect impact on government policies and initiatives might also be felt.

The subcategory with the second highest percentage coverage is 'Expected Deliverables from Private Sector by UNGC', with 9.55%. One participant pointed out that private sector partnerships are an integral pillar of sustainable development and that private sector contributions to foreign aid foster motivation and strength.

'Expected Deliverables by SDG' has the third highest percentage coverage, at 7.38%. Though the SDGs fall within the auspices of national governments, nevertheless, they have indirect expectations of the private sector. Thus, if a country adopts the SDGs, its national policies will be affected, thereby indirectly affecting the private sector and obligating it to support the government.

Expectations from National Policies

The second domain includes the subcategory, 'Impact on National Policies', under categories 1 and category 2. Both are related to the development of national policy by taking sustainability objectives into consideration. On a larger scale, the supra-international expects all nations to feature sustainability in their agendas. The categories and subcategories include (a) SDG-Impact on National Policies and (b) UNGC-Impact on National Policies.

One important subcategory in terms of percentage coverage is 'SDGs' Impact on National Policies', with a 7.94% rate of coverage. All participants favoured the view that the SDGs motivate countries to include sustainability in their national agendas. Implementing the SDGs at the national level is encouraged, and their regional and global impacts are universally acknowledged.

The next subcategory under this theme is 'UNGC's Compact on National Policies', which has a 6.65% rate of coverage. Two out of three participants were relatively unaware of the UN Global Compact, while others believed it has no direct impact, though government policies could be shaped by UNGC principles.

'Expectations of Private Sector' was the most discussed topic, with a 30.65% rate of coverage. In this context, participants discussed the private sector's contribution to achieving sustainable goals. 'International Community's Expectations of Businesses', which correlates sustainability agendas to the private and corporate sector, is also included.

The second theme, 'Expectations of National Policies', had a 14.59% rate of coverage, linking sustainability efforts at the national level.

Conclusions from Stage 1

The following conclusions were derived from the aforementioned interviews, observations, and documentation related to sustainability. Some interviewees asserted that the international community has direct or indirect expectations of nations and corporations concerning sustainability.

SDGs are a key feature of the UAE 2030 agenda at the global level. Initiated in 2000 with the MDGs, the SDGs are a de-aggregation of the MDGs with a more detailed, more broadly envisioned plan for sustainability. Its three pillars of sustainability are social, economic, and environmental. The Foreign Ministry's most important goals include ending poverty and establishing global partnerships. The UN Global Compact is another international agenda, which imposes responsibilities on the private sector.

The SDGs encourage countries to incorporate sustainability objectives in their national agendas, providing a roadmap for eradicating poverty and achieving sustainable development. Strategic development needs to be implemented at both national and local levels. Any nation that wants to contribute can revise its policy to include goals that are aligned with their national interests. However, unlike the SDGs, the UNGC perspective has no direct connection with national policies, as it mainly pertains to the business community. Nevertheless, governments will modify their business regulatory structures based on UNGC principles, thereby indirectly affecting the business community.

UNGC is an international platform for business owners to implement sustainability within their business models. UNGC principles are taken into consideration by corporations while carrying out CSR activities. Some CSR activities are guided by UNGC principles, and in the coming years, more companies will design their CSR activities according to the UNGC. No clear deliverable is cited, but the private sector is expected to invest in sustainability projects and sponsor sustainability innovation. Business owners are interested in these initiatives, provided there is a platform enabling them to participate in foreign aid. Indeed, private sector partnerships are an integral pillar of UAE foreign assistance policy and global development, encompassing commercial returns, impact investments, CSR, and philanthropy.

The private sector is increasingly recognizing the 'business sense' of implementing the SDGs: conducting business with a long-term lens and aligning their profit-oriented goals with sustainability and shared prosperity. While the SDGs affect governments more than the private sector, there is an indirect impact on the private sector through government policies and initiatives. Also, the international community has indirect expectations of corporations, for example, in the creation of job, expanding access to economic opportunities, protecting the environment, promoting gender equality, and providing more funding for sustainability projects. Countries that advocate the SDGs will incorporate them into their national policies, while obligating the private sector also to support government initiatives.

Second Stage: Interviews with the Federal Competitiveness and Statistics Authority

The sample frame included four participants from the Federal Statistics and Competitiveness Authority. All four participants are senior and specialized professionals working in separate departments dealing with the implementation of SDG at the national level—which is the main reason for selecting this authority for this study. These participants have a better understanding of designing frameworks that include the private sector in the nation's support of international agendas like the SDG. Thus, they are equipped to answer the second research question 'What is the national community expecting from corporations in the context of sustainability?'

One director (decision-maker), one coordinator, and two specialists (experts) were selected for an interview, thereby offering a wide range of professional perspectives. Every effort was made to prevent bias towards race, ethnicity, gender, or religion. The participants interviewed were coded as Participant 1, Participant 2, Participant 3, and Participant 4.

Basit established that coding is crucial to analysis but is not interchangeable (2003, p. 145). The goal is to discover new meaning without using a specific formula (Richards and Morse 2007). In this study, patterns emerged once goals were clustered together according to similarity.

In order to derive conclusions from this data, a thematic coding scheme was developed according to the initial, intuitive data collected. The study was broken down into categories and subcategories consisting of similar data sets. Content analysis enabled the researcher to arrive at descriptions or characterizations of those categories. Some categories became too big and needed to be divided into smaller units, referred to as subcategories.

Cross-analysis based on frequency of occurrence was instrumental. The study included four participants. Categories were labelled and the rate of coverage determined the linked references during the interview.

Category 1: Sustainable Development Goals

One of the main nodes that each participant demonstrated interest in awareness of was SDGs. The SDGs constitute a plan of action for achieving sustainability, consisting of 17 goals with 169 targets to be implemented globally and to be achieved by 2030. They seek to promote universal peace, reduce poverty, and ensure human rights. The SDGs are divided into four themes: environmental, economic, social, and partnership.

The 193 member states of the UN came to an agreement on creating a unified living standard at the international level, namely by redistributing resources internationally. A wide range of sectors was covered.

One participant argued that it is not only the government's role to implement these goals, all members of society must be involved, including the private sector, academia, and individual citizens.

Two of the participants had even mentioned about the MDG saying that SDG has been developed over the MDGs having 17 goals, whereas MDGs have only 8 goals. It's a plan for the next 15 years after 2015. The SDGs are the success framework of the MDGs, which was focusing more in development in low-income countries. Participant 2 characterized the SDGs as an *agreement on how to make the world a better place to foster prosperity in the world and leave no one behind*. Participant 4 observed: *The SDGs reflect a global agreement on international development which was agreed on in 2015 to motivate economic, social and environmental development globally*.

Subcategory 1: Impact on National Policy

All of the participants share the view that the SDGs have an impact on national policymaking. Moreover, they believe that the SDGs are aligned with the UAE national agenda, and that they complement each other.

One participant claims that the SDGs already show their influence in national policies, inasmuch as they are driven by sustainability measures. Another participant agreed that almost all countries have created a national committee on SDGs to implement and align them with national self-development. In the UAE, he says, the SDGs have been incorporated into the 2021 agenda, and even as far as the 2071 agenda.

Another participant elaborated on the role of the National Committee in aligning the SDGs with the 2021 national development agenda and creating the right set of data to track them. The SDG indicators are very reliable, and the UAE can use them as input for developing its 2071 agenda. When asked if the SDGs are affecting the UAE's national policy, Participant 3 replied:

> *Yes, because the UAE's 2021 national agenda includes 6 goals that are directly related to the SDGs. The national plan for the UAE is aligned with some but not all the SDGs. For example, ending poverty is not reflected in the UAE's strategy because we don't have poverty here.*

Subcategory 2: Impact on Private Sector

Three participants share the view that the private sector is one of the main stakeholders in successfully implementing the SDGs. They believe that all community members need to be aware of them, seeing that goal 17 requires building partnerships with the private sector to advance the SDGs. Moreover, they maintain that the SDGs help the private sector shape standard business practices and motivate more strategic, long-term thinking on sustainability. According to Participant 3, without the support of the private sector, one cannot attain all the SDGs:

Yes, because we can't achieve a lot of goals with ought the private sector. For example, goal (8) which is decent work and economic growth depends a lot on the profitability and productivity of the private sector. Also goal (13) which is climate action, we need to cooperate with the private sector to control the carbon emission.

Participant 4 believes that at present the SDGs do not affect the private sector, though it might affect it in the future:

No not yet. The dialogue has started to happen. The tangible result is expected to happen. Germany and Scandinavian countries has experience in this dialogue. UAE will learn from that and develop a dialogue with the private sector.

Subcategory 3: Important SDGs

All four participants believe that all the SDGs need to be implemented, as all of them are of equal importance. It is the government's duty to align the SDGs with the national agenda. A governmental framework establishes the roles and responsibility of stakeholders across the public and private spectrum for delivering the SDG agenda (monitoring, reporting, evaluating, and sharing progress). Participant 3 agreed that it is his organization's responsibility to align all the goals:

Our role is to reach each government entity and set goals related to their organization. One cannot focus on health more than on education, for example. But we are making great progress toward some goals, and we need to focus on others as per the national agenda.

Participant 2 considered some goals essential to the UAE's national priorities, as highlighted in the 2021 UAE vision:

For example: Goal (3) good health and well-being, goal (4) quality education, goal (5) gender equality, goal (8) decent work and economic growth, goal (9) industry innovation and infrastructure, and goal (13) climate action.

Category 2: United Nations Global Compact

Two out of four of the participants were relatively unfamiliar with the UNGC, while the others could define it as a global platform allowing business owners to share their experience with sustainability and to adopt sustainable and socially responsible policies. Participant 4 believes that the UNGC is an organization with a mandate to engage the private sector in sustainability initiatives under the CSR.

Subcategory 1: Impact on National Policy

Two out of four participants stated that the UNGC does not have significant impact on national policies. Participant 4 believes that national policies have not yet been impacted but have the potential to be—this would require the government to engage the private sector and raise its awareness of sustainability. Under the UNGC, the private sector might contribute more to sustainability via CSR activities.

Participant 3 thinks that it would be beneficial for the government to collaborate with the private sector in advancing sustainability:

> *I think it will be good to align the government with the private sector in their efforts toward sustainability. It's good to align the SDGs with the UNGC.*

Subcategory 2: Impact on Private Sector

Participants lack deep understanding of the UNGC and its impact on the private sector. However, Participant 4 is aware that the UNGC affects the private sector but that most of the private sector is unaware of the UNGC. He emphasizes that the UN should focus more on raising awareness of this initiative:

> *UNGC has a more added value to the private sector in the context of sustainability because traditionally, CSR is used in some companies as a marketing initiative, however, nowadays and under the initiative of the UNGC, the private sector will contribute more to sustainability.*

Category 3: National Policy for Implementation of SDGs or UNGCs

This category concerns national policies designed to successfully achieve the SDGs and the UNGC. The UAE's National SDG Committee was created to advice on a national SDG implementation plan (Governance framework and statistical implementation plan), a statistical implementation plan, and a national communication plan. These federal government entities coordinate with local governments and the private sector to implement the SDGs. Thus, all national stakeholders are involved in managing the SDG National Committee's activities. The main focus area is raising awareness of the SDGs at the national level.

Under the national implementation plan, a governance framework sets the roles and responsibilities of stakeholders across the public spectrum to deliver the SDG agenda (monitoring, reporting, evaluating, and sharing progress). The statistical implementation plan focuses on monitoring the SDG indicators by using data collected and coordinated by the UAE's national statistic system.

With respect to the national communication plan, Participant 2 stated that it depends on three main factors: raising awareness, promoting civic engagement, and maintaining progress on the SDGs. Accordingly, the Future Policy Depot encourages UAE nationals to propose ways for further engagement on SDGs through initiatives recently launched.

Participant 4 believes that before implementing the SDGs, they must be aligned with the national agenda:

> *Yes, we have the national committee to align the SDGs with the 2021 national development agenda and to create the right set of data to trace the SDGS. The National Committee interaction is quite limited to engaging stakeholders from the local level. At this stage, the national committee focus on aligning the SDGs with federal government plans. In the same time, it involves the local government entities to make them aware about the SDGS. However, in 2018 we will focus more on a dialogue with the private sector.*

According to Participant 1:

> *We have a strategy to implement the SDGs which is based on the decree of creating the UAE national SDG committee. And now we are in the first phase and we finish the third meeting with the national committee and there is an upcoming event in 24 October which aim to spread awareness among the national committee and their stakeholders, some private sector entities.*

Subcategory 1: Contribution of CSR in Achieving SDGs

Participants think that private sector CSR activities are immensely important. If companies become aware of and align their activities with sustainability, it will be beneficial to the company, the government, and the international community. Businesses need to expand their CSR activities to include initiatives related to the SDGs.

All four participants believe that corporations need to align their priorities with the sustainability agenda. Because sustainability is a broader initiative than charity, there must be strategic alignment between the CSR plan, national plan, and the SDGs.

Participant 1 emphasized the importance of the private sector in filling the gaps left by government, such as financial support for implementing the SDGs and sponsoring government sustainability initiatives. According to Participant 3:

> *Big companies are active and they are aligning their strategies with sustainability. But we need more effort among small and medium-size businesses to implement the SDGs. We need more strategic alignment from the private sector.*

Participant 4 adds: *In the short term, businesses should align their CSR activities with the SDGs and their targets. How can they achieve sustainability as part of their value chain? If a manufacturing company pollutes the environment, that is not sustainable. They have to do something.*

Subcategory 2: Private Sector Inclusion

This category focuses on the inclusion of the private sector in national policymaking with respect to sustainability. Participants acknowledged that most policy is aimed at the government level, and that the private sector will soon be included. The government is preparing a communication plan to engage the private sector in sustainability goals in the coming months.

A national strategy developed by the committee intends 80% awareness of SDGs; one of the targeted audiences is the private sector. Participant 2 mentioned that the government is coordinating with local entities and the private sector to support the SDGs, even by including the private sector in the national implementation plan:

> *In 24 October we will start our first engagement with the private sector. However, at the government level, we always create ways for engagement with the private sector the likes of events or private sector dialogues.*

In order to make sense of the data, results were organized according to themes, which help determine a company's direction. The question addressed is: 'What was this study all about?'

Theme 1: Expectations from Private Sector to Achieve Sustainability

Five subcategories constitute theme 1, which includes three SDG subcategories and two related to National Policy for Implementation. This theme concerns the government's expectations from corporations with respect to sustainability. At present, the private sector is indirectly expected to support sustainability projects, insofar as it can fill gaps left by the government, like financial support for implementing the SDGs and sponsoring government sustainability initiatives.

The national government expects the private sector to align its business strategies with the sustainability agenda, and even encourages the private sector to support the national implementation of SDGs. The SDGs shape companies' standard business frameworks by incorporating sustainability goals. Table 7.1 categorizes each category and subcategory according to its respective theme. There are two themes, each of which pertains to a different aspect of sustainability.

Information Gathered, Findings, and Results

According to Noor (2008), the researcher can derive information from the experimental setting or environment in which training activities took place, which is not obtainable by other methods.

Reflection on Participants' Characteristics

In order to accurately assess the qualitative data, it is necessary to examine the results of this research within the context of the participants' shared and unique characteristics that influenced the data.

The rate of coverage of each node showed how much interview content has been linked to each category, hence the importance of these categories for the Federal Competitiveness and Statistics Authority. We found that 'Sustainable Development Goals' have the highest rate of coverage at 34.21%, making it the most discussed category in the interview. It also demonstrates universal knowledge of and interest in sustainability. These goals are aligned with the national agenda and are intended for national

Table 7.1 Categorization of themes

Themes	Category	Sub-category
Expectations from private sector to achieve sustainability	Sustainable development goals	Impact on national policy Impact on private sector Important SDGs
	National policy for implementation of SDG or UNGCs	Contribution of CSR in achieving SDGs Private sector inclusion

implementation. Participants asserted that the impact of SDGs on national strategy proves worldwide concern with sustainability.

The following category, ‘National Policy for Implementation of SDGs or UNGC’, had a 32.29% rate of coverage, with a focus on planning national policy, achieving SDGs, and encouraging CSR contributions from the private sector. The last category ‘United Nation Global Compact’ was discussed comparatively fewer times, with a 10.98% rate of coverage. Most participants were unaware of the UNGC.

When we explore the most discussed category, ‘Sustainable Development Goals’, and our study reveals that the subcategory, ‘Important SDGs’, has been mentioned even more frequently, with a 12.17% rate of coverage. All the goals are of equal value to national governments, as it is their responsibility to fulfil them at the national level. Next, the subcategories ‘Impact on National Policy’ and ‘Impact on Private Sector’ have an almost equal rate of coverage, at 6.57% and 6.04%, respectively. Here, participants acknowledged that SDGs are taken into consideration when planning national policy is designed. Private sector coordination is also required to achieve the SDGs.

With respect to ‘United Nations Global Compact’, our study shows two subcategories in which ‘Impact on National Policy’ has a higher coverage of 4.64%. Though the participants lacked complete understanding of the UNGC and its impact, one of them asserted the benefit of aligning the SDGs with the UNGC. The subcategory with the second highest rate of coverage, ‘Impact on Private Sector’, stands at 3.93%.

Turning to ‘National Policy for Implementation of SDGs or UNGC’, results from our study show that two subcategories with ‘Contribution of CSR in Achieving SDGs’ have a higher rate of coverage at 9.45%. All the participants acknowledge the value of a strategic alignment between CSR strategies and the SDGs. The subcategory with the second highest rate of coverage, at 8.65%, is ‘Private Sector Inclusion’, which demonstrates growing interest in involving private organizations in national policymaking.

As the study moves towards expectations of the private sector regarding sustainability, several words occur most frequently in the interview process. A word tree provides the context of those words or subcategories. (See 3).

Below are three word trees for 'CSR', 'private sector', and 'implement'. These words were central to the interview and are linked to the main research objectives regarding expectations of the private sector in implementing the SDGs (Figs. 7.3, 7.4, and 7.5).

After the data was gathered and assessed, correlations began to emerge. We find that the term 'sustainable development goal' has a **'one-way' relationship** with the phrase 'national policy for implementing SDGs or UNGCs', which shows that both categories are in some way related but do not affect each other in any way. The importance of SDGs influences national policymaking and its alignment with sustainability objectives, while compelling the private sector to contribute to the sustainability agenda.

A qualitative assessment of the data requires examining themes in terms of the frequency with which they are cited according to category and subcategory. Table 7.2 shows the rate of coverage by theme with respect to sustainability.

Expectations from Private Sector to Achieving Sustainability

The two parent nodes defining the theme are SDGs and National Policy for Implementing SDGs or UNGC. These two categories reveal five distinct subcategories, which focus on business owners and their interest in sustainability. It emphasizes the role of businesses in contributing to the SDGs, as well as setting national policy according to all 17 SDG goals. The subcategories include (a) SDG-Impact on National Policy, (b)

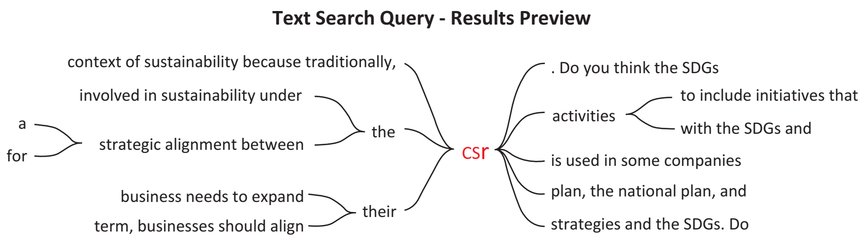

Fig. 7.3 Word tree—CSR

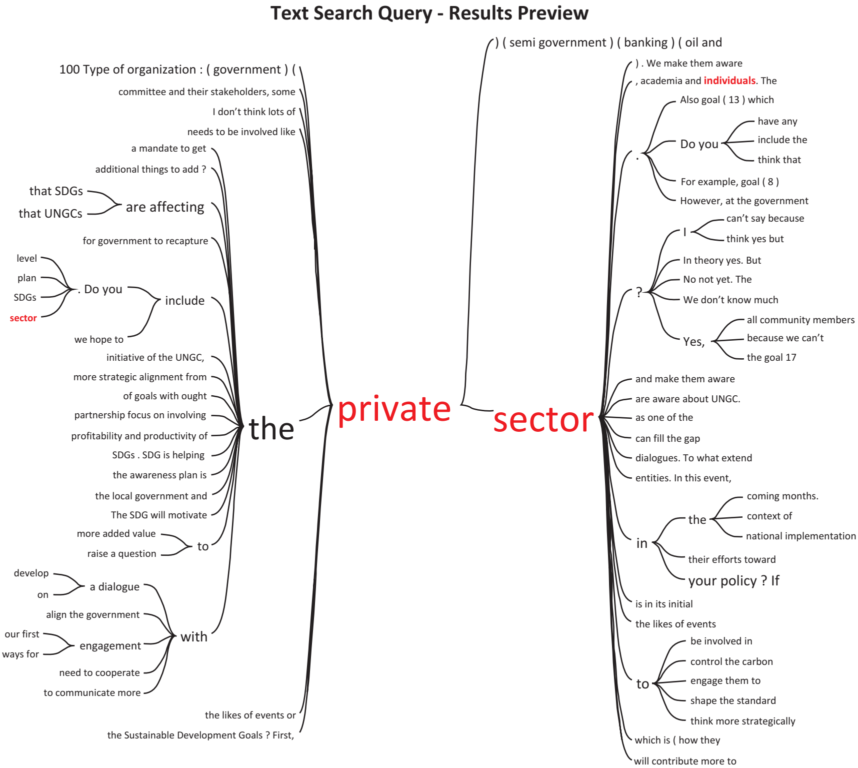

Fig. 7.4 Word tree—private sector

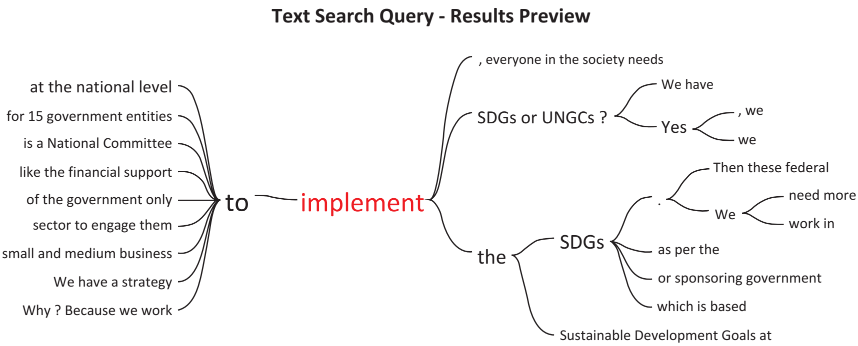

Fig. 7.5 Word tree—implement

Table 7.2 Percentage coverage—theme

Themes	Category	Sub-category	% coverage	
Expectations from private sector to achieve sustainability	Sustainable development goals	Impact on national policy	6.57	42.88
		Impact on private sector	6.04	
		Important SDGs	12.17	
	National policy for implementation of SDG or UNGCs	Contribution of CSR in achieving SDGs	9.45	
		Private sector inclusion	8.65	

SDG-Impact on Private Sector, (c) SDG-Important SDGs, (d) National Policy for Implementing SDGs or UNGC—contribution of CSR in achieving SDGs, and (e) National Policy for Implementing SDGs or UNGC—Private Sector Inclusion.

The main subcategory, 'Important SDGs', has a frequency rate of 12.17%. The participants all agreed that implementing all the goals at the national level is their collective responsibility. All goals are of equal importance and need to be aligned with the national agenda.

The subcategories with the second and third highest percentage coverage are 'Contribution of CSR in Achieving SDGs' and 'Private Sector Inclusion', with 9.45% and 8.65% coverage, respectively. Participants pointed out that private sector partnerships, communication, and raised awareness of SDGs are integral to achieving sustainability at the corporate level.

Conclusions from Stage 2

The following conclusions were derived from the aforementioned interviews, observations, and documentation related to sustainability. Some interviewees asserted that the private sector has no direct expectation of contributing to sustainability. However, the national community indirectly expects the private sector to expand its CSR activities to include SDGs. Moreover, participants agree on the need for a strategic alignment of CSR, national policy, and SDGs.

SDGs constitute a plan of action for achieving sustainability. These goals are divided into four themes: environmental, economic, social, and partnership. It is not only the government's role to implement these goals, all members of society must be involved, including the private sector, academia, and individual citizens.

Every goal is of equal importance, with several highlighted as national priorities in the UAE's 2021 vision plan. These include good health and well-being (goal 3), quality of education (goal 4), gender equality (goal 5), decent work and economic growth (goal 8), industry innovation and infrastructure (goal 9), and climate action (goal 13).

The UN's overarching purpose is to foster global well-being and prosperity, leaving no member state behind. SDGs reflect a global agreement made in 2015 to promote economic, social, and environmental development through 2030. The UAE's national policy is already driven by sustainability objectives, which complement national interests. SDGs have been incorporated into the 2021 agenda, and even as far as the 2071 agenda. But from the UNGC's perspective, there is no direct connection with national policy as it adds more value to the private sector.

The UNGC is another initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies. Aligning government policy with private sector interests will lead to success in achieving sustainability agendas.

SDGs are helping the private sector reshape standard business practices, especially as national and private interests are increasingly interconnected. For example, the goal of fostering economic opportunity and growth depends on the profitability and productivity of the private sector. Likewise, the goal of combatting climate action requires the private sector to control carbon emission. Indeed, private organizations are a key stakeholder in fulfilling the SDGs.

The National Committee implements national policy and creates a national communication plan for the SDGs. Its first task is to align the SDGs with the national agenda. Under the implementation plan, the government establishes the roles and responsibility of all the stakeholders to deliver the SDG agenda. Similarly, under the national communication plan, the focus is on raising awareness among different constituencies, especially the private sector, and engaging them in advancing the SDGs.

The National Committee's communication plan rests on three pillars: raising awareness, promoting civic engagement, and maintaining progress on SDGs.

At the local level, the National Committee's interaction with stakeholders is limited to raising awareness of the SDGs among local governmental entities. However, in the coming months, more focus will be placed on dialogue with the private sector.

Large companies are actively aligning their business strategies with sustainability goals. However, more effort is required among small and medium-sized businesses to implement the SDGs. If business activity could be made more sustainable, any given company and government stands to benefit and that ultimately affects the international community. Sustainability encompasses more than simple charity, so it is essential that corporations align their strategies with the sustainability agenda. In the short term, businesses should align their CSR activities with SDG targets.

Overall Conclusions and Reflections

There has been insufficient examination of how national responsibility is assigned, carried out, and assessed within both national and international agendas. This gap in the literature needs to be filled with more targeted research in order to expand public understanding of national responsibility, specifically in the context of corporations. Fransen (2013) shows that the literature is not specific in determining, first, what parts of political-economic configurations actually affect CSR practices; second, what precise aspects of CSR are affected by national-institutional variables; and third, how causal mechanisms between national-institutional framework variables and aspects of CSR practices work. Fransen (2013) argues that contemporary literature on the national integration of CSR is unable to show how national-institutional environments affect CSR practices. According to Fransen (2013), more research is required to link CSR and national-institutional environments. From a policymaking perspective, more clarity regarding these questions also aids the work of business.

The extant literature studied national responsibility in the context of non-Middle East countries. For example, Stanley (1933) focused on America and the UK; Elkin (1934) and Fegan (1953) on Australia; Shaw (2011) on the UK; Morlan (1973) on Denmark; and Abdel-Nour, Miller, Levy, and Schmeller expanded their study to the international level. In effect, there is no related study conducted in the Middle East (Abdel-Nour 2003; Miller 2007; Levy 2008; Schmeller et al. 2008; Gostin et al. 2010).

This chapter fulfils the need of a research linking the relation between CSR and national responsibility in the context of sustainability. Besides, there are no researches discussing national responsibility in Middle East and more specifically in the UAE. Therefore, this chapter will fulling having an academic paper discussing National Responsibility in UAE.

In addition, the findings of the research contribute to the process of designing sustainable development strategies for the federal government of the UAE to encourage the private sector to support sustainability agenda.

This study revealed that the supra-international expect the governments to design their strategies based on SDGs' objectives. They also expect the private sector to create jobs, fund or invest in sustainability projects, protect the environment, maintain gender balance, access to opportunities that support sustainability, and innovate. Whereas, the UAE government expects the private sector to provide financial support to implement the SDGs, sponsor the government sustainability initiatives, and align their strategies with the sustainability agenda. The private sector will be motivated to fulfil these expectations by gaining profits, helping society, creativity, availability of candidates for gender balance, creating business value, investment, fulfilling customer's needs, product development growth, presence, and reputation. As the national responsibility is the nation leader responsibility to eliminate the suffering that their nation is facing nationally and internationally, and based on the fact that sustainability is a form of future direction to eliminate the suffering that the nation is facing, then this thesis can be a practical explanatory study on how to motivate the private sector to support the national responsibility through the CSR.

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8

Gender Equality and Corporate Social Responsibility in the Middle East

Nicolina Kamenou-Aigbekaen

Abstract This chapter focuses on corporate social responsibility (CSR) in relation to gender equality in the Arab Middle East. It examines the relationship between CSR and gender in the workplace whilst exploring the link between CSR and human resource management (HRM) policies and practices. The chapter first presents some seminal work on gender equality and diversity management, looking at the business case for gender equality within the CSR and HRM contexts, before engaging with relevant work on gender equality in the Arab Middle East. It concludes by offering recommendations on advancing the equality agenda at the macro- and meso-levels, within a framework which recognises the centrality of agency of women, as well as the potential of positive changes through corporations being seen as 'agents of change'. The chapter advocates for organisational and governmental policies to promote gender equality in the Arab Middle East.

Keywords CSR • Middle East • Gender • HRM • Women

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Introduction

This chapter focuses on corporate social responsibility (CSR) in relation to gender equality in the Arab Middle East. It examines the relationship between CSR and gender in the workplace whilst exploring the link between CSR and human resource management (HRM) policies and practices. The main discussion is centred around women in organisations in the Arab Middle East, examining CSR and the business case for gender equality. The chapter examines key issues, opportunities, and barriers within a relational framework which acknowledges the macro (contextual), meso (organisational), and micro (individual) levels as key determinants of women's work and career opportunities. After an overview of CSR, including a critical discussion of CSR as a concept and as a practice, the chapter focuses on one CSR 'construct'—internal stakeholders in the workplace. It first presents some seminal work on gender equality and diversity management, looking at the business case for gender equality within the CSR and HRM contexts, before engaging with relevant work on gender equality in the Arab Middle East. It concludes by offering recommendations on advancing the equality agenda at the macro- and meso-levels, within a framework which recognises the centrality of agency of women, as well as the potential of positive changes through corporations being seen as 'agents of change'. The chapter advocates for organisational and governmental policies to promote gender equality in the Arab Middle East. These policies have clear links to both CSR and HRM initiatives and practices.

Corporate Social Responsibility: Key Principles and Concepts

Buckley et al. (2018: 344) state that one of the key challenges associated with CSR has been in defining "the nature and scope of what social responsibility is". The authors cite Morrison's (2011) CSR framework which views CSR as a managerial function and identifies three main constructs. The first construct relates to business ethics which focuses on the premise that responsibility implies obligation, which is often manifested through the procedures and requirements of the legal systems of countries (Ibid.: 345). Morrison's (2011) second construct centres on corporate citizenship, with the basic concept being that "companies are analogous to individual citizens" (Buckley et al. 2018: 345). The company therefore has duties and responsibilities to fulfil in the same manner as an individual member in a society. In recent years, the concept of corporate citizenship has extended and includes 'global' responsibilities such as efforts and initiatives to deal with pollution, climate change, and safeguarding natural resources. Morrison's (Ibid.) third construct focuses on stakeholder interests. Donaldson and Preston (1995: 85) defined stakeholders as individuals or groups who "*are identified through the actual or potential harms and benefits that they experience or anticipate experiencing as a result of the firm's actions or inactions*". Karam and Jamali (2013) stated that CSR discussions have shifted away from the legal compliance and profit maximisation foci and towards arguments where corporations are seen as agents of change with responsibilities for their stakeholders in relation to broader social issues. For the purposes of this chapter, the main focus is placed on CSR policies and initiatives in relation to internal stakeholders and more specifically female employees in Arab Middle Eastern organisations. Voegtlin and Greenwood (2016) argue that there has been increasing work on employee-focused CSR as well as on the ethical aspects of HRM. The authors contend that there are strong links between CSR and HRM and more interest is being paid to these links, through both research and practice: "*HRM plays a significant role in how CSR is understood, developed and enacted; similarly, corporations' understandings of social responsibility have implications for the treatment of workers*" (Ibid.: 181). Gond et al. (2011) research examined the CSR-HR interface. The authors cited some key HR practices reported as CSR (e.g., training and health and safety), some CSR practices involving HR (e.g., community involvement and sustainability), and practices that seem to overlap between CSR and HR (e.g., ethics, diversity, discrimination, and compliance).

Jamali et al. (2017) provide a critique of CSR as a concept still dominated by Western approaches, inspired by Western practices and standards of professionalism. The authors, however, optimistically contend that there is a growing interest and engagement with non-Western frameworks, where recent research has been focusing on divergent manifestations of CSR in the developing world but cautions there is still a long way to go "*to capture the complexity of CSR translation and adaptation in developing countries*" (Jamali et al. 2017: 354). Jamali et al. (2017: 354) go on to argue that it is important not to view the developing world as "a homogenous bloc" and to be sensitive to the "*heterogeneity of the logics surrounding CSR in any particular developing nation*". This is an important point for research engaging with the Arab Middle East and examining CSR-related issues in this region, and this is where the chapter turns its attention to, after providing an overview of gender equality and diversity management debates below.

Gender Equality and Managing Diversity in the Workplace

This section presents an overview of influential work on gender equality and diversity management models before focusing in the subsequent section on women's labour market and career experiences in the Arab Middle Eastern context.

This chapter argues that a social constructionist, multilevel framework is appropriate when examining gender equality as it takes into account structural and institutional influences as well as the agency of key actors (Al Ariss and Syed 2011; Tatli 2011; Tatli and Ozbilgin 2009). The relational, multilevel framework acknowledges macro-contextual, meso-organisational, and micro-individual factors and their interaction and influence on each other (Tatli and Ozbilgin 2009). The social constructionist framework recognises the interdependence of structure (and this chapter considers structural issues at both government and organisational levels) and human agency (Mead 1934; Wright Mills 1953). In addition, this chapter contends that this framework should be further extended when examining equality issues in the workplace and society, by incorporating cultural issues in society and also organisational culture (Kamenou and Fearfull 2006).

There has been increasing interest in equality and diversity management since the 1990s, initially focusing mainly on the US and UK business and academic communities. Within the Western context, Liff (1999) contended that equality legislation provided a legal remedy against different pay scales for men and women and occupational (gender and race) segregation. However, extensive literature has pointed to the ineffectiveness of formal equality policies (e.g., Cockburn 1989, 1991; Jewson and Mason 1986; Liff 1989, 1995; Webb and Liff 1988; Dickens 1994a, 1998).

In addition, the dichotomy between 'liberal' and 'radical' approaches to equality (Jewson and Mason 1986) has been criticised for being problematic (Webb and Liff 1988; Cockburn 1989; Liff 1995). The 'liberal' approach has focused on equal treatment where all individuals should be treated the same regardless of one's gender, race, and ethnicity. Cockburn (1989, 1991) argued that the liberal approach of equal opportunity (EO) or 'equal access' and positive action[1] are part of a 'short agenda' of EO. Webb and Liff (1988) also argued that there are shortcomings with the underlying assumptions of a liberal approach, drawing on Jenkins's (1986) distinction in the context of the selection process, between 'suitability' versus 'acceptability'. Jenkins (1986) argued that acceptability criteria operate in a negative manner for minority groups, recommending that selection should be merely based on 'suitability' criteria. Other research, however, points to the fact that even notions of 'suitability' are socially constructed and cannot be separated from perceptions of the 'acceptability' of a candidate (Jewson et al. 1990; Webb and Liff 1988; Collinson et al. 1990). Regarding gendered constructions of 'suitability', Webb and Liff (1988: 549) argued that:

> *given the differentiation between male and female genders there are material differences between the abilities and experiences women and men offer as job*

[1] Positive action is when an employer takes steps to encourage certain groups of people with different needs, or who are disadvantaged in some way, access work or training. Positive action is lawful in some countries (e.g., in the UK, positive action is allowed under the UK Equality Act 2010) but not legally required (as is the case with positive discrimination or affirmative action, where quotas are legally enforceable).

> *applicants, and the terms on which they are willing or able to accept jobs. A policy based on ensuring that candidates are judged on their individual skills and experience, not on their membership of a social group, will still give those making appointments plenty of opportunity 'justifiably' to favour men over women*

The 'radical' approach to equality is vastly different to the 'liberal' approach; in this instance, equality is conceived as 'equal outcomes'. This approach focuses on positive discrimination where quotas can be put in place to improve the employment situation of historically disadvantaged social groups, with a key aim being to redress historical and long-standing discrimination. A 'compromise' between the liberal and radical approaches would be to allow people to compete on equal terms (Webb and Liff 1988). Cockburn (1989) refers to this as the 'long agenda' where the focus is on transforming organisations to achieve parity by recognising and valuing difference and diversity. This approach recognises that even in situation where people may be perceived to be treated equally, this may not result in 'fair' outcomes. As an example, if jobs are only offered on full-time contracts, women (who are employed on a part-time basis more than men, partly due to their higher engagement with childcare and domestic responsibilities than their male counterparts) would be indirectly disadvantaged (Liff 1995). There should be a "*sustained challenge to the structure of jobs and opportunities and to masculine hegemonic values in a political and economic environment favouring individualism, self-promotion and personal achievement*" (Webb and Liff 1988: 550).

Miller (1996) stated that equality initiatives have been accepted by employers as part of HRM, although not always based on goodwill and more typically related to either fear of legislative sanctions or a new interest in the 'business case' for equality. A number of authors in the 1990s (e.g., Liff 1997; Wilson and Iles 1999) engaged with the differences between a traditional EO approach, with its main premise being morality and social justice, and the managing diversity (MD) approach, with its focus on the 'business case for diversity'; the assertion being that

> *a diverse workforce will assist profitability through better recruitment, retention and promotion, more focused marketing and enhanced creativity and decision making*. (Wilson and Iles 1999: 32)

A main difference between EO and MD is that conventional EO approaches focus on minimising or downplaying differences between members of different social groups, whereas MD is suggesting that diversity is something to be valued, emphasising the positive aspects of difference and the possible advantages of a diverse workforce. Dickens (1994b: 9) stated that there is a business case for MD which is that:

> *organizations can gain by developing a culture which positively promotes the recognition and valuing of difference as a competitive advantage rather than requiring conformity and judging all contributions by the yardstick of the white male*.

Linking the business case for gender diversity to CSR, there has been ongoing interest and research within the CSR literature, examining the impact of gender diversity—mainly at boardroom level—on organisational CSR ratings and a firms' reputation, as well as on financial profitability.

With widely publicised corporate scandals (such as Enron and WorldCom), there has been increased public scrutiny around boards and corporate governance with renewed debates on CSR and the effect of gender diversity at board level (Bear et al. 2010; Terjesen et al. 2009; Boulouta 2013).

A number of studies have argued that there are positive links between board gender diversity, organisational performance, and engagement with CSR initiatives. Daily and Dalton (2003) suggested that increasing board gender diversity can enhance organisational decision-making as there will be an increased variety of perspectives and a broader range of options to be assessed. A range of studies on gender diversity at board level have focused on the 'added value' that women can bring and claim that female directors are more participative (Eagly et al. 2003), democratic (Eagly and Johnson 1990), and more communal than men (Rudman and Glick 2001). As Bear et al. (2010: 210) argue:

> *a broader perspective may enable the board to better assess the needs of diverse stakeholders. The result may enhance the board's ability to effectively address CSR.*

Boulouta (2013)'s study adopted a different approach than Bear et al. (2010)'s research and argued that previous research on gender and CSR has mainly focused on the impact of board gender diversity on corporate financial performance and not on social performance. Her study, aiming to fill this gap, focused on the effect of board gender diversity on corporate social performance (CSP). The findings suggest that the board gender diversity has a significant effect on CSP. A main contribution of this study is the finding that women may take a different perspective in boardroom CSR debates, and the women's impact may be higher on specific CSP metrics, such as 'empathic caring', which Boulouta (Ibid.) argues, strongly appeals to female directors.

The above studies paint a positive picture on the links between board gender diversity and CSR firm ratings, organisational financial performance, and CSP. There are, however, other studies which could not identify a significant link between these variables with some citing a non-existent link. Two recent meta-analyses have been conducted to summarise prior research on board gender composition and firm performance. The first study by Post and Byron (2015) synthesised the findings from 140 studies of board gender diversity with a sample of more than 90,000 firms from more than 30 countries. The second study by Pletzer et al. (2015) conducted a meta-analysis of the findings from 20 studies which tested the relationship between board gender diversity and firm financial performance.

The results of these two meta-analyses contended that the relationship between board gender diversity and company performance is either very weakly positive (Post and Byron 2015) or non-existent (Pletzer et al. 2015). These two extensive studies therefore imply that there is no clear business case for increased female representation on corporate boards. This highlights some of the dangers cited earlier on in this chapter of focusing *exclusively* on the "business case for diversity" argument. Interestingly, Pletzer et al. (Ibid.), who compared their own results with Post and Byron's (Ibid.) study, argued that even if there is no clear business case to support gender diversity, there is no business case to *not* support it:

> *a higher representation of females on corporate boards is also not associated with a detrimental effect on firm financial performance, which supports the ethical case for diversity. If increased female representation on corporate boards is not positively or negatively associated with firm performance, it seems reasonable to promote gender equality in board representation.*

Given the ongoing debates on whether there are positive links between gender diversity, CSR, and financial profitability, there is therefore a need to focus on gender equality for reasons other than the business case, such as the social justice or legal cases for equality, which is what Pletzer et al. (Ibid.) advocated for in their study. It is therefore evident that Dickens's (1999) 'three-pronged' framework for promoting gender equality is still relevant and of value. This model acknowledges the business case for equality (where, as discussed earlier, equality can have a positive return in terms of profitability in a competitive environment), the legal case (having equality legislation in place, with penalties if organisations are not compliant), and the social regulation case (linked to bargaining power and the premise of social justice and fairness). Dickens's (Ibid.) framework has received a lot of attention, and it is crucial in considering different 'drivers' for equality and their interaction. Dickens (Ibid.) herself as well as others (e.g., Noon 2010) have been critical of the business case approach, especially when considered independently of the legal and social justice approaches. Dickens (1999) has argued that the business case argument is contingent and variable as it relies on ever-changing economic, sector and organisational factors. Others (e.g., Kirton and Greene 2006) have argued that a focus on the economic benefits of diversity management contradicts the rights-based approaches which should prioritise employees' rights and welfare. An approach where all three dimensions—the legal case, the social justice approach, and the business case—are considered in promoting gender equality is desirable as it engages with the benefits of gender diversity in the workplace, but it also offers protection to disadvantaged groups.

In bringing all of the arguments above together, the concept of intersectionality is also key in considering the many different intersections of group/organisational/societal membership (Crenshaw 1989) and, as argued in previous work (e.g., Acker 2006; Plantenga 2004), central in acknowledging that discrimination and oppression do not occur in discrete categories as identities are interconnected. This chapter argues that it is important to recognise and be sensitive to difference across regions and contexts. However, it is equally important to avoid essentialising experience and assuming homogeneity of all women in the Middle Eastern context as there is great diversity across the experiences of Arab Middle Eastern women within both the work and the private sphere. There is a need for more research on gender in the Arab Middle East and links to the business case for gender diversity as well as to CSR and governance. This is discussed in the following section.

Gender and CSR in the Middle East

The majority of existing research on gender and women's careers has been conducted in the West, and it has been criticised for not acknowledging regional, cultural, and religious differences when examining work and career experiences and also when looking at conflicts and opportunities in balancing work and family life tasks and responsibilities (e.g., Kamenou 2008; Dale 2005; Bradley et al. 2005; Healy et al. 2004). There is, however, increasing interest and engagement with research on gender equality in the Middle East, looking at women's career progression, leadership, the glass ceiling, and work-life balance (some examples include Afiouni 2014; Al Dajani 2010; Hutchings et al. 2010; Karam and Jamali 2013; Metcalfe 2011; Metcalfe 2010; Metcalfe et al. 2009; Moghadam 2013; Syed and Metcalfe 2017; Syed 2010; Syed et al. 2005).

The advancement of women in the Arab world is an issue which has been gaining attention globally. As Karam and Jamali (2013: 32) argued:

> *while gender inequalities are pervasive across the globe, the Arab Middle East has been poignantly and consistently depicted to host the biggest challenges.*

These inequalities led the way for regional and international calls for action in promoting governance programmes and gender empowerment initiatives (Moghadam 1999; Bergeron 2001). A key initiative relates to the United Nations (UN) convening the Beijing Platform for Women in 1995 where a global action plan was formulated with the aim of achieving eight anti-poverty goals (the Millennium Development Goals) by 2015. Countries in the Middle East now have national gender-related human resource development (HRD) plans which originate from the 1995 Beijing convention, and these plans have been affirmed by the UN on 26 September 2016 and focus on gender equality within its sustainable development goals (Syed and Metcalfe 2017). As Syed and Metcalfe (2017: 4) argue, while many countries in the Middle East have national HRD plans, *governance in this region is based on family rule (monarchy or sheikhdom) with only superficial structure of parliament and democratic representation*. The authors go on to state that there has been recent progress, where the amount of regulation regarding the employment relationship in the Middle East has markedly increased, though there are still concerns of applicability:

> *areas of employment which were free of regulation prior to this period, such as gender discrimination, sexual harassment and migrant workers' rights, are now increasingly regulated, though their enforcement in practice remains sketchy.* (Ibid.: 4)

Key concerns regarding the inequitable opportunities for women in the Arab Middle East relate to the low levels of female labour market participation as well as horizontal and vertical segregation. For example, the majority of women in many Gulf countries are concentrated in the health, education, and social care industries (horizontal segregation) and in majority in lower level positions (vertical segregation) (Metcalfe 2011). Metcalfe (2011) has also stated that there is a preference for women to work in the public sector in Gulf countries. The 'feminisation' of public service work has been linked to women's concerns about working in mixed-gender environments in the private sector as well as their views that the private sector has a lower status than the public sector (Freedom House 2010, as cited in Metcalfe, Ibid.).

Female employment rate activities are lower in the Middle Eastern and North African (MENA) region than the rest of the world. Labour force participation for women in the MENA region is 20%, compared to 73% for men (Syed and Metcalfe 2017). There is, however, diversity within the MENA region, with some countries in the Gulf having a much higher rate than the average female labour force participation for this region: In Bahrain, Kuwait and the UAE, women have a participation rate between 40% and 50% with Qatar on just over 50% (Women, Business and the Law report, World Bank Group, 2016).

The Global Gender Gap Index was first introduced by the World Economic Forum in 2006 as a tool to capture the extent of gender-based disparities and tracking their progress over time. The Index benchmarks national gender gaps on economic, education, health, and political criteria and provides country rankings that allow for effective comparisons across regions and income groups (Global Gender Cap report, World Economic Forum 2016). As stated in the Global Gender Gap report (Ibid.), four regions have a remaining gender gap of less than 30% in 2017. Western Europe is recorded as having a remaining gender gap of 25%, which places it ahead of North America, with a gap of 28%; Eastern Europe and Central Asia, with a gap of 29%; and Latin America and the Caribbean, with a gap of 29.8%. The East Asia and the Pacific region have rankings ahead of sub-Saharan Africa, with a remaining gender gap of 31.7% and 32.4%, respectively, and South Asia, with a gap of 34%. The MENA region, for the first time this year, crossed the threshold of having a remaining gender gap of slightly less than 40% (Ibid.).

Moghadam (2013) has argued that within the Arab world, there are a number of key issues and challenges for working women, and these challenges relate to issues within the workplace but also to their attempts to balance work and family life. The author highlighted the importance of organisational and government provisions in Arab countries and stated that maternity leave has not been generous, with this having implications in terms of structural support for working women with children. Moghadam (2013) also argued that the women who are better off financially can afford childcare, usually in the form of a nanny, but for their working class and some middle-class counterparts, this option is not available, and this can create more tension and stress when attempting to balance demands at work and at home front for these women.

Afiouni's (2014) study on female academics in the Arab Middle Eastern context sheds light on the organisational and cultural factors that can have an effect on women's career choices and patterns. Within 'organisational factors', the author included lack of mentoring and university support, and within 'cultural factors', she cited Islam, patriarchy, and family centrality. Relevant research by Hutchings et al. (2010) argued that current research which looks at gender in the Arab Middle East is limited, and even within this work, the majority of studies focus on political participation, women's family roles, and health issues and not as much on management and leadership.

In gaining a deeper understanding of gender issues which may be specific to the Arab/Muslim world, Syed (2010) argued that there has been little research and engagement on Islam and gender issues in the context of employment, contending that more research needs to be conducted in understanding the role of modesty in Muslim women's work and personal lives. The role of modesty may be an important dimension when examining the experiences of Muslim Arab women within the context of work and family life, which as Syed (Ibid.) argued, may have strong practical implications if women are not effectively utilised as an important component of human resources within organisations and labour markets. Al-Hamadi et al. (2007) also contended that religion plays an important role in political and economic organisation in the context of the Middle East and more attention needs to be placed on it as a determining factor in how business is conducted in this context and also to how both women and men operate within the business and social environment of their countries.

In their recent study, Alhejji et al. (2016) focused on the factors that can promote and hinder the efforts of multinational corporations (MNCs) when attempting to promote gender equality in the Middle East. Their paper engages with a case study of a British MNC, which was named as one of the best UK companies in terms of its gender equality policies, with subsidiary operations in Saudi Arabia. Alhejji et al. (Ibid.: 9) state that despite the presence of formal institutions which support gender equality (such as legal requirements and localisation policies in the Saudi Arabia subsidiary), informal forces such as cultural norms and traditions "*are more formidable in hindering such efforts and in reinforcing* *the status quo*". The authors argue that women in Saudi Arabia are still viewed as better suited for domestic and household duties, and these views have an impact on how women are perceived within the workplace. As a result, women did not have the same access to development opportunities which were needed for career advancement (Ibid.). The findings of this study also contend that the "logic of the business case" (including the contribution of equality policies to financial performance and attracting the best available talent) may not hold true in the context of foreign MNCs with operations in Saudi Arabia, where equality was not perceived by the local male managers as a priority. This point relates to the earlier discussion in this chapter around the limitations of a business case approach as key actors and stakeholders may not always be convinced that there is a business case for gender equality. Revisiting the arguments presented earlier, a way forward for gender equality in the Arab Middle East can be the one proposed in the late 1990s by Dickens (1999), who argued that a three-pronged approach to equality (incorporating the business case with the legal case and with the social justice approach) is much more likely to yield positive results in promoting gender equality in the workplace. As discussed earlier, this seems to also be the approach advocated by writers such as Pletzer et al. (2015) when examining the relationship between gender board diversity and organisational financial performance, where they argued that if there is not a strong business case in favour of (or against) gender equality, then the social justice approach still has strength, and gender diversity at board level should be promoted.

Linking CSR to gender discussions in the Arab Middle East, it is argued that CSR can positively contribute to the advancement of women in society and in the workplace. As presented above, Karam and Jamali (2013) stated that recent developments within CSR policy and practice view corporations as agents of change. The authors (Ibid.: 32) explored how organisations can mobilise and channel their *CSR* "*initiatives to address relevant, substantive, and important social development challenges*", especially in developing countries. Discussions therefore on CSR initiatives and also governance are central to gender debates in developing economies, such as those in the Arab Middle East.

In bringing the discussions presented up to this point together, governance and CSR are dynamic concepts which need to be critically assessed in relation to how they can aid the promotion of gender equality and MD in the workplace. As Rai (2004) has argued, governance policies and practices can also act negatively in perpetuating gendered power dynamics and the gender status quo. It is important therefore to take a critical perspective when examining gender issues in any region in relation to seemingly positive CSR and gender equality governance programmes and review these within the broader macro-context of inequality in gender regimes (Acker 2006; Walby 2009) and the meso-level of male-dominated organisational structures and cultures. Having argued that the agency of women (as well as managers) is central in any discussion on breaking through discriminatory barriers. As research has indicated, both women themselves but also corporations can be agents of change which navigate through structural and cultural constraints in pursuing an equality agenda (Karam and Jamali 2013; Kamenou et al. 2013).

Advancing the Gender Equality Agenda in the Arab Middle East

The chapter now moves on to its last section where recommendations are made on ways in which the gender agenda can move forward in the Arab Middle East at macro-level (governmental/societal) and meso-level (organisational). As was discussed earlier in the chapter, research indicates that CSR and HRM seem to overlap when addressing issues around discrimination and equality in organisations; therefore, a number of the recommendations presented below could 'fit' within both a CSR and an HRM system of equality initiatives.

When considering equality initiatives in any context, Dickens's (1999) 'three-pronged' framework for promoting gender equality is still relevant and of value. An approach where all three dimensions in Dickens's model—the legal case, the social justice approach, and the business case—are considered in promoting gender equality is desirable as it engages with the benefits of gender diversity in the workplace, but it also offers protection to disadvantaged groups.

Acknowledging intersectionality within this discussion is central. As discussed earlier, there is a danger of assuming homogeneity of Arab Muslim women, whereas in reality there is great diversity within this group but also across other groups of women (e.g., female expatriates) who live and work in the Arab Middle Eastern region. Women are diverse in terms of nationality, ethnicity, religion, age, and a number of other factors, and this should be taken into account when providing recommendations and implementing gender equality initiatives in this region so as to avoid perpetuating stereotypical views of women in the Arab Middle East.

As presented earlier, Moghadam (2013) has argued that working women face a number of challenges in the Arab world, and these challenges relate to issues within the workplace but also in their attempts to balance their work and family life. The author (Ibid.) stated that maternity leave provision is generally not generous in this region, and this should be a key area to be reviewed at macro/governmental level in providing more opportunities for women to balance their work with having children. This chapter also contends that this should be taken further and, in line with legislation in other parts of the world, such as the Nordic countries, parental leave should be provided in a flexible manner, where mothers and fathers of biological and adopted children can decide for themselves on how to utilise the provision. Giving greater choice to families on how to balance work commitments and careers with their family will be a significant leap forward in this region which can help utilise the talent of both men and women in private and public organisations in the Arab Middle East. This together with family-friendly policies and flexible working (in terms of hours, job share, part-time work) would be crucial in changing the current landscape of work in this region in a way that respects competing priorities for the workforce, in terms of childcare but also eldercare or any other out-of-work commitments, employees may have.

Gender-focused CSR (and HR) initiatives such as positive action and/or affirmative action initiatives should be considered at organisational and governmental levels. Positive action initiatives can include proactive recruitment strategies for women, mentoring schemes, or training programmes (including leadership programmes) exclusively created for and targeted at women. Positive action can also include aspirational targets for the recruitment and promotion of women within organisations. Countries have taken different approaches with regard to these initiatives with some adopting a positive action approach, such as the UK, and others adopted the more 'radical' approach for affirmative action or positive discrimination, where quotas for the representation of under-represented groups in organisations are legally enforceable (such as Norway and the USA). Both these approaches should be considered in the Arab Middle Eastern region, and countries in this region should strategically plan for a gender analysis and review their current state of affairs in terms of gender (total numbers of women and men and an analysis of vertical and horizontal segregation in their organisations) and make strategic, long-term commitments in terms of increasing representation of women at all levels of the organisational hierarchy including board-level representation.

As Jamali et al. (2017) argued, CSR can be seen as a platform of positive change where the corporations, as well as the women's own agency in the form of career strategies, resilience, and determination, can be seen as agents of change (Karam and Jamali 2013; Kamenou et al. 2013) in moving the gender equality agenda forward. This requires fundamental cultural and structural changes and concerted efforts to change the 'status quo' at all levels: societal, organisational, and family levels, and in doing so, the micro-level (individual agency of workers and managers) is central in changing the current terrain of work at the Arab Middle Eastern region, in a manner that acknowledges diversity of women (and men) and does not essentialise their experiences.

Conclusion

This chapter has examined CSR in relation to gender issues in the Arab Middle East, adopting a social constructionist approach which acknowledges the dimensions of agency, structure, and culture and the complex interaction of individual (micro), organisational (meso), and contextual (macro) factors. The chapter has argued for the need to promote gender equality through CSR and HRM-type initiatives and policies in this region.

Existing literature highlights both cultural and structural constraints women in the Arab Middle East face (e.g., sexism, patriarchal attitudes, stereotypes, limited maternity and paternity leave, limited opportunities for flexible working, etc.) and also opportunities created through the women's own agency and also through organisations/managers who are seen as change agents and are committed to creating a more equitable work environment for women and men.

Equality policies and initiatives are central in changing the economic and societal terrain for women in this region. Some examples include positive action or affirmative action, well-conducted gender analysis and monitoring of these initiatives, and the effects on women's careers. A more strategic engagement with these types of initiatives should be seen as a key way forward for women employed in both public and private sector organisations in the Arab Middle East. This will provide a more inclusive environment which utilises the skills and abilities of the total workforce which is of crucial importance with regard to the further development of this region and its people.

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9

CSR in the Middle East: From a Philanthropic Model to a Social Investment Approach—The Case of Manzil

Ayesha Saeed Husaini

Abstract This chapter examines the transition of corporate social responsibility (CSR) in the United Arab Emirates (UAE) from a philanthropic model to a more resilient, sustainable social initiative, suggesting corporate citizenship (CC) as a mutually beneficial business strategy to achieve broader social accountability. The global CC and CSR literature review suggests that CC should not be viewed as a replacement for CSR but should complement it while adding value. The role envisaged for CC and CSR is illustrated by a case study of Manzil, a non-profit institute for the education and advancement of people with disability located in the UAE. The case study illustrates the CSR investments that companies make, the ways in which they practice CSR, and the challenges this brings. The chapter tracks the progression of translating social inclusion awareness and action into a participatory CC development model. Manzil case study reflects how CSR activities can be made meaningful to both the beneficiary and the organization. The influence on the CSR landscape through advocacy, engagement, awareness, and provision of

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consultancy to stakeholders is discussed. The concluding discussion reflects why firms support CSR, the implications of the support they give, and the effectiveness of innovative policies.

Keywords CSR • Philanthropy • Corporate citizenship • Manzil • UAE

Introduction

This chapter serves as an examination of the transition of corporate social responsibility (CSR) in the United Arab Emirates (UAE) from a philanthropic model to a social investment approach. Scholars view philanthropy as an idea, event, or action that is done to better humanity in a one-way transfer of resources from a business to the community (Carroll 1998; Crane, Matten, & Spence, 2013; Visser and Tolhurst 2017). It usually involves donating money to a charity, volunteering, or fundraising activities. Others view it differently. For instance, Emirates NBD Sustainability Report (2017) views social investment as a long-term effort around sustainability focusing on investing in people. Investing repayable and recyclable capital into tackling social problems is empowering, efficient, and necessary. CSR is one factor that is markedly and essentially crucial in the creation of social shared value.

To illustrate the CSR transition in the Middle East, a case study of Manzil, a non-profit institute for the education and advancement of people with disability located in the UAE, is the reference point in this chapter. Generally, this illustrates the changes and growth in CSR initiatives in the UAE and how this has impacted the evolution and ultimate growth in Manzil as an institution. Challenges faced in the institutionalization of CSR mandates in the UAE are discussed, and best practices that promote a sustainable CSR effort in the UAE are highlighted. The concept of CC is also explored.

Corporate Social Responsibility in a Global Context

The definition of CSR is debatable. Several scholars argue that there is no commonly accepted definition of CSR (Carroll 1991; McWilliams and Siegel 2001; Tai and Chuang 2014; McWilliams et al. 2006). In general, CSR refers to the business decision concerning ethical values, legal requirements, and value to the society, people, and the environment. The concept of CSR aims both to examine the role of business in society and to maximize the positive societal outcomes of business activity (Tai and Chuang 2014). In consistence with Carroll (1991), McWilliams and Siegel (2001) and McWilliams et al. (2006) reflect that CSR has a positive impact not only on the beneficiaries but also on employees, stakeholders, and the community at large.

According to McWilliams and Siegel (2001) and McWilliams et al. (2006), there has been a steady growth in the interest of CSR globally as companies are beginning to understand the benefits of such initiatives. Research reveals that strong corporate social performance is no longer simply a "nice to have" element of a company's overall strategy but a business imperative. To discuss the status of CSR in a global context, it is important to understand the way the public sector and the private sector practice CSR in both the national and international contexts (Tai and Chuang 2014).

When CSR was first emerging as a concept, Archie Carroll (1991) introduced the pyramid of social responsibilities (Fig. 9.1) to showcase the different parts believed to encompass CSR. Carroll (1991) presented that CSR model conceptualizes four types of responsibilities for the corporation: the economic responsibility to be profitable; the legal responsibility to abide by the laws of the respective society; the ethical responsibility to do what is right, just, and fair; and the philanthropic responsibility to contribute to various kinds of social initiatives.

Crane, Matten, & Spence, (2013) state that CSR can be thought of as an American construct. However, Visser and Tolhurst (2017) assert a dominant development of CSR in Europe driven by proactive strategies adopted by pioneering businesses, European institutions, and national governments, as well as by external pressures from other stakeholders such as civil society and the investor community. Visser and Tolhurst (2017) go on to elucidate that Asian CSR is linked to underlying value systems, such as placing the good of the family and larger society over that of the individual.

Other authors (Margolis and Walsh 2003; Matten and Crane 2005; Scherer and Palazzo 2008) argue that the emergence of CSR in other countries is a recent phenomenon and can be attributed to many different reasons deep-rooted within third-world economies typically comprising

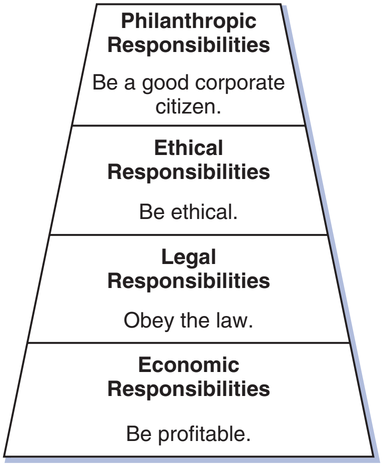

Fig. 9.1 AB Carroll pyramid of social responsibility, 1991. (Source: Carroll 1996)

poor governance, low public services, and a low human rights index. Multinational Corporations (MNCs) implement CSR initiatives in such countries for defensive and proactive reasons to complement government efforts. In summary, CSR has been used as an umbrella concept to introduce many ideas, perceptions, and techniques—meaning the role of corporate enterprises should not only be a means of profitability but also to endorse meaningful and responsible citizenship.

Corporate Citizenship as a Concept

A review of diverse bodies of literature view CC and CSR as value-laden concepts that are characteristically vague and can mean different things to different people, depending on the context in which they are used (Crane et al. 2008; Scherer and Palazzo 2008; Tai and Chuang 2014; Visser and Tolhurst 2017). The element of self-interest in corporate philanthropy, the investment aspect of social engagement, and the focus on local communities are elements that are not completely new and have already been discussed in the literature on CSR (Crane et al. 2008).

In the article "The four faces of corporate citizenship", Carroll (1998) introduced CC as a concept consisting of four responsibilities, economic, legal, ethic, and philanthropic, which comply with his definition of CSR in Carroll (1991). The author considers CC and CSR as replaceable definitions. Boston College Centre for Corporate Citizenship (2017) in the article "The State of Corporate Citizenship" argue that, how a company exercises its rights, obligations, privileges, and overall corporate responsibility within their local and global environments is what CC is all about. In this regard, CC does not only strive after giving something back to their stakeholders and communities but attempts to increase its profit, comply with the law, and fulfill ethical norms. Implying CC connects business activity to a broader social accountability and service for mutual benefit.

CC delivers value when companies optimize their core competencies to address opportunities, goals, and operating context issues in the environmental, social, and governance aspects of business. Boston research concludes that CC goes beyond focusing on addressing surface-level sustainability efforts or corporate philanthropy and instead it formulates continuous improvements on commitment and culture of a more resilient self-sufficient society. Thus, the underlying goal of CC is to create a better world to live and do business in.

Corporate Citizenship in the Middle East and the UAE

The United Nations Industrial Development Organization (2007) report presents an understanding that national development and CC are characteristically intertwined. Corporations in partnership with governments can make a vital contribution to developing innovative solutions to developmental challenges and Arab countries are no exception. While the concept of CC is being promoted, it is referred to as CSR in all sorts of documentation; hence, the following discussion uses the term "CSR" to describe/evaluate local initiatives in the Middle East region. The governments in the Middle East have in recent decades espoused certain tenets of CSR. The Arabia CSR Network advances the principles and practices of CSR in the Arab region and has created awards to promote the cause.

The UAE government plays a pivotal role in raising CSR awareness in the Emirates, and attitudes toward CSR and current integration of CSR management and initiatives are improving. However, the government must take a more proactive role in endorsing, promoting, and facilitating the adoption of CSR (UNIDO 2007). In community responses, philanthropy is still the dominant mechanism for a company to demonstrate their community involvement with many companies making monetary contributions to charity. YouGov (2015) statistics notes that fewer companies are likely to have a policy or strategy that provides guidance to their community engagement; however, those that have integrated CSR with organizational identity are performing remarkably well.

Dubai Electricity and Water Authority (DEWA) received the Gold Medal of Excellence in the field of CSR in the Arab world in 2017. DEWA encourages employees to actively participate in volunteer work. The number of volunteering hours, done by DEWA staff, reached approximately 13,000 hours. The total number of DEWA's global charitable initiative beneficiaries has reached 2.4 million up to 2017 (Middle East 2017). DEWA is the first government institution in Dubai to receive a global CSR recognition of international awards and certificates such as the MVO 8000 Certification.

Emirates NBD Annual Sustainability Report (2017) documents the bank's completion of over 26,000 hours of volunteering service with over 4000 employees and partners participating, massively overtaking its initial target of 15,000 volunteer hours for the year. Over the past three years, Emirates NBD contributed over AED 88 million in financial investments toward CSR advocacy programs for the rights of people with disabilities, financial literacy, women's empowerment, health and wellness, community development, and the environment.

According to an article published in the Khaleej Times on June 13, 2017, a high-ranking official stated that UAE companies will allocate funds and be involved in CSR initiatives by end of 2017 which was declared the "Year of Giving". One of the important parts of the Year of Giving was CSR. In February 2018, it was announced that a CSR fund would be developed. This fund which will be affiliated with the Ministry of Economy will serve "to promote the culture of social responsibility and implement community-related projects and initiatives" (Gulf News

2018). CSR Pulse (YouGov), the sustainability dialogue for the Middle East, captures different philosophies, strategies, and expertise from across the Middle East, with the aim of driving CSR best practice. The exercise presents statistics on the impact of CSR on UAE residents. Knowing the impact of CSR on the residents is essential for measuring the performance of initiatives. Based on this feedback, organizations can plan effective CSR strategies and target the relevant areas of development in their communities. Not only will this maximize the business potentials, it will also ensure that the initiatives are indeed paying back to the society.

Manzil and CSR

Manzil was formed in 2005, evolving from a non-profit support group called Special Families Support (SFS), which was founded in December 1999 by the author of the chapter. The organization's mission is to actively promote inclusion by providing a professional learning environment for persons with disability to nurture their potential and develop the requisite self-help, social, educational, and vocational skills that are required to function in society.

Among all stakeholders, a community organization's growing role and importance in today's CSR cannot be gainsaid. In the past decade, Manzil has evolved from translating social inclusion awareness and action with a participatory CC development model. Manzil slowly transformed from a recipient of the traditional charity-based activities to engaging with corporates to have the highest impact and manifest the true meaning of CSR. The case study evaluates the transition of CSR methods and legislation landscape in the UAE using Manzil's experience. Manzil is a beneficiary of CSR programmes through a partnership with over 100 corporates and constantly reviews its own CC engagements. The most apparent aspect of this dimension is the inclusion of government and private sector, community organizations, and the public into the community programs that are meaningful and sustainable.

Manzil's extensive operational experience with CSR practitioners has ascertained that unifying the diverse CSR initiatives under a shared value framework does not reflect the reality of CC practice for most of the businesses in the UAE. As a CC advocate, Manzil creates social value in countless ways, from establishing innovative community involvement partnerships to engaging with stakeholders to assess CSR initiative opportunities and impact.

Advocacy: Address Neglected Social Problems

It is undeniable that even governments in the wealthiest countries cannot effectively address all social problems (Margolis and Walsh 2003; Matten and Crane 2005; Scherer and Palazzo 2008). CC is thus crucial to complement government efforts in the creation of justice and parity within societies. Manzil has supported people with disabilities, referred to people with determination in the UAE, to exercise their rights and freedom through the provision of individual advocacy, supporting people to advocate for themselves and/or influencing long-term systemic changes to ensure that rights and freedom are attained and upheld. In fact, Manzil originally targeted millennials to rectify the social inclusion predicament. Manzil realized that the value of shaping young minds would aid the next generation to take its mission forward. Through their support group for the families of people with disabilities (SFS) they organized meet-ups in public areas with young people volunteering in the fun activities (outings to movies, malls, park picnics, etc.). The support group invested in shaping youth's perception of disability inclusion. The long-term investment in millennials changed the perception, created empathy, eradicated fear of inclusion, addressed discrimination, and promoted awareness in society about disability. In fact, some of Manzil's partners, clients, and several stakeholders today are nurtured from the new generation that was impacted by SFS initiatives. In summary, strengthening the concept of serving the nation in the younger generations of Emiratis and expatriates has already shown results, having produced a host of socially responsible managers who have had exposure to human differences as children.

When Manzil was formed, the UAE legislation was in its infancy with regard to inclusion. Housing a child with a disability in a mainstream school carried a fine. Certainly, it was for the benefit of both parties as schools were not equipped to implement inclusive education. Employment of people with a disability was not common as companies claimed to be unequipped or too busy to manage the challenge. Sympathy preceded empathy and the well-being of people with a disability in an independent dignified manner. The very concept of setting up a center for individuals with disabilities with its focus on inclusion was a very unique concept at the time in the UAE. Not obtaining logistical support for educational inclusive practices in those days made Manzil think out of the box and achieve the empowerment of people with disability goals. Manzil executed the first "reverse inclusion" program in the UAE with the support of various contributors. The initiative helped combat stereotypes about people with disabilities and encouraged students to embrace diversity and respect those who have challenges outside of their experiences.

Manzil has utilized the CSR initiative to help alleviate the marginalization of people with a disability in the education and employment space. Dubai Advocacy Committee, one which Manzil is a member of, has seen a notable change in the employment of people with disability. Since 2006 Manzil has implemented an employment program called PRIDE, which further grew wings after Emirates NBD assigned Manzil to launch its "#TogetherLimitless"programme which has placed dozens of people with a cognitive disability in the mainstream economy. Seemingly, this has seen the sustainable empowerment of people with a disability and their families free of charity. The Emirates NBD and Manzil partnership is a good example of a long-term CSR commitment to supporting the UAE's growth and development, in line with the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. It also demonstrates a key aspect of the Manzil sustainability agenda to align and work with corporates to bring meaningful change in society.

The Manzil flagship platform through #TogetherLimitless advocates the rights of people with disabilities. The programme is built on the foundation to assist employers to enhance their ability for workplace inclusion so that they do not miss out on the best talent, no matter what their (dis)abilities. #TogetherLimitless is a CSR initiative, yet the actual attraction, recruitment, and retention of employees with a disability promotes a human resource (HR) facet. Employment of people with disability should not be out of pity; instead, it should utilize their abilities to the best. #TogetherLimitless is a unique advocacy platform, supporting the inclusion of people with disabilities on multiple fronts. This initiative is driven by and aligns with: the United Nations Sustainable Development Goals (Goal 10: Reduce Inequality), the UAE Vision 2021 (Social Cohesion Index), and Dubai's "My Community…a City for Everyone" initiative. In terms of "My Community", it is aligned with three specific goals: inclusive education, equal employment opportunities, and universal accessibility. With the progress recorded to date, this initiative strongly enhances the inclusion of people with a disability in the UAE's workforce. Manzil is confident that #TogetherLimitless will continue to grow and bring positive change for people with disabilities in the UAE, broadly impacting local communities.

Engagement: Enhance Corporates, Non-profits, and the Government Partnerships

Manzil's operations were initially dependent purely on philanthropy. The approach was not sustainable for the organization and the projects. Nearly all organizations supporting Manzil started off as donors. Corporates came to interact with students, plan outings, fundraise, hold parties, and donate food. It was all based on fun, yet the center needed far more to sustain and nurture dignified independent adults. A shift to an interactive CSR partnership approach was therefore logical. The next step the center needed was skill-based training for the staff, sustained student sponsorships, facility maintenance, and creative inputs on employment creation for its students to complete the Manzil value chain. In this regard, CSR was the answer which influenced the combination of the organizational mission with the social values, noting that the parameters were rapidly changing. Stakeholders' involvement underpins the integration of CSR as part of the UAE corporate identity. Long-term strategic partnerships are the reason Manzil flourishes today.

Manzil has over 100 corporate and government partnerships of which a significant number are employers of people with disability. The partnership approach presents an enriched opportunity to influence the partnering company's CSR agenda. Manzil encourages corporations to embrace the values and appreciate the finer nuances of making sustainable changes to be part of society thus practicing CC.

Manzil has engaged corporate employees in a range of CSR activities including volunteer opportunities, wellness programs, sustainability efforts, mentoring initiatives, and campaigns with an outlet for sharing their talents. Employment programs have provided employees with opportunities to develop, challenge themselves, and form meaningful connections with peers with disabilities working within the company and in the broader community.

Manzil promotes skill-based volunteering (SBV) opportunities to educate corporations on community organizational needs. More so, Manzil has tapped from an unlimited pool of corporate volunteers through CSR while energizing and motivating employees. CSR has improved Manzil staff proficiencies extensively through volunteer skill-based training. Data capture/analysis, reporting, monitoring, and evaluation improved dramatically after a Microsoft Office training from the CSR initiative. At the beginning of each academic year, Manzil conducts a staff team-building exercise involving external human resource expertise as it provides corporate opportunities to use their expertise to fulfill these CSR mandates while making meaningful contributions to society. The programs strengthen Manzil team bonding by blending talent, skills, and the creativity while encouraging collaboration and teamwork. Furthermore, continuous improvement and maintenance of quality inclusive facilities at Manzil are administered by skill-based volunteers. In addition, several corporate volunteers have come to Manzil to paint the walls, restructure storerooms, carry out repairs, and tend to the garden and playground.

SBV does not only help the community/charity organization but also the volunteers. These employees continue to practice and hone existing skills while learning new ones. Corporate volunteers give and receive training from community organizations. At Manzil they are exposed to vocational training, teaching, and physical education activities with students easing inclusion-sensitive character building. In the last three years (2015–2018), Manzil has engaged with more than 3000 volunteers. CSR has allowed corporate employees to experience an added level of meaning in their lives by enriching their jobs with an ethical dimension. Studies show that employee engagement has proved to be the practice that results in keeping workplace productivity high and turnover rates low. Boston research (2017) makes a direct connection between effective efforts and retaining engaged and productive employees, so it's no surprise that engaging employees has emerged as a key performance indicator for CC.

Awareness: CSR as a Value Proposition

The value and support that the private sector brings to the social sector are frequently talked about. However, the value that community organizations bring to the private sector is often overlooked or underestimated. Certainly, if issues are not talked about, they remain in the shadows and are not understood. Information is power; therefore, Manzil raises awareness particularly on inclusion, identifying mission alignment between development practitioners/service delivery organizations and CSR partner strategies. Engagement of corporates around community initiatives has led to a formation of a mutual benefit partnership providing sustainable projects. Awareness has influenced a change in the perspective of viewing people with disabilities not as a burden but as a valuable untapped human capital asset pool.

Awareness was the first step Manzil used to break stigma on inclusion and assist community organizations and corporations to see beyond charity. SFS communicated to families that they had rights and should not be viewed as recipients of charity. Knowing that they were not alone, their struggles were important, and their battles were worth fighting for gave the families hope. Manzil encouraged corporations to look outside the box and see abilities in people with disabilities. The transition therefore from philanthropic, empathetic, and unsustainable initiatives to social value creation agenda started from awareness.

The awareness that Manzil initiated in 2009 as part of a wider national program has led to teachers' capacities being built through the PRIDE and CSR program with its corporate partner. The UAE Inclusive Education Strategy enables corporates who want to invest in education to execute their CSR initiatives. Furthermore, the PRIDE training team does various capacity-building workshops for corporations.

Awareness building can be done by direct workshops and media campaigns or through innovative projects. Manzil conceived and presented a new CSR project opportunity on inclusion to a few stakeholders. Commitment to support academic literacy attracted HSBC and British Council to implement the book project under their CSR mandate in partnership with Manzil. The project brought together selected students with disabilities and their mainstream peers from both the UK and the UAE to jointly create the first ever international children's book written and illustrated by children of varied abilities. "Finding the Oasis" is the first CSR project of its kind which showcases the talent of people with cognitive disabilities and their peers. This initiative gave the corporations involved, to engage their employees to enhance and use their creative writing and art skills.

Consultancy

Strengthening CC in the private sector is important to Manzil. More importantly, this strategic tool has guided Manzil's innovate new strategies to assess, prioritize, and refine existing strategies and communication to internal and external stakeholders. Therefore, evaluations have been the key to determining where we are on the curve of social versus financial performance and ensuring that we have successfully landed on the right side of the CSR spectrum. Manzil guides corporates toward the bigger picture of CC longtime commitment until the outcome is achieved. For instance, Manzil implements a microenterprise (ME) project, an extension of Manzil vocational education and training. The program develops and enhances students' interpersonal skills in design work like jewelry and corporate gift making. With investment from CSR, the program is expanding to environmental sustainability to produce office paper products and gift items made from recycled paper. The program completes the Manzil value chain through employment creation and sustaining student fees sponsorships.

CSR Drawbacks in the Middle East

Meaningful partnerships must be embraced as they are a panacea for development. The knowledge gap and the complex, deep-rooted, and interconnected nature of the opportunities and risks such partnerships present enable partners to go through a learning curve. Several factors like lack of awareness, training, concern for reputation, diversity, social audit, commitment, and financial constraints challenge the efficient implementation of sustainable CSR. As seen above in this section, dependency syndrome, cognitive bias, networking skills, and government policies are discussed.

Community Organizations' Dependence on Corporate Contribution

Dependency on corporate donations leaves many community organizations at the mercy of corporate goodwill and at the risk of economic or management decision reversals. Manzil learned the hard way in 2009 when donors pulled out during the economic crisis. Operational difficulties were faced due to reliance on charity. Hence the center redefined and centered its CRS approach to a social commercial focus which allowed the organization to solve social problems while using business methods. The center's strategic plan enabled to identify the organizational operational strength and provide the services in return for resources needed to sustain. Contracting services to government and corporate entities allows community organizations to leverage their expertise yet gain financial resources. Applying innovative approaches to retain the existing sources of organizational funding and to establish newer frontiers was Manzil's survival strategy. Nonetheless, some community organizations remain entrenched in the philanthropic model. The perspective to view CSR resource as a tool for development and not "charity" still lacks and is a major challenge threatening institutionalization of social value-focused CC.

There is no standard, proven method to meet this challenge of finding a way to increase financial security without sacrificing the mission of the organizations. All organizations are different in terms of their missions, philosophies, client base, skills, and experience. But increasing financial security is an important part of planning for all. Becoming completely independent of donors may be a realistic goal for some while trying to self-generate funds just to cover overhead costs may be more suitable for others. Still, others may legitimately determine that relying on grants and donations, at least for now, is the best approach. There is no right answer. It is up to each organization to consider all the funding options available and to choose the most appropriate mix, just as they must determine which core activities and implementation strategies are most appropriate for their mission and goal.

The Problem of Cognitive Bias

Social affairs discussions tend to be confronted with already made-up decisions. No matter how compelling the reasoning or convincing the evidence, both parties tend to refuse to consider the other side based on their experience. More specifically, this has affected a participatory development approach. Unfortunately, mutual mistrust, knowledge and skills gap, and unspoken power dynamics can inhibit social service organizations from communicating openly with companies they perceive more as funders than as partners, while preventing corporations from understanding how they might benefit from the non-profit sector beyond a halo effect.

Inadequate Networking Skills

Community organizations face different challenges in diversifying the key CSR opportunities due to a range of factors around networking. Poor organizational visibility is a cause for concern. Organizational name, logo, trademarks, and technical skills are useful for initiating viable ventures. Windows of opportunities usually exist within some corporations that at times, community organizations fail to exploit because they are unable to communicate effectively about themselves (who they are, what they do, and their achievements). Also, the ability to expand, adapt to organizational change, and adopt new programs is a challenge for many humanitarian organizations.

Government Policies

The government plays an important role in guiding enterprises to fulfill CSR. Government policy documents are the footprint of the government in performing its functions, serving as the "mirror" reflecting the ideas of the government. Regulations, policy, standard setting, and government promotion actions of CC can significantly affect corporate responsible business activities and strengthen the compliance with regulations. The UAE government (Ministry of Economy) has issued several policies related to labor rights, environment protection, health and safety, consumer rights, and so on to regulate CSR practices.

CSR Best Practices

Best practices are essential for designing a CSR program that aligns with company and national development goals. Five best practices are discussed in agreement with CSR survey of executives. These are alignment with organizational identity, engaging with the top management, strengthening corporate governance, creating partnerships, and measuring results (Booz and Company 2013).

Alignment with Organizational Identity

Given that organizational identity focuses on how an organization differs from other organizations, what constitutes CSR-identity alignment will differ from organization to organization. Emphasis is on embedding CC into the company's strategy and operations, highlighting the communication of values internally, and the establishment of performance measures. Boston research (2017) advises that the CSR function must be integrated into the company's mission. At the very least, a company's businesses, functional units, and partners must coordinate and communicate on CSR initiatives. Furthermore, the commitment to CSR must be translated into specific goals that are embedded in corporate policies and processes.

CSR-identity alignment also appears to benefit the organization directly from a strategic perspective by enabling the organization to enact a given CSR initiative with greater effectiveness and speed, which is likely to foster more strategic attributions of CSR among stakeholders and enhance the credibility of the organization. In utilizing scarce resources effectively to help people develop their potential and building self-reliant communities, businesses need to embed CSR practices into their main operations.

Embedding CC into the company's strategy leverages business capabilities. Thus, to design effective CSR initiatives, executives need to leverage their company's specific strengths. If a company's strengths play to national development needs, it has an obligation as a responsible corporate citizen to contribute to achieving these goals through CSR initiatives.

Engage Top Management

CSR survey of executives denotes that for CSR initiatives to succeed, senior management must be visibly engaged and active in steering the company's CSR strategy both internally and externally. Boston college (2017) annotates that to gain the support of senior leaders and create the most impactful programs, corporations need to connect CC to their business strategy. When CSR is aligned with the strategy of the organization, it is also more likely to be an important issue on the agenda of top management. This ensures that CSR is integrated into the roles of the top management team and potentially through the organization's performance appraisal, measurement, and compensation practices.

Strengthen Corporate Governance

Corporate governance denotes the quality of the institutional order within a company. Good corporate governance is a precondition needed to implement CC within the company. Companies can only have CC and sustainability if management and employees support and sustain this process. Good corporate governance enhances transparency around business decision-making and makes internal and external CSR initiatives much more effective. First, transparency encourages a candid discussion of CSR issues with all stakeholders. Second, transparency requires the company to create clear guidelines for how the business will respond to CSR issues.

Create Partnerships

Effective communication, consultation, and collaboration with external stakeholders are some of the key to successful CC. Companies should tap into the credibility and expertise of civil society organizations, public-private partnerships, and social business ventures. Partnering with social development institutions and the public creates a meaningful impact on the wider community. Besides the traditional philanthropy collaboration (a one-way transfer of resources from a business to the community organization) a range of partnerships can be forged depending on the extent of the collaboration. Reciprocal exchange partnership is a relationship between a business and a community organization based on an exchange of resources for a specific activity. However, independent value creation partnership implies that both partners have individual goals but work together to generate desired value. Finally, in strategic partnerships partners work together purposefully on a common problem which they would both like to see resolved. This is the most dependent relationship between the partners, and value will only be created through a mutually dependent exchange of ideas, resources, and efforts.

Measure Results

One CSR best practice virtually absent from UAE companies is measuring the results and impact of CSR initiatives. The tradition often is to measure "inputs", such as the money and employee hours spent, but not outcomes. Companies need to begin measuring the results of CSR initiatives, so that they can assess and refine their approach. The contribution and difference made by initiatives must be measured. Introducing policies and responsibilities is not proof of CC performance. The incorporation of social values in the capital market, through the socially responsible investments (SRIs), is particularly significant.

Conclusion

CSR is a critical developmental component globally and is an important driver to forge sustainable CC. Transition growth of CSR in the UAE is still evolving from corporate philanthropy to more resilient self-sufficient society initiatives. The efforts to continuously improve on CSR commitment and culture lie on the government, private sector, community organizations, and the public. The case study discussion has unveiled CSR opportunities, drawbacks, and given recommendations for both corporates and community organizations engaged in CSR. Though CSR is presented as a financial sustainability and funding diversification model for community projects, the gains go far beyond financial advantages to empowerment through information and knowledge transfer.

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[1] Note: Page numbers followed by 'n' refer to notes.

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