AMERICAN UNIVERSITY OF BEIRUT

ROLE OF GOVERNMENT IN SHAPING CSR ENGAGEMENTS IN THE ARAB WORLD

by
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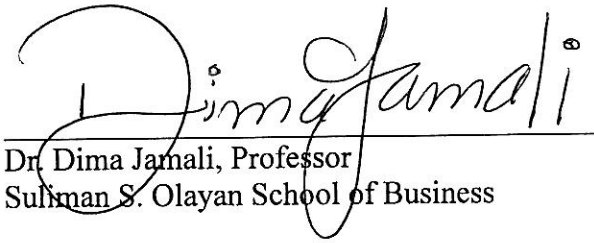

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AN ABSTRACT OF THE THESIS OF

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This study applies the principles of qualitative research to provide an overview of the current status and evidence on the role of government in shaping CSR engagements in the Arab World. It consists of 2 substantive activities. First, a comprehensive review of available literature on the subject is explored. Second, given the qualitative nature of the study, the investigation about the role of government is conducted through standardized interviews with governmental stakeholders across two Arab countries: Lebanon and UAE. To acquire more comprehensive data about the topic, interviews are also conducted with business managers in charge of CSR in the two countries. The sample represents a range of public and private organizations reflected across different sections and industry sectors.

The results of the interviews proved several segments of the literature, yet contradicted it at some points. Detecting different governmental policies and modes of intervention, it was evident that the public sector agencies in the Arab world are starting to get involved in the CSR agenda, with a sturdier role in some countries such as the UAE and a weaker role in others such as Lebanon due to various factors.

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CHAPTER I

INTRODUCTION

For many years, success and long-term prosperity in the Middle East and North Africa (MENA) has been correlated to economic growth. Yet the diameter of that approach started growing to embrace sustainable development with a major role of governments. Sustainable development is getting reconsidered as an essential part of economic progress whereby it aims to create job opportunities, provide education, diminish poverty, and closely manage the environment. Companies in particular have an important role to play in the sustainable development scheme through aligning corporate social responsibility (CSR) projects with national development goals and coordinating with governments on that. Such a collaborative effort is crucial to achieve sustainability in the Arab regional context. Few MENA governments comprehend how CSR can merge with national development, but recent years have witnessed more governmental activity in promoting CSR as a means that can enrich sustainable development strategies and a factor of national competitiveness schemes to compete for foreign investment and situate exports on a global scale (Shehadi and Jamjoum, 2014). Business Corporations are entities of the society, economy, and environment, and don't operate in vacuum. They engage in various functions and transactions that might harm the context they are working in, and this obliges ethical, legal, economic and discretionary responsibilities on them. In this perspective, this paper will try to find out the role of government in catalyzing the CSR engagement and pushing corporations to get enthusiastically concerned in the betterment of the community in the Arab world.

CHAPTER II

LITERATURE

What is CSR?

The relationship between business and society has been studied for decades but it is only since the 1950s and 1960s that the expectations of business responsibility towards society have significantly increased (Carroll, 1999; Lantos, 2001). Corporate Social Responsibility is a notion that has pulled in increasing resonance in the worldwide economy (Jamali, 2006). Escalated interest in CSR has originated from the prevalence of globalization and the advent of the global corporation, with increasing demanding pressures and anticipations of social responsibility engagement for large enterprises (Mohan, 2006). Businesses have moved, under the umbrella of CSR, into unprofitable activities, such as healthcare, safety, education, or environmental contribution (Matten and Crane, 2005; Scherer and Palazzo, 2008). Some corporations are even establishing private-public relationships to manage power or water systems or conservation areas previously considered as public goods (O' Laughlin, 2008).

Although the term "corporate social responsibility" may be new in different parts of the world, a few components of its practice extend back a long way. Philanthropic movement, for instance, whether sought after by individuals or organizations, date back many centuries. But, though philanthropy is one basic element of CSR, it is definitely not the limit of it. CSR projects to more than charitable activities held by firms in order to be perceived as good corporate citizens or to gain public image or marketing benefits. It could be a viable means of risk management, assuring compliance with the environmental and social regulations of the country, and a form of

shared value creation for these corporations looking forward to innovate (Freeman, 2011).

CSR is also known by different pseudonyms, as "sustainable responsible business" and can have other terms within certain industries, like "socially responsible investing" within the asset management sector. CSR is defined by several ways, but it basically boils down to guidelines within a corporation that ensure that its activities are beneficial to all stakeholders, not only to its shareholders, and this comprise employees, customers, the environment and the community (Freeman, 2011). It is defined by the World Bank (2005) as “the commitment of business to contribute to sustainable development working with employees, their families, local communities, and society at large to improve their quality of life that are both good for business and good for development”.

This tends to go beyond meeting the environmental regulations and governance issues and should go voluntary within the firm; especially that prominent public concern regarding the environment in recent years has increased this pressure. However, what comes under the CSR umbrella for a bank, for instance, would be distinct for an energy supply company. The primary principle of sustainability is one- by ensuring that the business activities at least have minimal detrimental effect on the community, if not pursuing activities that have positive contribution to this community and indulging this in their core competencies- but the application of this principle might differ according to the business sector. The host community for a small company might be its immediate city or town, for a larger enterprise it might be at the national or regional level, for a global company it would be at the global level (Freeman, 2011).

It is within this concept that the idea of the "triple bottom line" was developed, by which the single bottom line is combined with two other concerns: planet and the people (Freeman, 2011).

Several international initiatives were enacted to promote companies to pursue CSR. One of those initiatives is the UNCG: United Nations Global Compact. Launched in 2000, it is a strategic policy for firms to align their strategies and operations with ten universal principles pertaining to labor, anti-corruption, environment and human rights. The UNGC has two complementary objectives: to commit business to ten ethical principles that are globally accepted, and to support actions that catalyze the achievement of wider UN goals, comprising the Millennium Development Goals or the MDG's (Freeman, 2011).

A different initiative for Multinational firms is the OECD Guidelines. Formally constituted in 1976 and revised in May 2011 for the fifth time, the Guidelines set a number of recommendations to MNC's to conduct ethical business in the areas of human rights, competition, employment, taxation, industrial relations, bribery, environment, information disclosure, consumer interests and technology. The initiative involves the operations of National Contact Points or NCPs, which are government offices adhering to promote the Guidelines and control the national enquiries, and this gets the governments in charge of promoting the guidelines among MNC's. All 34 OECD states endorse the guidelines, in addition to eight non-OECD countries (Brazil, Egypt, Argentina, Romania, Morocco, Peru, Lithuania, and Latvia) (Freeman, 2011).

CSR is a part of a long-term form of economic gain that might not be financially measurable but may offer a valuable asset for future profitability, and consequently for “social power” (Davis, 1970; Carroll, 1999). The social power notion

which results from the influence of the organization on the society as a whole, will lead to a business model that is admired by other organizations for the skills and knowledge it brings forward in different areas including CSR activities. The contemporary CSR agenda is developed in recognition that business is an important element or constituent of society, and that it has the potential to make a positive difference in the context of broader social aspirations and goals. This idea suggests that business should not only pursue profits, but rather a multitude of objectives which all add to the resilience of business and its potential prosperity and survival in a dynamic environment. This is even more needed in a knowledge-based society where organizational assets are intangible (reputation, know-how, technology, *etc*.) as much as tangible (capital, land, equipment, *etc*.), and is one of the reasons that can drive corporations to act as "public steward" of social duties similar to any other citizen (Davis, 1975; Takala, 1999).

CSR is at the heart of managing the benefits and costs of business activities to internal as well as external stakeholders (employees, investors, and shareholders to consumers, suppliers, civil society, and other groups). Setting the agenda for the way these benefits and costs are managed is a question of businesses strategy and of public governance. The contemporary CSR agenda is mainly concerned about the stakeholders in the developed countries. It is still immature in the third world where CSR plans are still ad hoc and not addressing public governance. However, voluntary private approaches to allocating CSR standards are emerging in developing countries through supply-chain interactions and other types of private sector relations. This in turn is provoking corporations to address the demands of the "fourth party" welfares (costumers, employees, & citizens) (Nguyen Manh Cuong, 2003).

Research on CSR has also revealed one of the significant contributions to the CSR literature which is that of Wood, (1991), who organized the CSR into three major principles:

1- The principle of legitimacy that is about the expectations of society from businesses at an institutional level.

2- The principle of public responsibility that operates at the organizational level and is concerned about the potential impacts of business activities.

3- The principle of managerial discretion that operates at the individual level and that views managers as "moral actors" (Wood, 1991; Robertson and Nicholson, 1996).

The key concerns of CSR as agreed upon could be listed as: corporate governance, financial transparency, business ethics management, employment practices & non-discrimination, employee conduct and corruption, worker health & safety, corporate philanthropy, energy consumption & environmental concerns, and consumer protection (Minkes et al., 1999). If these issues were addressed responsibly by the private sector, businesses will be serving 3 axes goal:

- Environmental & community goals by the elimination of negative impacts of the business operation on the environment, workers, society, and the rest of stakeholders (Minkes et al., 1999).
- Governmental goals that lie in protecting the community, ensuring financial transparency and eliminating corruption in the private sector, which will naturally lead to decreasing governmental expenditures on health issues and energy resources (Minkes et al., 1999).

- Business goals in terms of ethical management systems, wider business opportunities, and more profits (Minkes et al., 1999).

Private sector approaches to CSR where businesses exist primarily to generate profits, can be interpreted as a response to a series of internal and external drivers that build a business interest in CSR. The drivers involve new business opportunities through environmental and social connections, reputation risk management, campaign pressure from NGOs or unions, media exposure to the performance of private companies, regulations, and litigation (RING, 2003).

Companies don't operate in a vacuum, and the community is getting more aware of what CSR is so companies ought to act as responsible citizens if they want to be competitive at a national and global level. Interviews with 107 representatives of top multinational companies on how CSR issues impact the purchasing and investment decisions of multinational corporations have produced promising results (Berman and others, 2003). The majority of respondents indicated that they look for strong laws on CSR and its balanced enforcement and implementation such that:

- More than 80% of respondents conveyed that they review the CSR performance of potential partners before they make the deal, and more than half of the respondents reported that the assessment takes place at the early stages of the process of finding new ventures or partnerships.
- The majority of interviewed companies stated that they have decided not to enter a new country because of CSR issues. Though, fewer have left the country after investing there.
- US-based enterprises are the most likely to refuse investment locations due to CSR concerns.

- The majority of companies said that CSR issues are at least as important as traditional concerns (such as quality, cost and delivery) in new venture evaluation, and that this impact has developed in the previous five years (Berman and others, 2003).

Globalization

As a result of emergence of developed communications means, ease of accessibility, awareness of responsibility towards environmental and health issues and poverty, and financial and economic crisis, more focus worldwide was projected towards social responsibility (IOS, 2010). In other words, international CSR was actually driven by Globalization. Globalization which is characterized by shrinkage of international trade boundaries, access to inexpensive transportation and the incline in cheaper and new communications technology, has facilitated the shift of production of Western corporations to developing countries where regulation is weak and labor costs are low (Burgoon B, 2009). Globalization optimists suggest that the flat new globe is described by an increase in democracy and economic development, whereby skeptics of globalization focus on increased economic inequality and deterioration in democratic legitimacy. Corporations have to steer between these two outlooks. While taking advantage of the open economy, they likewise have to alleviate the negative results of public sector failures in host countries and contribute in providing social welfare like decent remunerations, human rights and working conditions. The common assumption conveyed by both globalization optimists and pessimists is that the governments' ability to regulate business had been much declined. Private sector has hence had to get engaged in governance processes. The linkage between social welfare and governance is

revealed for instance by private codes of conduct and by the multi-stakeholder initiatives proliferation such as the Global Reporting and the UN Global Compact. Nonetheless, while it is true that multinational corporations have got more engaged in adopting governance to improve social welfare, the regulatory space for social welfare has started to get reclaimed by western governments through embracing home country regulations that control the operations of home country MNC's as they function in the developing countries (Burgoon B, 2009).

The three pillars for creating an enabling environment for responsible business activities

Generating effective drivers for business to CSR is one pillar to create an enabling environment for responsible business activities. Nevertheless, an optimal CSR enabling environment calls for more than these drivers. The drivers will only be efficient if human capacities and institutions are in place to enable them to perform effective social work in their local context. These key human capacities and the government agencies in their key teams and departments are the second pillar which reflects the understanding and the capacity to embrace CSR plans. Addressing and educating the institutional actors will optimize the drivers of CSR.

The third pillar of the enabling environment is then provided by the tools of enforcing or promoting CSR which might include regulation and legislation, certification and labeling, partnership, award arrangements, guidelines & codes of conduct, and management systems (RING, 2003).

The three pillars should be supported strongly to ensure an enabling environment for CSR; otherwise voluntary corporate actions alone might be inadequate to address the enormousness of societal problems especially in developing countries.

Governments specifically should uphold a vital role to ensure the involvement of the widest scale of firms in CSR by providing the hard and soft incentives for companies CSR engagement (Aaronson, 2005).

Why governments should seek to promote the pursuit of sustainable and responsible business

As pointed out by ESCAP (2010), there exist four substantial reasons for host governments to promote responsible practices within private sector. First, governments are in charge of facilitating the shift to a more sustainable society and fairer economy. CSR is widely accepted as the business sector's contribution to inclusive and sustainable development. Therefore, government can pursue sustainable national development by utilizing a CSR agenda: a social driver.

Second, there exists a positive relation between competitive performance and sustainable investment practices. CSR is thought to have a significant role in moving the long-term competitiveness of a national economy forward, and given the keen aspiration of devoted policy-makers to enhance the competitiveness of their countries, in order to support the private sector and induce foreign investment, CSR stimulation is considered an important tool to achieve that desire: a market driver.

Third, most governments are looking for ways to reduce their expenditure in order to avoid budget shortfalls, particularly in times of global financial crises that put governments in a heavy toll. In its turn, this is pushing policy-makers to find ways of spreading the load of environmental and social improvement throughout collaborative initiatives. CSR is thus a good vehicle for governments to get the private sector more engaged: an economic driver.

Finally, being in charge of a responsibility to advance economic, environmental and social conditions for the population, and given that the business enterprise would not always be good corporate citizen, policy-makers will need to promote CSR through incentives and regulations to ensure that business profits is not generated at the expense of environment and the society: a governance driver.

Succeeding in driving responsible business actually has socio-economic advantages for a government, and can help release part of the pressure on a limited fiscal balance. It is not a luxury which merely developed nations should pursue, but rather CSR can be utilized to achieve public policy goals. CSR can offer realistic chances for the low and middle-income governments to adjust the terms on which they network with the private sector (Freeman, 2011). It is not to propose that a CSR agenda can ever replace public spending, but certainly it can support in some areas whereby public spending is allocated. The European Commission (2006) identifies the following social policy results that CSR can help a country in achieving:

- Increased social inclusion with a higher level of integrated labor markets, as companies pursue to hire more individuals belonging to disadvantaged groups.
- Investment in employability, training and learning, which are needed in dealing with the problem of aged working population and to maintain competitiveness in the global knowledge economy.
- Enhancements in public health as a consequence of initiatives by companies in areas like the labeling of non-toxic chemicals and food
- Increased levels of innovation, such as innovations concerned with societal problems, resulted from more rigorous interaction with external stakeholders

- Increased rational usage of natural resources and decreased intensity of pollution, especially with embracing environmental management systems.
- A better image of entrepreneurs and business in the society, which helps in forming positive attitudes towards engaging in entrepreneurship
- More respect for environmental protection, human rights and labor standards, especially in less developed countries
- Decline in poverty and movement towards attaining the Millennium Development Goals.

Potential Role of Government in Shaping CSR

According to O' Laughlin (2008) the idea of a state that regulates by enforcing laws, licensing and inspecting, will fasten responsible and wise behavior from citizens, corporations and civil society groups. So, governments need to intervene more efficiently in controlling and provoking private sector CSR activity (Ericson, 2005; Shamir, 2008).

While questioning the role of governments in the CSR movement, Mendoza and Vernis (2008) suggest the idea of the relational state. According to them, a relational state outlines the intersection between the private and the public sphere, and identifies the co-responsibility between the society and state. The co-responsibility connotation implicates the identification of interdependencies and the recognition of shared interests that lead to common goals. It involves effective enunciation of the obligations responsible by each party and the particular commitments essential for their fulfillment (Mendoza and Vernis, 2008). Within a relational state model, governments

proactively investigate, evaluate, and consequently take their roles in opportunities for cooperation to mutually address social issues.

The fundamental operating rationale in this model is that the government is an active state that perceives the complex nature and interdependence within many social problems and recognizes that they can only be resolved through dynamic joint effort (Mendoza and Vernis, 2008). Governments thus ought to comprehend CSR as a cross-governmental issue with a broad agenda and have to move as a result to a relational paradigm (Alberda *et al.*, 2008). Within the relational approach, the inter-organizational network, which is based on a ground of interdependence, cooperation, reciprocity and common adjustment, becomes the most fitting structure to express inter-relationships among distinct private and public organizations (Mendoza and Vernis, 2008). States have to fulfill the expectations of these reciprocal relationships to facilitate composite inter-organizational networks in addressing social challenges (Alberda *et al.*, 2008). Within a relational paradigm, governing becomes more related to the capability of leadership and agreement to mobilize the private and public resources existing in a society and less associated to spending capacity (Mendoza and Vernis, 2008). This will need public managers to apply a facilitating and modest leadership style, grounded on dialogue, openness and participation, with the ability to think at the partnership level, motivate diversity and experimentation and provide strategic direction (Mendoza and Vernis, 2008). In this approach, governments' role entails participation, organization or facilitation where public institutions encourage or enable firms to get innovative and engage in partnership in the soft regulatory framework context (Alberda *et al.*, 2008).

There exist several policies that are applicable between government and business in the relational framework. These policies are supposed to raise awareness

regarding the significance of CSR among private organizations, to recognize and promote firms leading the CSR initiatives, to establish capacity by offering guidelines and incentives, to stimulate stakeholder dialogue regarding CSR issues, to give incentives for meeting international standards, to support standardization and convergence in CSR reports, auditing systems and indicators, and to offer tax incentives for sustainability. In other words, the government has to identify the needed policies that can catalyze involvement in CSR, from soft voluntary and private codes, labeling systems and certification to hard regulation for instance pertaining to sustainability reporting and environmental impacts. Interestingly, private sector appears to expect government to solicit more from them (Aaronson and Reeves, 2002).

Figure 1

Relational CSR Public Policies

	Policy	**Example**
CSR In Business-Government Relation	Raising Awareness/ Facilitation/ Encouraging Voluntary Initiatives	Promoting firms that are leading CSR; sharing best practice; supporting dissemination; promoting CSR partnerships and business networks
	Legislation	Mandating CSR reporting; regulating selection processes and public agreements; legislating environmental issues
	Capacity Building	Involving private sector in public forums; establishing guidelines for reporting; offering rewards & tax incentives; incentivizing sustainability particularly for domestic producers and SMEs
	Promoting systematic Reporting, Accountability & Transparency	Encouraging identification of CSR standards and the regulation of reports, auditing systems and indicators; Promoting fair trade and labeling schemes

(Adapted from: Alberda *et al.*, 2008)

Along the spirit of relational approach, an initial study of existing governmental activities to strengthen CSR for Fox *et al.* (2002) revealed that public

sector roles could be categorized into four broad divisions: mandating, facilitating, partnering, and endorsing. These four central interventions permit coverage of all the CSR agenda. They can be overlapped and applied at different levels, but the end goal is to affirm lateral understanding of sustainable development. Different governmental decision makers should understand and apply the different roles in their local contexts (Fox, Ward, and Howard, 2002).

The relevance of the four public sector roles has mainly been affirmed, with a tendency to emphasize the partnering and facilitating roles, yet there is continuous research on ways to maximize the value of the roles for the future such as adding a fifth role which is "demonstrating" (Warner, 2003***).*** Government understanding of the four central roles is crucial to guide decision making to reinforce CSR. The World Bank Group offered a framework as a diagnostic tool for enabling CSR. The aim was to allow public sector to start navigating their way toward roles that better align CSR activities with public development plans (Warner, 2003***).*** This diagnostic tool provokes smart thinking about ways to strengthen CSR, align public and private goals, capitalize on core competencies, and manage the risks and unintentional consequences of CSR activities (for instance: setting higher environmental standards for suppliers might become a barrier to market entry) (Warner, 2003). Thus there should be equilibrium between practicality, relevance and accessibility. Overall, the framework guides assessment of the current status of CSR activities and the public sector alternatives available to strengthen CSR. The diagnostic tool is supplemented with an appraisal tool and will continue to be updated as it is piloted in several developing countries (Warner, 2003).

Figure 2

Four Governmental Roles in Strengthening CSR

Four Principal Governmental Roles in Strengthening CSR

Mandating	**Facilitating**
Setting regulations, laws, and penalties for CSR engagements. It comprises governmental institutions that are in charge of controlling aspects of corporate operations or investments.	- Setting clear policy frameworks and agendas to guide private sector investments in CSR. - Establishing guidance codes or labels for operation in the market. - Facilitating and incentivizing business engagement in CSR. - Enforcing transparency or disclosure on a range of issues. - Setting tax incentives. - Arranging CSR awareness campaigns and research. - Facilitating the process of stakeholder dialogue.
Partnering	**Endorsing**
Merging public human resources with those of private sector and other actors to leverage the resources knowledge and skills to tackle the CSR agenda checklists, whether as participants, promoters, facilitators or catalysts.	- Providing political support for specific types of CSR activities or for specific companies in the market. - Setting definite award schemes or nongovernmental metrics, guidelines, indicators and standards. - Leading by example such as public procurement activities.

Reference: (Fox, Ward, and Howard, 2002)

Often, there are no bright limits between the four roles, and governmental institutions may practice them simultaneously.

Barriers to address CSR through the governmental institutions

However, barriers to address CSR through the governmental institutions are many and could actually hinder sustainable development. There could be inadequate

financial resources available for governments to establish CSR-related teams or departments, a lack of willing governmental partners, or insufficient understanding of the CSR framework and the data on which to base regulations and guidelines (Woicke, 2003). Moreover, in the third world where corruption dominates the governmental institutions and all issues are politicized for personal matters, environmental concerns are still not loudly spoken. The challenge is to create the proper balance between the roles of each of the actors who shape the CSR enabling environment, and then to combine these roles to maximize the involvement of the private sector in social sustainable development. The public sector role is largely counted on because of its unique competencies. Only the government can establish the policy and regulatory frameworks in the context where businesses work, and only the government has the authority and legitimacy to set together the standards of the enabling environment (Woicke, 2003).

In developed countries the market succeeded in setting the right signals for CSR and this naturally is aligned with public policy environmental and social goals, thus the government may choose to take a laissez-faire approach, remotely support the current CSR tracks, or facilitate the development of new trajectories that meet public policy goals. However, in other parts of the world where market doesn't set the signals, there is a need for deeper forms of government intervention like incentives and clear policies (Fox, Ward, and Howard, 2002).

The EU has a global governmental look on encouraging CSR, as mentioned in the European Multi-Stakeholder Forum on CSR in its Final Report, "there is a need to act at a global and collaborative level towards three main objectives, namely "raising awareness and improving knowledge on CSR; developing the capacities and

competences to help mainstreaming CSR; and ensuring an enabling environment for CSR" (EMSF, 2004). However, in the Arab world the role of government in setting the tone for companies to work either seriously with CSR or not is still vague.

Nonetheless, evidence shows that in developing countries in general, the public sector is starting to view CSR as an issue that reflects public policy goals, a means that can enrich sustainable development strategies and a factor of their national competitiveness schemes to compete for foreign investment and situate their exports on a global scale (Fox, Ward, and Howard, 2002).

Increasing cooperation among governments and companies to create an ecosystem favorable for CSR is pivotal to the MENA's economic development. It might also become a template for other developing regions looking forward to initiate CSR programs. CSR can be an agent for genuine economic progress, more than a bit of corporate theater (Shehadi and Jamjoum, 2014).

The principal challenge for governments is to measure more effectively the benefits and costs of business activity and to support and strengthen private sector involvement in national policy processes. Governments should identify different means of intervention that can harness the strengths of the business more effectively and that can also align CSR strategies with the overall public policy aims. In other words, the challenge is to employ the appropriate types of hard and soft incentives and partnerships between private and public sectors with keeping the public interest as the end goal. The role of government is thus vital to construct an enabling environment for companies to generate solid added value for the society they operate in. Succeeding this challenge is indispensable to achieve both corporate and national future competitiveness (Nelson, 2009).

CSR and Governments in the Arab States

The CSR movement is starting to dig its way in the Middle East and Levant. This appears through the multiple events devoted to CSR, like the Second Forum of Arab Ministers for Social Development held in Amman in November 2008, which revolved around the role of CSR in the Arab World, and the Leadership Dialogues and Responsible Competitiveness Initiative held in KSA in November 2008. Different other CSR initiatives and events are getting launched in the region. These events are an evidence of a significant regional shift in considering sustainable business practice issues (Jamali, 2009). In 2008 in Saudi Arabia, for instance, the Responsible Competitiveness Initiative, the Saudi Arabian General Investment Authority (SAGIA) exercised a partnering, endorsing and facilitating roles closely with international and local partners on encouraging more information dissemination, dialogue, and mutual visibility of CSR. SAGIA also prepared and held the Responsible Competitiveness Leadership Dialogues concerning CSR, inviting Saudi and multinational companies, policy makers, educators, media, chambers of commerce, and thoughtful leaders in the domain of CSR to share ideas about possible initiatives in the local perspective. SAGIA was in charge of both the convener and the secretariat roles for this initiative. It consequently actively partnered in the establishment of the Saudi Arabian Responsible Competitiveness Index that was launched in 2008, and 3 companies were rewarded for their CSR initiatives in January 2009 in Saudi Arabia during the World Economic Forum (Jamali, 2009).

Another appealing sign that CSR is attaining more momentum in the region is the number of enterprises that had joined the UN Global Compact. From the MENA region, the list of members has grown from only 3 in 2003 to 262 in 2012: 8 in

Lebanon, 36 in Egypt, 7 in Kuwait, 3 in Palestine, 61 in Iraq, 9 in Qatar, 32 in Syria, 21 in Jordan, 11 in Morocco, 4 in Saudi Arabia, 41 in the United Arab Emirates (UAE), 27 in Tunisia, and one in each of Bahrain and Algeria. CSR is practiced in diverse forms by the different types of corporations in the region: small and medium-sized enterprises (SME's), state-owned enterprises (SOE's), social businesses and multinational corporations (MNC's). Recognizing the manner by which each one approach CSR today is a crucial step for aligning future CSR initiatives (Jamali, Shehadi, Ghazaly, & Jamjoom 2013)

As noted before, the methods of CSR promotion that could be adopted by governments belong to one of the following four intervention categories: endorsing, facilitating, partnering and mandating. The specific intervention in each of the four categories that could be adopted depends much on:

- The resources available in a country and its type of economic environment
- The capabilities and profile of the whole private sector and its willingness to champion change
- The resources and capacities of the government agencies
- The competencies and scale of the civil society stakeholders (such as business associations, INGOs, NGOs)
- The business industries and sectors that are being targeted
- The particular social, environmental and economic issues which the country is facing
- The domestic markets size for products that could be influenced by CSR concerns
- The export orientation degree of the economy in sectors influenced by global CSR drivers (such as pharmaceuticals, textiles)

- The degree to which various stakeholders are willing to partner with others to work on a jointly defined outcome.

(Freeman, 2011)

Thus among the Arab states which are mainly categorized as middle to low-income countries, the governmental mindset towards CSR might still be immature and an efficient governmental strategy for increasing the corporate social responsibility of private sector might be hindered by several factors.

Public sector has to avoid the over-engineering of policy responses, especially in developing countries where government intervention could be categorized by the corporate sector as "interference". In this case, the best approach is to provide CSR with a degree of political support while keeping interventions to a minimum. In other words, CSR interventions should be conceived as a contribution to an enabling environment for business activity. If they are seen as an additional burden for enterprises that is not justified by benefits, they are likely to fail. Public decision-makers also have to plan the best combinations of various instruments over time (Ward, Fox, Wilson, & Zarsky 2007).

So what instruments might Arab states being developing countries have? An enabling environment for CSR in developing countries could be provoked by several tools as identified by Ward, Fox, Wilson, & Zarsky 2007 below:

a) Minimum legal requirements: setting regulations that offer built-in incentives for corporations' innovation, for instance using the optimal available techniques to reduce harmful environmental outcomes, has influential effect (Ward, Fox, Wilson, & Zarsky 2007).

b) Taxes and charges schemes: imposing taxes, for example, on industries that produce polluting emissions, could considerably alter company behavior, but it relies on governmental capacity to collect charges. On the other hand, another approach is incentivizing socially appropriate business activities of various kinds including philanthropic donations (Ward, Fox, Wilson, & Zarsky 2007).

c) Foreign investment contract regulation: regulating the terms of these agreements, sets clear standards for investor contributions in technology transfer, social investment, enterprise development and skills (Ward, Fox, Wilson, & Zarsky 2007).

e) Community-Company agreements: public sector actors can mandate negotiated agreements in defined circumstances between communities and companies regarding private sector investment in CSR (Ward, Fox, Wilson, & Zarsky 2007).

f) Reporting: Company reporting on social and environmental issues is a common form of legislation in developed countries, but there aren't much specific examples of CSR reporting requirements in developing countries (Ward, Fox, Wilson, & Zarsky 2007).

g) Labeling: certification and labeling schemes of distinct kinds has proved to entice private sector engagement in CSR in many visible ways (Ward, Fox, Wilson, & Zarsky 2007).

h) Public procurement: around the world, governments are actually consumers on a large scale. Public procurement bids real opportunity for governments to express themselves as environmentally preferable enterprises throughout the marketplace (Ward, Fox, Wilson, & Zarsky 2007).

i) Public policy frameworks: public policy frameworks on issues pertaining to investment and international trade or local enterprise development have the potential to

direct voluntary CSR actions to meet public policy goals (Ward, Fox, Wilson, & Zarsky 2007).

Governments practically need a blend of hard and soft regulation for promoting CSR. However, States are mainly selecting softer regulation due to the significant expenses and limitations of legislating legally binding standards (Vogel, 2008). A parallel transition was also witnessed from state centric regulation toward multi-lateral form of regulation, with the contribution of non-governmental and private actors (Scherer *et al.*, 2006). In the context of CSR, Abott and Snidal (2006) identify the rise of a complex governance triangle, by which several international standards are chosen, applied, monitored and imposed by combinations of firms, states and NGOs. The CSR momentum is described as a more complex relationship between private and public actors, rather than setting up straightforward power from governments towards enterprises (Falkner, 2003).

The Case of UAE and Lebanon

Although the CSR concept arrived at the MENA with the winds of globalization, it owes its direct reasons for its emergence in Emirati and Lebanese development agendas to personal initiatives. CSR would perhaps not have caught the interest of the public sector if it weren't for the dedication of individuals who persistently worked for the notion. The political actors as well as companies in the Arab countries in general have viewed CSR as symbolic resource and a source of global prestige and trust. By working for the beneficent causes and tying names to common good, CSR adds capital to its supporters' reputation. The possible development outcome that would be generated from a socially responsible private sector are indeed a

motivating factor, especially for actors whose reputations might be vulnerable, but the seriousness of the faith of government in CSR as a tool to solve social problems is still an open question (Selvik 2013).

UAE

- Capital: Abu Dhabi
- Government Type: Federation of 7 hereditary monarchies
- Area: 83,600[d] km^2
- Population: 9,346,129
- GDP: US$ 643.846 billion
- GDP per Capita: US$ 65,037

(Wikipedia, 2014)

Lebanon:

- Capital: Beirut
- Government Type: Unitary parliamentary multi-confessionalist republic
- Area: 10,452 km^2
- Population: 4,467,000
- GDP: US$ 47.497 billion
- GDP per Capita: US$ 10,530

(Wikipedia, 2014)

CHAPTER III

METHODOLOGY

This study applies the principles of qualitative research to provide an overview of the current status of research and evidence on the role of governments in shaping CSR in the Arab region. It is explorative in nature since it needs to detect different types of governmental policies and roles and the effects they generate on the CSR initiatives of firms in Arab World. It consists of 2 substantive activities. First, a comprehensive review of available literature on the subject was conducted. Second, semi-structured, face-to-face interviews were developed and conducted in the month of March 2015 with public sector employees in different ministries, and business managers in charge of CSR programs across two Arab countries (Lebanon and UAE) to serve as a data collection means, to gain in-depth knowledge about governmental interventions in shaping past and present CSR behavior in private sector, and to compare governmental roles in both countries. The answers for the interview questions were written down during the interview sessions for later analysis.

To meet ethical standards, an IRB approval prior to initiating the research was obtained, and the subjects were informed that their interview participation was totally voluntary, and their refusal to participate or withdrawal from participation in this study at any time is not liable to any penalty. The participants were contacted via email and they were asked to read and sign an informed consent form for their participation that comprised the purpose and nature of the project, procedures, potential benefits, potential discomfort and risks, costs/reimbursements, alternatives to participation, confidentiality, alternative procedures, termination of participation, debriefing, withdrawal from the

project and who to contact in case of questions. After approving the consent form, a convenient date and time was set by the participants for the 45 minutes interview session.

Relevant variables

The dependent variable in this study is the CSR engagement and the independent variable is the role of government.

The CSR engagement is actually the concept in which companies integrate social and environmental concerns in their business activities and in their interaction with their stakeholders, such as setting an agenda for CSR with clear goals as well occupational health and safety standards among others. The role of government in CSR engagement is then defined as the governments' intervention in incentivizing private sector CSR activity through direct regulation, facilitation, partnership, and endorsement. The research question is: What is the potential impact of Governments on shaping CSR initiatives in the Arab World?

Units of analysis

With a focus on providing relevant insights about the relationship between public policy and CSR, the key units analyzed were the governmental stakeholders to explore the instruments used to integrate sustainability with public policies, in addition to the private corporations involved in CSR. Thus, At an Organizational level of analysis, the entities that were analyzed in this study were the governmental stakeholders and business corporations in Lebanon and UAE.

To ensure confidentiality and anonymity, the names of the participating public sector employees across different ministries have been substituted by pseudonyms (A, B, C, D, E, F) and the names of the participating private sector managers have been substituted by pseudonyms (1,2, 3) ordered based on the dates of interviews. The first table below details the public sector participants interviewed (in pseudonyms), date and place of interview, and country. Similarly the second table details the private sector participants interviewed (in pseudonyms), industry, department, date and place of interview, and country

Table 1

Public Sector Interviewees

Participant Pseudonym	Date	Place	Country
A	05/03/2015	Office, Ministry A	Lebanon
B	10/03/2015	Office, Ministry B	Lebanon
C	15/03/2015	Meeting Room, Ministry C	UAE
D	16/03/2015	Office, Ministry D	UAE
E	17/03/2015	Office, Ministry E	UAE
F	18/03/2015	Office, Ministry F	UAE

Table 2

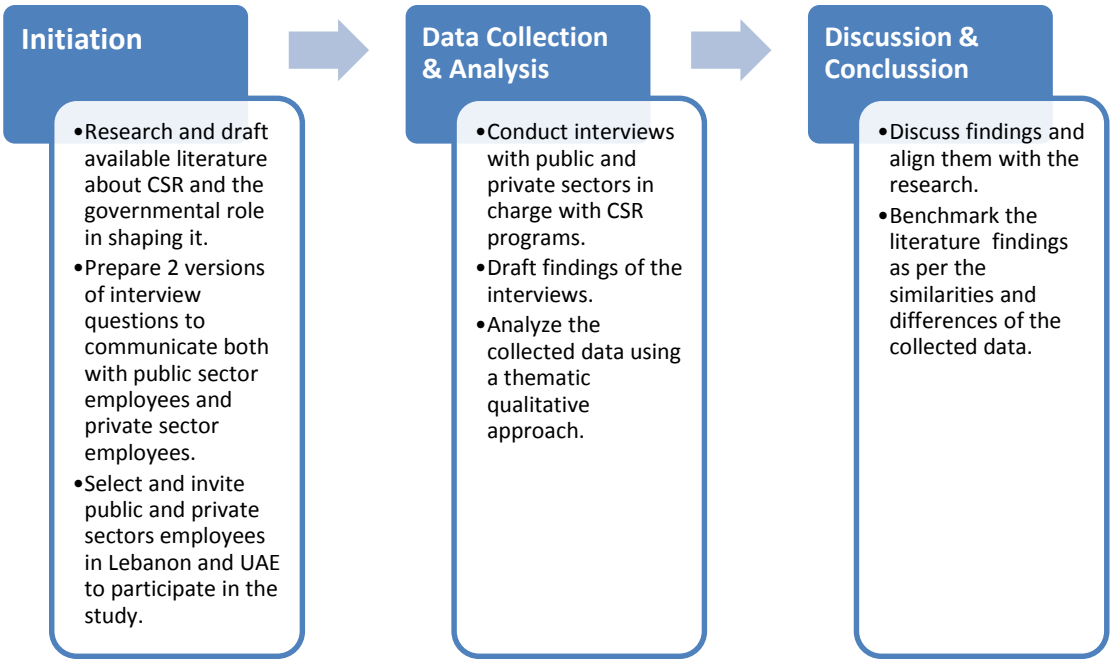
Private Sector Interviewees

Participant Pseudonym	Industry	Department	Date	Place	Country
1	Insurance	Marketing	12/03/2015	Office, Company 1	Lebanon
2	Retail	CSR	13/03/2015	Office, Company 2	Lebanon
3	Hospitality	CSR	17/03/2015	Lobby, Company 3	UAE

This paper contributes in presenting a practice-tested model that can inform the scarce body of literature available on the role of Arab governments in shaping CSR and not in establishing a theory model. Thus a three steps approach was adopted to conduct the study as in the figure below:

Figure 3

Research Approach



After researching about the topic in all its dimensions and delving into the body of literature review pertaining to it, 2 sets of interview questions were developed to explore more about the subject. One set for the public sector employees and the other for the private sector employees as below:

Table 3

Private Sector Interview Questions

Q. #	Question
1	Can you give us a brief overview of your business? How many employees are there in the company??
2	Are you involved in CSR? Do you have a system for tracing the negative impacts of your operations (potential or actual) on your local community?
3	Do you have any management system that helps you ensure compliance with sustainability standards like ISO9000, ISO14000? Or Has the company gained any accreditation (ex: UN Global Compact)? If yes, what motivated you for this?
4	In terms of CSR efforts, is there a designated department or team to manage these efforts? If yes, can you tell us more about their role?
5	What's the percentage of the overall budget allocated to CSR?
6	How are CSR efforts managed and coordinated and are they reported to the government?
7	Have you received any CSR partnering, endorsing, mandating or facilitating requests from governmental institutions?
8	What were the benefits and challenges of this on your CSR activity?
9	To what extent are your CSR activities shaped by governmental interventions?
10	Is there are law or regulation concerned with CSR that you take into account when operating?
11	Do you abide by any governmental issued framework on guidelines for socially responsible operations?
12	Are there CSR awareness campaigns arranged by the government for your business in your local context?
13	Have you received any award or penalty from the public sector for social impacts of your activities and operations?
14	Will an increased governmental intervention in shaping CSR affect your CSR engagement? How?
15	Will an increased governmental intervention in shaping CSR affect your business? How?

Table 4

Public Sector Interview Questions

Q. #	Question
1	Is the institution familiar with the notion of CSR and its connotations?
2	In what terms is the institution involved in CSR and to what extent?
3	What were the results on the environment after the engagement of the institution?
4	Does the institution promote any of management systems or accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, UN Global Compact)?
5	Who are the target actors whose behavior, the institution tries to change (foreign companies, domestic companies, consumers, investors, and public sector employees like regulators)?
6	What areas of CSR does the institution focus on?
7	Are there any practices for incentivizing and rewarding or penalizing CSR practice?
8	Are there any processes to encourage companies to inform external stakeholders on their socially responsible activities such as reporting?
9	Was there any CSR awareness campaign arranged for businesses?
10	Are there any CSR laws or frameworks set for businesses?
11	Are CSR activities linked to public sector goals?
12	Has the institution previously worked on facilitating, endorsing, mandating or partnering with private companies on CSR?
13	Has the institution helped in capacity building to enable companies meet CSR requirements?
14	Does the institution provide political support and official endorsement to CSR initiatives?
15	Is there any governmental system for tracing the negative impacts (potential or actual) of private sector operations on community?

CHAPTER IV

FINDINGS AND ANALYSIS

The interviews were directed to two stakeholders of the community: public sector and private sector. Approaching the private sector was intended to complement the image pertaining to the role of government in shaping CSR, by exploring the real interventions of government in the CSR programs of private companies. In addition, the interviews were conducted with the two stakeholders in both Lebanon and UAE to examine and compare the maturity of the governmental roles in both countries.

Public Sector

The results of the interviews conducted with representatives of the ministries (A, B, C, D, E and F) in the month of March 2015 revealed the following findings:

Q1: Is the institution familiar with the notion of CSR and its connotations?

Lebanon:

Ministry A: "Of course we are familiar with the notion of CSR."

Ministry B: "Sure. It is a commitment to behave ethically while improving local community socially, economically and environmentally."

UAE:

Ministry C: " Sure, any company should behave responsibly in a society, because whenever they do their operations they will have some negative impacts, so CSR is all about minimizing or eliminating these impacts of operations, products or services."

Ministry D: "Yes of course. A major role of our institution is to push the private sector to get engaged in CSR."

Ministry E: "Of course CSR is something that is embedded in the national strategy of UAE. It is within the vision of our leader and thus every institution in this country and should work on making the nation more sustainable, cleaner, safer, fairer and greener. The governor mentality of this is translated in each governmental and private institution

each one is doing his role. And the minister here believes in CSR, so by default the whole team of the ministry will work on that."
Ministry F: "Corporate social responsibility is a powerful business issue that makes industries to consider responsibility for the wider impact of their operations and activities.

Question 1 revealed that all the interviewed ministries whether in Lebanon or UAE are familiar with CSR and its connotations with an emphasis by Ministry E in UAE about the vision of the leader and national strategy of UAE that encourage sustainability and CSR.

The below table summarizes the answers.

Table 5

Summary of Question 1 Responses- Ministries

Participant	**Q1: Is the institution familiar with the notion of CSR and its connotations?**
A-Lebanon	Yes
B-Lebanon	Yes
C-UAE	Yes
D-UAE	Yes
E-UAE	Yes
F-UAE	Yes

Q2: In what terms is the institution involved in CSR and to what extent?

Lebanon:

Ministry A: "We work on promoting entrepreneurship, supporting startups, and enterprises to go. One of our projects that we started working on it and we want to implement was to try to get big companies that are investing in CSR to use their CSR in promoting entrepreneurship and startups. Our target was to start with the banking sector. On behalf of our team, we believe that for CSR to be sustainable it should be a shared value CSV and not only by volunteering or donation, companies should help in the place where they can benefit too… but for the target of social benefits and the sustainability of CSR. We planned to start with a big workshop or conference by

inviting the biggest 10 to 15 companies investing in CSR in Lebanon and specifically banks. We are trying to work on the plan regarding CSR but unfortunately we couldn't find time for it."

Ministry B: "We concentrate on the environmental dimension of CSR by imposing (through policies) and by encouraging (through environmental guidance)."

UAE:

Ministry C: "We have a small department of 6 people and its role is to look outside and support business community on Emirates' CSR and to promote Dubai as the GCC's gateway for global trade by Promoting sustainability, Disseminating knowledge on CSR & sustainability, Providing direct advice and feedback to the companies, Measuring and documenting responsible business practices, Stimulating companies to integrate CSR & sustainability strategies, and developing practical CSR management tools and guides."

Ministry D: " Our main involvement is in providing awards: Dubai Quality Award and Dubai Human Development Award. All the companies that apply for the award should submit a report of their initiatives and the practices in the area of social responsibility and the projects that invest and nurture the society that they belong to. And these initiatives are given a score to decide on the winners of the initiatives, so we always tell them work harder to make CSR initiatives. So as a governmental institution whose role is to provoke the private sector to dedicate time and effort to CSR, we are making it a fair competition between private companies. We have an annual conference about the best practices of the companies that apply to the awards, whereby applicants present their best practices and the main topics in CSR that they are taking care of. There are 3 categories of our awards: appreciation category, award category, and gold category. If the company scored for example 350, it means it reaches the appreciation category so the measurement of private sector practices is based on scores. Our evaluation system is called "Radar". The companies always seek to get the gold category. If a company got the appreciation category, it can apply after 2 years and show improvement in its CSR initiatives to get the award category, and after 3 years with improvement in CSR results to get the gold category. These awards are the first regional award of its kind, they were launched in 1994. So the name alone captured the interest of companies to apply. Moreover, companies usually pay millions to make self-assessment and evaluation for their practices and to study their strengths and weaknesses for future improvement. We as a governmental organization will do this for free as the company apply for the award we send 5 people to the company to do assessment and give a score and prepare full report of strengths, weaknesses and areas of improvement. So the company can know where it stands and what it can do for the coming years and it might save the company life. This stage is before winning the award and trophy and the certificate that is signed from Sheikh Mohammad. Now also we opened the door for other governmental institutions to apply for awards. The number of awards increased over the last years and the same companies are applying over and over again because these awards give credibility and value."

Ministry E: "Here in the government we have a strategic green initiative towards provoking the corporate sector in helping the society that it belongs to. This initiative

promotes 2 issues: raising awareness of helping the disadvantaged groups and signing agreements. We also have the "Friends of the Environment" Project that is launched in 2014, so each entity that is concerned with the Environment and society will be named the friend of the environment, including corporations who are actively engaged in CSR and reminds others of it."

Ministry F: "We impose laws and standards that are enforced over the entire private sector and by awarding good practices. We have a national vision to reinforce the commitment of UAE to the sustainable development and environment as a response to the regional and global environmental issues that were raised in the last decade. CSR is one of our leading concerns. UAE Green Development Strategy Office takes care of this."

The answers revealed that in Lebanon although both ministries are concerned with CSR and ways to provoke it, but not both of them are actually working on it. Ministry A has a plan for a project of making CSR a shared value CSV whereby companies not only volunteer or donate, but help in the place where they can benefit too by supporting entrepreneurship and startups. However they don't have time to implement it. Ministry B, on the other hand, is actually working on imposing and encouraging environmental responsibility.

In UAE, all the ministries are actively working on promoting CSR. Ministry C has a designated department whose role is to promote sustainability and provide advisory services and practical tools and guides to help companies get engaged in CSR. Ministry D stimulates CSR by providing 3 categories awards for the responsible companies. The awards require continuous improvement for renewal, and give credibility and value to the companies. These awards also provide assessment service for the companies on their strengths, weaknesses and areas of improvement. Ministry E has a green initiative that promotes 2 issues concerned with raising awareness of helping the disadvantaged groups and signing agreements. It also has a project called the "Friends of the Environment" for companies which are environmental friendly.

Ministry F has a designated department for imposing laws and awarding good CSR practices. The interviewee here emphasized the alignment between their commitment to sustainable development and UAE national strategy.

The below table summarizes the answers:

Table 6

Summary of Question 2 Responses- Ministries

Participant	**Q2: In what terms is the institution involved in CSR and to what extent?**
A-Lebanon	There is a plan but no time for it
B-Lebanon	Imposes laws and encourages through environmental guidance
C-UAE	Promotes sustainability and provide advisory services and knowledge and practical tools and guides
D-UAE	Provides awards in 3 categories for the responsible companies. The awards require continuous improvement from the company for renewal
E-UAE	Promotes 2 issues: raising awareness of helping the disadvantaged groups and signing agreements. It also has a project called the "Friends of the Environment" for environmental friendly companies.
F-UAE	Imposing laws and awarding good CSR practices

Q3: What were the results on the environment after the engagement of the institution?

Lebanon:

Ministry A: "We still did not engage and our purpose was not only environmental. The project was not implemented."

Ministry B: "No studies were held to show the results on the environment after doing our role."

UAE:

Ministry C: "Our figures and surveys reveal that millions of Dirhams were saved last year by avoiding work accidents and by saving electricity and water. Safety issues that

were not a matter of concern especially in SME'S became the priority for most of them, which reduced work accidents and saved the lives of many employees especially in industries that involve chemical operations. Also since we are a country with shortage in water supply and we recycle salty water, our internal studies showed a slight reduction in recycling salty water since last year which means companies are responding to the issues we are raising in our seminars and events. Moreover, employee surveys held in companies showed more satisfaction and happiness this year, which means that the opportunities and ideas we give to the companies to engage their employees are making these employees feel proud of doing something to the community and happier because of fairer treatment from their companies."

Ministry D: "We don't directly measure the results on the environment but since we have 3 categories for the awards, the companies are always applying for the better category in the reports. So they should submit Action-taking report for the improvements in the impact. They have to give results and figures on how they enhanced their practices towards the environment and society during the period after they received their appreciation award for example and seeking to get the award category award after 2 years."

Ministry E: "According to a study held by the institution there is an increase in the charitable activities carried by different corporations especially towards the orphanage of Dubai and Ajman."

Ministry F: "Reducing energy use by 43%, and reducing water use by 15% reduction in Dubai registered buildings in which companies operate."

Question 3 revealed that none of the ministries in Lebanon measure the impact of their roles on the environment. Ministry A didn't actually engage in any mode of CSR encouragement to measure the impact. However, in UAE, ministry C claimed that they have studies that show saving of millions of Dirhams the previous year by avoiding work accidents and by saving electricity and water, prioritizing safety issues in SME's, reducing the recycling of salty water in UAE, and increasing the satisfaction and happiness of employees in surveyed companies. Ministry D participant stated they don't have direct system for measuring the results, but indirectly companies have to show results and figures on their improvement of practices towards the environment and society to attain a higher award and this is an indirect assessment of social responsibility in the community year after year. Ministry E has a study that revealed an increase in the

charitable activities carried by different corporations. Ministry F measured the results which showed reducing energy use by 43%, and reducing water use by 15% in Dubai registered buildings in which companies operate.

The below table summarizes the answers:

Table 7

Summary of Question 3 Responses- Ministries

Participant	**Q3: What were the results on the environment after the engagement of the institution?**
A-Lebanon	No engagement so no measurement
B-Lebanon	No measurement
C-UAE	Saving of millions of Dirhams the previous year by avoiding work accidents and by saving electricity and water, prioritizing safety issues in SME's, and reducing the recycling of salty water in UAE. In addition to increasing the satisfaction and happiness of employees in surveyed companies
D-UAE	Enhancement of responsible practices towards the environment by requiring better CSR practices from companies to attain better awards year after year
E-UAE	Increase in the charitable activities carried by different corporations
F-UAE	Reducing energy use by 43%, and reducing water use by 15% in Dubai registered buildings in which companies operate

Q4: Does the institution promote any of management systems or accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, UN Global Compact)?

Lebanon:

Ministry A: "The ISO is for companies that would like to be environmentally friendly and this is not our focal area in CSR."

Ministry B: "No not actually."

UAE:

Ministry C: "We don’t promote because our programs are more than just compliance. They are practical and useful frameworks and opportunities to get engaged in CSR; they are more versatile and more dynamic. We don’t do similar activities each year but different activities and ISO9000, ISO14000 or UN Global Compact ensure only compliance with certain standards."

Ministry D: "we concentrate on our awards that are different than the ISO which constitutes documents, but our awards guarantee even more good performance than the ISO."

Ministry E: "We don’t promote actually these certificates."

Ministry F: "No."

Question 4 revealed that all the interviewed ministries whether in Lebanon or UAE don’t promote any of management systems or accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, and UN Global Compact. Ministry C emphasized that their programs provide more than just compliance but practical frameworks, and ministry D highlighted that their awards ensure better performance than the ISO.

The below table summarizes the answers:

Table 8

Summary of Question 4 Responses- Ministries

Participant	**Q4: Does the institution promote any of management systems or accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, UN Global Compact)?**
A-Lebanon	No
B-Lebanon	No
C-UAE	No
D-UAE	No
E-UAE	No
F-UAE	No

Q5: Who are the target actors whose behavior, the institution tries to change (foreign companies, domestic companies, consumers, investors, and public sector employees like regulators)?

Lebanon:

Ministry A: " All of them because our target is to raise awareness on CSR and improve startups and entrepreneurship culture. The biggest CSR players are the companies that are willing to invest in CSR and the public sector as well to fund projects."

Ministry B: "Our target actors are everyone in the community. All sectors: NGO's, academia, private and public sectors. For example we signed an MOU with the Ministry of education to include environmental topics in the academic curriculum next year."

UAE:

Ministry C: "Our programs engage all institutions in UAE, the partnerships, seminars, conferences and dialogues occur between public and private sectors and NGO's."

Ministry D: "It's a mix actually, international companies or local but it should be operating in UAE. There must be a branch with a full system from finance to HR it should be operating in UAE. In terms of size, our awards target businesses with 100 employees and above and not SME's. On the sectorial level we target private sector and now the awards are opened to the governmental sector to be have responsible sustainability within their institutions."

Ministry E: "Our target actors are all the institutions of the community we live in."

Ministry F: "Every stakeholder in the community including private companies of all sizes."

Question 4 revealed that all the interviewed ministries whether in Lebanon or UAE promote sustainable development in domestic companies and international ones, in small and big companies, and in the rest of institutions in different sectors. Ministry D in UAE is the only ministry which its intervention in the form of awards is not targeted for SME's but for bigger companies.

The below table summarizes the answers:

Table 9

Summary of Question 5 Responses- Ministries

Participant	**Q5: Who are the target actors whose behavior, the institution tries to change (foreign companies, domestic companies, consumers, investors, and public sector employees like regulators)?**
A-Lebanon	Everyone
B-Lebanon	Everyone
C-UAE	Everyone
D-UAE	Everyone except SME's
E-UAE	Everyone
F-UAE	Everyone

Q6: What areas of CSR does the institution focus on?

Lebanon:

Ministry A: "Raising awareness of CSR and promoting the idea of companies investing in entrepreneurship and startups of other companies. But we haven't implemented the project yet."

Ministry B: "Protection of natural resources- reduction of pollution by factories-waste management- protection of water, air, biodiversity, forests and lands. We need to make all industries environmental friendly."

UAE:

Ministry C: "Sustainable consumption- youth- human resources-climate change and every single bright aspect of CSR."

Ministry D: "Human Development, Environmental, Social and all areas."

Ministry E: " We concentrate mainly on 2 issues: raising awareness of helping the disadvantaged groups and signing agreements. We sign agreements with institutions that are concerned with society to make use of their expertise and we partner with institutions on social projects. We care for the human in corporations, such as how much the private sector cares and empowers employees with special cases like a handicap or pregnancy, and how much, and we promote the philanthropy done by corporations. "

Ministry F: "Conservation (Marine and the terrestrial), helping in reducing climate change and promoting efficient use of energy and resources, promoting green buildings, cleaner production and sustainable transport."

Question 4 revealed that areas of CSR that different ministries focus on in Lebanon and UAE are variable and cover a big number of issues that companies should be responsible towards. However, ministry A in Lebanon didn't implement its plans up till the date of research.

The below table summarizes the answers:

Table 10

Summary of Question 6 Responses- Ministries

Participant	**Q6: What areas of CSR does the institution focus on?**
A-Lebanon	Investing of companies in entrepreneurship and startups of other companies. But the project haven't been implemented yet
B-Lebanon	Protection of natural resources, reduction of pollution by factories, waste management, and protection of water, air, biodiversity, forests and lands
C-UAE	Sustainable consumption, youth, human resources, climate change and every single bright aspect of CSR
D-UAE	Human Development, Environmental, Social and all other areas
E-UAE	Raising awareness of helping the disadvantaged groups and signing agreements with institutions that are concerned with society to make use of their expertise, and empowering humans in corporations especially those with special cases
F-UAE	Conservation (Marine and the terrestrial), reducing climate change, promoting efficient use of energy and resources, promoting green buildings, cleaner production and sustainable transport

Q7: Are there any practices for incentivizing and rewarding or penalizing CSR practice?

Lebanon:

Ministry A: "No, since we don't have regulations. We don't have a law neither incentive or tax reductions."

Ministry B: "Yes factory or corporation that does not abide by our environmental rules and regulations will be penalized. Polluters pay principle when they pollute."

UAE:

Ministry C: "We only provide the CSR Label Certificate for good CSR practice."

Ministry D: "We reward and not penalize."

Ministry E: "No we don't do this as it is not our goal. We just want to raise awareness."

Ministry F: "Yes, we have a reward strategy. We have the Environmental performance card that is a certificate issued by the Ministry to commercial establishments that are committed to environmental regulations and laws of United Arab Emirates. Companies should show proofs of their obedience to the federal law."

Question 4 revealed that the engaged company in Lebanon (ministry B) penalizes bad CSR practices while 3 out of the 4 interviewed ministries in UAE reward good practices.

The below table summarizes the answers:

Table 11

Summary of Question 7 Responses- Ministries

Participant	**Q7: Are there any practices for incentivizing and rewarding or penalizing CSR practice?**
A-Lebanon	No
B-Lebanon	Yes. There is a penalty for bad environmental practices
C-UAE	There is only a CSR Label Certificate for good CSR practice
D-UAE	Yes. There are rewards for companies with best practices
E-UAE	No
F-UAE	Yes. There is a reward strategy. Environmental friendly companies that abide by UAE federal laws will be granted Environmental performance

	card as a certificate

Q8: Are there any processes to encourage companies to inform external stakeholders on their socially responsible activities such as reporting?

Lebanon:

Ministry A: "They usually do it on their behalf and no rules oblige them to do so."

Ministry B: "No laws imposed on that. We only encourage."

UAE:

Ministry C: " In 2009 we started our first Dubai dialogue conference and annually we do a big conference, so we call stakeholders from abroad and the local market, and from the private and governmental sectors to discuss sustainability and CSR. We bridge and connect governmental bodies with the private sector.
Of course we encourage reporting but we don't enforce it."

Ministry D: "Not actually, but we ourselves publish the best companies' practices in our reports and catalogues as a benchmark, and this is a part of their information dissemination but we don't promote reporting or encourage companies."

Ministry E: "No official reporting. We need just to make soft promotion of CSR we don't want to enforce it."

Ministry F: "Not actually, we care more to abiding the environmental laws then to reporting."

Question 8 revealed that in both countries, all the ministries don't encourage companies to inform external stakeholders on their socially responsible activities such as reporting. It's only for Ministry C in UAE that they started their first Dubai dialogue conference in 2009 to bridge institutions together.

The below table summarizes the answers:

Table 12

Summary of Question 8 Responses- Ministries

Participant	**Q8: Are there any processes to encourage companies to inform external stakeholders on their socially responsible activities such as reporting?**
A-Lebanon	No
B-Lebanon	No
C-UAE	They organize a dialogue conference annually in Dubai to bridge institutions together but not reporting
D-UAE	No
E-UAE	No
F-UAE	No

Q9: Was there any CSR awareness campaign arranged for businesses?

Lebanon:

Ministry A: "Not yet."
Ministry B: "Yes we always make trainings for enterprises from different industries to be environmental friendly, and this is called environmental guidance campaign."

UAE:

Ministry C: "In 2012 we launched Sustainability Network Task Groups; here we have different task groups such as sustainability awareness task groups and risk management task groups, so different institutions help each other's on implementing projects on a large scale. They can even provide financial resources to help each other's.
We are also running a road safety campaign with the help of "RT" Road Traffic authority here."

Ministry D: "Companies visit us to study the best practices of other companies in the same industries, so we take them to visit this company and give them information about its best practices. We also have semiannual briefing seminars. The seminars include 60 people each from different organizations and the trainers give the attendees 2 days about how they can be good enough to their society in order to apply for the award, and workshops on how to make self-assessment and how to apply to the award."

Ministry E: " Yes and trainings and seminars on different issues like empowering NGO's."

Ministry F: "Yes we do many. We do a lot of seminars and training sessions for corporate sector. In 2014 we organized a global conference that was attended by more than 600 guests from the region and the whole globe and of course from UAE. We stressed a green economy approach that came in UAE vision 2020 framework, and raised issues such as sustainable transportation, green buildings, cleaner production technologies, using alternative and renewable energy and efficient usage of natural resources such as water. "

Question 9 revealed that in Lebanon, one of the ministries does not do any awareness campaigns while the other actually has environmental guidance campaigns. On the other hand, in UAE all the ministries raise awareness through different means such as trainings, seminars, and networks.

The below table summarizes the answers:

Table 13

Summary of Question 9 Responses- Ministries

Participant	**Q9: Was there any CSR awareness campaign arranged for businesses?**
A-Lebanon	No
B-Lebanon	Yes. There are environmental guidance campaigns
C-UAE	Yes. Sustainability Network Task Groups and road safety campaign
D-UAE	Yes. Semiannual briefing seminars and connecting companies to make use of each other's expertise
E-UAE	Yes. Trainings and seminars on different issues like empowering NGO's
F-UAE	Yes. Seminars, training sessions and conferences for corporate sector

Q10: Are there any CSR laws or frameworks set for businesses?
Lebanon:

Ministry A: "100 % no."

Ministry B: "Yes there are laws. Code 444 in the third item in our protocol is dedicated to the consecration of sustainability and this law enforces private institutions to protect

the environment and to abide by rules such as: The principle of Preventive Action and The principle of Polluter."

UAE:

Ministry C: "In 2010 we launched 2 programs that are on membership basis one is called Dubai CSR Label which is a kind of framework by which companies can adopt this framework and do self-assessment against this framework and build a CSR strategy in place with the help of the framework and they gain a CSR Label certification. The validity of the certification is for 1 year and to get it the next year the company should show improvement. CSR Label is the only label available in the Middle East right now and it doesn't certify the products of a certain corporation as environmental friendly but only the practices of the corporation."

Ministry D: "We don't set laws regarding CSR."

Ministry E: "We have suggestions and projects but not laws."

Ministry F: "Yes we have our laws and decrees that regulate business of all industries including agriculture and fishery industries that deal with animal wealth, and import/export industries,
In 2008 a slab system tariff for water and electricity consumption was introduced for industrial and residential customers, by which the unit of power becomes more expensive as consumers use more power.
From January 2011 an extra fuel charge was added for electricity and water consumption in Dubai. "

Question 9 revealed that in Lebanon as well as in UAE, not all ministries set laws and frameworks for CSR activities. Ministry A has no laws in place at all, while ministry B has its laws. Similarly in UAE, ministries D and E set no laws or frameworks while ministry F has its laws regarding environmental responsibility and ministry C has framework that can be adopted by business.

The below table summarizes the answers:

Table 14

Summary of Question 10 Responses- Ministries

Participant	**Q10: Are there any CSR laws or frameworks set for businesses?**
A-Lebanon	No
B-Lebanon	Yes. Code 444 in the third item of the protocol of the ministry sets rules regarding environmental responsibility which are The principle of Preventive Action and The principle of Polluter
C-UAE	Yes. Dubai CSR Label is CSR framework for business
D-UAE	No
E-UAE	No
F-UAE	Yes. There are laws and slab system tariff for water and electricity consumption and extra fuel charge for electricity and water consumption in Dubai

Q11: Are CSR activities linked to public sector goals?

Lebanon:

Ministry A: "We use CSR to finance public/ private sectors projects. It has a joint benefit for both parties."

Ministry B: "Of course. Everyone should participate in protecting the environment, Our slogan is "My Environment is My Country", and CSR is at the heart of this, since corporations are part of this community and they should be responsible."

UAE:

Ministry C: "The strategy of the government here is to make UAE a happy country. And by our initiatives that promote CSR we are making everyone happy from employees to customers. We are helping in business excellence, dialogue between different stakeholders of the community, and fair trade and these issues compose the vision of the ruler."

Ministry D: "Our final results are to develop the country.so the CSR notion in itself is something that is aligned with the governmental goals. And actually we are learning from the private sector and they are learning from us and the end goal is national development of UAE. Lately the 2050 plan released by UAE, has a strategic goal for the

whole government to develop the country, so every single institution in this country whether private or public has to work on developing the country. "
Ministry E: "Yes, the ministry objective is to empower helpless people and incorporate them in the community, and to encourage social communication and reinforce Emirati families' stabilities. Corporate citizens can play a big role in that through employing helpless and disabled people and initiating social projects that helps the UAE society."

Ministry F: "20 AED billion is being invested to build the Dubai Smart Sustainable City, which is self-sufficient of resources, energy and transport. The project has been approved by the Sheikh Mohammad in March 2014. 160,000 will be living in 140 km2 city by the time Dubai hosts the Expo 2020. Our ruler's vision is to make this emirate a sustainable city and an international model of sustainability, and this cannot be achieved without the social responsibility of the corporate sector since it constitutes a big portion of the community pie."

Question 8 revealed that in both countries, all the ministries believe that CSR is related to public policy goals. Almost all the ministries in UAE emphasized the ruler's vision and the national strategy of turning UAE a sustainable country in the future, which is the motive of their engagement in stimulating CSR because it helps implement this strategy.

The below table summarizes the answers:

Table 15

Summary of Question 11 Responses- Ministries

Participant	**Q11: Are CSR activities linked to public sector goals?**
A-Lebanon	Yes
B-Lebanon	Yes
C-UAE	Yes
D-UAE	Yes
E-UAE	Yes
F-UAE	Yes

Q12: Has the institution previously worked on facilitating, endorsing, mandating or partnering with private companies on CSR?

Lebanon:

Ministry A: "Not yet."

Ministry B: " Yes what we do towards the private sector is:

- Endorsing environmental protocols and conventions
- Mandating key environmental decrees and laws
- Adopting strategies for the sake of well-being of this country's citizens
- Facilitating environmental governance
- Protecting the Lebanese natural resources
- Supporting environmental risks management
- Partnering with the private sectors on the project of "promoting and monitoring synergy between trade and environment in Lebanon" which was funded by UNEP/UNCTAD with a budget of 40,000 $."

UAE:

Ministry C: "In 2014 we signed an MOU with Dubai Executive Council to set priorities for Dubai in terms of CSR and address the main challenges here such as diversity here and water resources. Also we signed an MOU with Dubai SME's. 80% of Dubai businesses belong to SME's and these companies don't have much resource so they think that they don't have to be responsible because it is expensive. We did also a partnership with the municipality also on risk management. Our seminars, connecting programs and trainings are considered as facilitating."

Ministry D: "We partnered also with six sigma and Motorola and Sharjah Islamic Bank. This year we have an annual event together, which are "vision to reality" and each year focus on a target. We do endorsing by having our award schemes and setting indicators and guidelines for the awards."

Ministry E: "We facilitate, help and support social activities."

Ministry F: "We mandate. We develop policies to improve indoor air quality for cities and to reduce carbon emissions from industrial and commercial establishments and we facilitate the production, import, export and re-export of products of green technologies. We also promote programs in saving water and electricity and other natural resources. We develop environmental awareness to raise the interaction with our green initiatives (Facilitating)."

Question 8 revealed that in Lebanon not all ministries have worked on facilitating, endorsing, mandating or partnering with private companies on CSR.

Ministry A has not played any role while Ministry B has engaged in all of the above mentioned roles. In UAE, all the ministries have played one or more of the 4 roles.

The below table summarizes the answers:

Table 16

Summary of Question 12 Responses- Ministries

Participant	**Q12: Has the institution previously worked on facilitating, endorsing, mandating or partnering with private companies on CSR?**
A-Lebanon	No
B-Lebanon	Yes. Mandating-Facilitating-Partnering- Endorsing
C-UAE	Yes. Partnering- Facilitating
D-UAE	Yes. Partnering-Endorsing
E-UAE	Yes. Facilitating
F-UAE	Yes. Mandating- Facilitating

Q13: Has the institution helped in capacity building to enable companies meet CSR requirements?

Lebanon:

Ministry A: "No not yet."

Ministry B: "Yes, we provide audit manuals as well as auditing and financial support to corporations to get some equipment and enable them to apply the environmental standards. The UNEP/UNCTAD capacity building task force helped us in that. The Multilateral Fund of the Montreal Protocol (MLF) has helped us also in acting act as a focal point for implementing the Montreal Protocol for the capacity building of private sector on monitoring the Ozone Depleting Substances (ODS)."

UAE:

Ministry C: "In 2008 we launched a program called "Engaged Dubai". This program provides capacity building for community partners like NGO's and companies. Whenever they need any extra support to run a community project we promote these activities to our engaged corporate members and we connect them, so we do a kind of

matchmaking between them to partner with the right organization get knowledge, capacity building and trainings. And we have Dubai Sustainability Network. Here we have a B2B approach whereby companies do projects in collaboration with each other's."

Ministry D: "Yes we do it indirectly in our award scheme."

Ministry E: "Yes through seminars and trainings and awareness campaigns."

Ministry F: "Yes through dissemination of knowledge in our continuous seminars and trainings to the commercial sector."

Question 8 revealed that in Lebanon only one of the ministries (ministry B) has provided capacity building for companies regarding CSR. In UAE, all ministries do that.

The below table summarizes the answers:

Table 17

Summary of Question 13 Responses- Ministries

Participant	**Q13: Has the institution helped in capacity building to enable companies meet CSR requirements?**
A-Lebanon	No
B-Lebanon	Yes. Through providing audit manuals and auditing and financial support to corporations to get equipment. Capacity building for private sector on monitoring the Ozone Depleting Substances (ODS)
C-UAE	Yes. Through Engaged Dubai program and Dubai Sustainability Network
D-UAE	Yes. Through Awards schemes
E-UAE	Yes. Through seminars and trainings and awareness campaigns
F-UAE	Yes. Through seminars and trainings

Q14: Does the institution provide political support and official endorsement to CSR initiatives?

Lebanon:

Ministry A: "No not yet."

Ministry B: "We don't provide political support for specific organizations we only impose and encourage CSR initiatives."

UAE:

Ministry C: "We don't provide direct political support, but by connecting the private sector bodies with the government it is generating a financial, facilitation, expertise and partnership support from the government."

Ministry D: "Our awards are under his highness Sheikh Mohammad directly and he is the main supporter so it's like the whole political country is supporting CSR initiatives, but no direct support."

Ministry E: "Not actually."

Ministry F: "No political support for anyone."

Question 14 revealed that in both countries, none of the ministries provide direct political support and official endorsement to CSR initiatives.

The below table summarizes the answers:
Table 18

Summary of Question 14 Responses- Ministries

Participant	**Q14: Does the institution provide political support and official endorsement to CSR initiatives?**
A-Lebanon	No
B-Lebanon	No
C-UAE	No
D-UAE	No
E-UAE	No
F-UAE	No

Q15: Is there any governmental system for tracing the negative impacts (potential or actual) of private sector operations on community?

Lebanon:

Ministry A: "No."

Ministry B: "Yes of course through tracing the organizations that don't apply our strict laws and we do a lot of studies on the potential negative impacts of different industries to continuously update the laws. Penalties for companies that don't abide by the environmental laws range from paying a principle to closing the whole enterprise."

UAE:

Ministry C: "Not actually. But CSR Label certification is not granted for companies for the successive years if they don't show any improvement in their CSR practices."

Ministry D: "Our reports study the strengths as well as the weaknesses, and the negative impacts come under the weaknesses in sustainable performance of a company. We give them then recommendation and possible improvement."

Ministry E: "No."

Ministry F: "Yes continuous monitoring is done and our R&D department has an ongoing activity on finding new ways to reduce negative impacts of industrial and commercial sectors. Currently research on biofuels is being conducted."

Question 8 revealed that in both countries, not all ministries have governmental system for tracing the negative impacts (potential or actual) of private sector operations on community.

The below table summarizes the answers:

Table 19

Summary of Question 15 Responses- Ministries

Participant	**Q15: Is there any governmental system for tracing the negative impacts (potential or actual) of private sector operations on community?**
A-Lebanon	No
B-Lebanon	Yes. Through tracing the organizations that don't apply laws and through studies on the potential negative impacts of different industries

	to continuously update the laws
C-UAE	No
D-UAE	Yes. Through their reports that address the weaknesses of the sustainable responsibility of companies.
E-UAE	No
F-UAE	Yes. Through continuous monitoring and research

Private Sector

Moving on to the interviews conducted with the private corporations (1, 2, and 3) in the month of March 2015 in Lebanon and UAE, the results revealed the following:

Q1: Can you give us a brief overview of your business? How many employees are there in the company?

Lebanon:

Company 1: "We are a retail company; we work in fashion, multimedia, food and beverage, and general lifestyle like home furnishing. We function in 16 countries worldwide and have 626 stores, we have over 50 brands, the number of employees is just above 11000 and in Lebanon alone we have 2250."

Company 2: "We are an Insurance and reinsurance company operating in Lebanon, Saudi Arabia, Bahrain, Turkey, and UK. We have around 400 employees including sister companies."

UAE:

Company 3: "We are in hospitality business, a global company, operating in so many different countries like Europe and mainly Asia. Our Main hub is Dubai properties but we are expending to manage other properties globally. We have 14,000 employees."

All the interviewed companies are regional or global companies with 400 employees and above.

The below table summarizes the answers:

Table 20

Summary of Question 1 Responses- Companies

Participant	**Q1: Can you give us a brief overview of your business? How many employees are there in the company?**
1-Lebanon	Global Retail company- operates in 16 countries worldwide-11000 employees
2-Lebanon	Regional Insurance and reinsurance company - operates in 5 countries in the Middle East and UK- 400 employees
3-UAE	Global Hospitality company -operates globally in different countries- 14000 employees

Q2: Are you involved in CSR? Do you have a system for tracing the negative impacts of your operations (potential or actual) on your local community?

Lebanon:

Company 1: "the board members of the company decided that the best mission we can take as is to be an environmental NGO, and that is considering the print that we are leaving since we are operating more than 626 stores we are definitely leaving so much printed paper keeping in mind that our brands are very environmental friendly and always printing on recyclable paper and FSC certified paper. They chose an environmental path because we need to reduce our negative environmental impact. We trace our negative impacts by monitoring our energy consumption such as reducing lights in the areas that we don't need continuous use of light in it, we have someone who works solely on the building management and she has a complete energy report. We are currently working on an internal project to reduce the use of energy whether it is electricity or water. And our main mission is to increase the space area of greenery in Lebanon and hopefully in the region, to make our country greener and more sustainable and beautiful, based on the mission set by our chairman and the group"

Company 2: "We are involved to a small level in CSR. We don't have it as an objective in our main business strategy. We experience CSR during holidays, Ramadan, and Christmas where we donate to SOS and Saint Jude center and buy greeting cards from them. We don't have a system for tracing negative impacts. We also donated to LAU to run an insurance program. We believe that it's better to spend on education and helping people than to spend only on advertising.
We sponsored Marathon Beirut and some of Sporting club activities.
This year, Makhzoumi foundation has a special campaign on Ramadan, called "Ramdaniyat Beirutiya" which is an exhibition that should take place at Biel. We will be sponsoring this campaign and the return of this campaign will be offered to feed disadvantaged Lebanese families."

UAE:

Company 3: "we're very focused on bringing the environment or the sustainability concept into everything that we do from operation, setup, design, humanity, to everything that would have a customer impact and create a sustainable mindset. Our strategy when it comes to sustainability, we don't want to push it down into the customer throat, as they should receive premium services. The big difference is in the operation itself. If we change the mode of our operation, it will definitely impact of the delivery on bigger scale. We changed our system to become more efficient, electricity efficient, and water efficient. We invest a lot of money on that. We do a lot of recycling in-house, and we use local suppliers for whatever is needed. One of the main issues that we've done is that we monitored our CSR by having measures and indicators to quantify our CSR impact and sustainable initiatives.
We are licensed by a company called **Green Globe**, and they have an very rigid audit process and criteria, and they touch all the aspects of our operation from waste management, electricity, water consumption, design, HR, procurement, and they measure each property alone not as a brand level but as property (business unit level)."

In Lebanon, company 1 has a CSR strategy that is embedded in the mission of company. The board of members believes in CSR and the brands are environmental friendly. Their focus areas are on reducing the print, increasing the greenery areas in Lebanon and reducing energy consumption. Company 2 is involved in CSR to a small extent. CSR is not embedded in their strategy and it is mainly directed towards charity and occasional initiatives in the areas of education and sports. In UAE, company 3 applies the sustainability concept internally in the operations and management but it doesn't appear to the customer since it a luxurious hospitality business. CSR in company 3 is applied in the mode of operation such as using energy efficiently and recycling the print. They monitor their impact on the society and they are licensed by Green Globe.

The below table summarizes the answers:

Table 21

Summary of Question 2 Responses- Companies

Participant	**Q2: Are you involved in CSR? Do you have a system for tracing the negative impacts of your operations (potential or actual) on your local community?**
1-Lebanon	CSR is embedded in the mission and strategy. Their focus areas are on reducing the print, increasing the greenery areas in Lebanon and reducing energy consumption
2-Lebanon	CSR is not an objective in their strategy. It is mainly directed towards charity and occasional initiatives in the areas of education and sports
3-UAE	The sustainability concept is applied internally in the operations and management but it doesn't appear to the customer since it a luxurious hospitality business. CSR in company 3 is applied in the mode of operation such as using energy efficiently and recycling the print. They monitor their impact on the society and they are licensed by Green Globe

Q3: Do you have any management system that helps you ensure compliance with sustainability standards like ISO9000, ISO14000? Or has the company gained any accreditation (ex: UN Global Compact)? If yes, what motivated you for this?

Lebanon:

Company 1: "we can't be accredited before filling all the requirements so we have to work on certain areas before we can become a part of the UN Global Compact, and we are registered to attend the conference in April where we can learn more about the ISO 9000 to see how can we have the ISO through our work so we are in that stage we haven't achieved it yet but we are working on it."

Company 2: "Not at all."

UAE:

Company 3: "No."

Apparently, none of the companies gained any ISO9000, ISO14000 certification or joined UN Global Compact and has no management system to ensure compliance with these standards. Company 1 in Lebanon is working on a plan to fulfill requirements.

The below table summarizes the answers:

Table 22

Summary of Question 3 Responses- Companies

Participant	**Q3: Do you have any management system that helps you ensure compliance with sustainability standards like ISO9000, ISO14000? Or has the company gained any accreditation (ex: UN Global Compact)? If yes, what motivated you for this?**
1-Lebanon	No but working on it
2-Lebanon	No
3-UAE	No

Q4: In terms of CSR efforts, is there a designated department or team to manage these efforts? If yes, can you tell us more about their role?

Lebanon:

Company 1: "Yes there is. Its role in a nutshell in to strategize plan and implement projects serving the company so we make the strategy and planning and we create and establish the projects and we work on communicating our projects, whether it is press releases or media events to inform them about we are doing or internally to inform the employees about what's going on."
Company 2: "The CSR in our company is under the full duties and responsibility of marketing department."

UAE:

Company 3: "yes there is a designated department for CSR. The role is to define sustainability strategies, put certain measures, define the target of each property to achieve governed and measured by green globe. Our role is also to create the harmony between departments and entities and clarify that we all work for the same cause."

In Lebanon, only company 1 has a designated department for CSR that has a role of strategizing plans, implementing projects and communicating the CSR events to the media and internally in the company. Company 2 has no designated department and CSR comes under the responsibility of the marketing department. In UAE, company 3 has a CSR department that has a role of defining sustainability strategies and targets for each property, put certain measures, and to create harmony between different entities and departments.

The below table summarizes the answers:

Table 23

Summary of Question 4 Responses- Companies

Participant	**Q4: In terms of CSR efforts, is there a designated department or team to manage these efforts? If yes, can you tell us more about their role?**
1-Lebanon	Yes. Its role is to strategize plans, implement projects, and communicate CSR events externally and internally
2-Lebanon	No
3-UAE	Yes. Its role is to put strategies, targets and measures and to create harmony between different departments

Q5: What's the percentage of the overall budget allocated to CSR?

Lebanon:

Company 1: "It is a good fair amount but I honestly don't know the percentage out of revenues."

Company 2: "It's very small around 2 %."

UAE:

Company 3: "It's big and it's not big, if you look at our budget in terms of industry wise, it's good, but not enough to cover major initiatives. The CSR budget is mainly facilitating certain initiatives that will impact the operational changes that would save you money and not cost you more money. That's why we don't look for the budget for that; we usually look how much the initiative will save us."

In Lebanon, the participant in company 1 didn't disclose the exact percentage of the overall budget allocated to CSR. It was only stated that it is a good fair amount. Company 2 on the other hand stated that it is very small: 2%. In UAE, company 3 spends on CSR initiatives that save them money in return, and their budget is good as benchmarked with the industry but not enough to cover all initiatives.

The below table summarizes the answers:

Table 24

Summary of Question 5 Responses- Companies

Participant	**Q5: What's the percentage of the overall budget allocated to CSR?**
1-Lebanon	Good fair amount
2-Lebanon	Very small, 2%
3-UAE	Good with respect to the industry but not enough to cover all initiatives. CSR spending is only on initiatives that save money in return

Q6: How are CSR efforts managed and coordinated and are they reported to the government?

Lebanon:

Company 1: "We have a sole department for CSR. In the sense of reporting there is nothing other than financial reporting."

Company 2: "Never reported to the government. Any CSR activity was never shared with any governmental institution and it's only internal."

UAE:

Company 3: "We usually issue an annual report that show what we have done, our plans and intention, strategies and guidelines, and we have the sustainability report which will come out for the second time this year. It is part of our corporate governance thing not reported for the government."

In Lebanon, none of the companies report to the government. In UAE, company 3 has an annual report that shows their activity including CSR, but not reported to the government.

The below table summarizes the answers:

Table 25

Summary of Question 6 Responses- Companies

Participant	**Q6: How are CSR efforts managed and coordinated and are they reported to the government?**
1-Lebanon	No official reporting to the government
2-Lebanon	No official reporting to the government
3-UAE	No official reporting to the government

Q7: Have you received any CSR partnering, endorsing, mandating or facilitating requests from governmental institutions?

Lebanon:

Company 1: "A major partnership was for renovating the Sanayeh project, the renovation took a whole year and the maintenance is continuous. Last years also we did an awareness workshop with 4 schools in collaboration with the minister of education and upon his approval, and now we are working on partnership with the ministry of education to get their approval to work with 6 public schools. But all these are initiatives from our side and not initiated by the government."

Company 2: "We once partnered in planting a very small area in Verdun with a public institution."

UAE:

Company 3: "We worked with a lot of government entities for improving certain practices. The government here gives awards, loyalty, recognition, improvement, customer satisfaction. We are in cooperation with authorities that have the sustainability mindset Like DEWA (Dubai Electricity and Water Authority) for example who are doing a massive sustainable strategies and initiatives by creating the recycling options and help us out when we outsource services from suppliers licensed by government institute who certified them for their sustainability and protection of labor and human rights. "

In Lebanon, both companies partnered with public institutions. Company 1 renovated the Sanayeh garden and company 2 planted a small area in Beirut. In UAE, company 3 works with the government on improving their practices and leading them to the sustainable suppliers that they need. This implies a facilitating role from the

government. The participant in company 3 also stated that the government gives awards for the corporate practices in terms of CSR which implies an endorsing role from the government.

The below table summarizes the answers:

Table 26

Summary of Question 7 Responses- Companies

Participant	**Q7: Have you received any CSR partnering, endorsing, mandating or facilitating requests from governmental institutions?**
1-Lebanon	Partnering
2-Lebanon	Partnering
3-UAE	Facilitating and endorsing

Q8: What were the benefits and challenges of this on your CSR activity?

Lebanon:

Company 1: "The benefits were that we have been a good role model for other private companies to show them that it is essential to take initiative on making this country better because they are a big part of the society so we have to partner with the government whenever we feel that the government is incapable of filling a certain gap and that helps a lot, also without the public institution help it would be so difficult to get the privilege of renovating the Sanayeh. And any project we work on will give us extra credibility and value when we have a governmental partner with us. Our kind of challenges are typical for example if we want to have any letter passed through the public institution it will take you around 2 months just to reach the person because there is that bureaucratic catastrophe going on in all the ministries in Lebanon, and the employees do not really care about helping you. And I have to say that the biggest challenge is because we are managing a public place like Sanayeh which is initially owned by the government, we are not receiving the proper support. For example we don't have water in Sanayeh, the government doesn't supply water to it so that's a huge challenge for us because we are buying hundred liters of water that is costing us a lot, so no one helped us in this we tried to seek the help of ministry of interior, the civil defense but no one helped us in supplying water that is needed on daily basis. The project was only helped on papers, they just gave approvals on papers, but everything on the field was done 100% by us, we got the contractors and everything. We wish they were more supportive. And this challenge is taking a lot of time also"

Company 2: "Our main challenge is that no governmental institution is even influencing or leading us to do CSR. We are more than happy to help in CSR activities, but since the initiatives are rarely found, challenges and benefits are negligible as well."

UAE:

Company 3: "The customer satisfaction level goes up; the sustainable tourism is a big focus now in different markets, tourists like to see if our brands are sustainable. So it impacts the behavior of the customer at the end of the day. A lot of our investors come from customers' mindset keeping in mind that we are doing a lot about it as well. Cultural judgments sometimes are made on how you do your sustainability. We didn't have big challenges."

In Lebanon, company 1 benefited from partnering with the government in being a good role model for other private companies on partnering with the government on the betterment of the community, and from the credibility and value that are gained from governmental partnership on the CSR project. Their challenge was that they didn't receive practical support from the public institution or from its employees on the project that they partnered. They did the entire project by themselves and they supplied the garden with water. In addition, the bureaucracy in the public institution and the lack of assistance from its employees slows down the process of the project. Company 2 has no benefits since they were rarely advised by the government on CSR, and their challenge is that such role from the government is rarely found. In UAE, company 3 witnessed the benefits of customer satisfaction and getting in line with their investors who have a sustainable mindset. The company didn't have big challenges.

The below table summarizes the answers:

Table 27

Summary of Question 8 Responses- Companies

Participant	**Q8: What were the benefits and challenges of this on your CSR activity?**
1-Lebanon	Benefits: being a role model for other companies and gaining credibility and value on the projects that are partnered with the government Challenges: lack of practical support from the public institution and its employees and the slow bureaucratic system in the public institution
2-Lebanon	Benefits: none Challenges: no intervention from the government on CSR
3-UAE	Benefits: customer satisfaction and getting in line with the investors who have a sustainable mindset Challenges: no big challenges

Q9: To what extent are your CSR activities shaped by governmental interventions?

Lebanon:

Company 1: "Nothing. No interventions we are the initiators and they just approve."

Company 2: "No extent at all."

UAE:

Company 3: "We have very good alignment with the government vision; we all agree to make UAE as a sustainable country. We know where the leadership is taking us and we are doing it. Every company is doing something for the environment, welfare, waste management, colleagues, energy, savings…they adopt one or more of these initiatives. It became like a culture. It's not by law only, but we have it now in culture. "

In Lebanon, the participants of both companies stated that their CSR activity is not shaped by the government at all. Company 1 is the initiator of any CSR plan. In UAE, the participant in company 3 stated that there in addition to laws and hard

interventions, the culture itself calls for every company to be responsible, with an emphasis on the leader's vision of making UAE a sustainable country. This implies that the UAE government has hard interventions that became part of the culture.

The below table summarizes the answers:

Table 28

Summary of Question 9 Responses- Companies

Participant	**Q9: To what extent are your CSR activities shaped by governmental interventions?**
1-Lebanon	No extent at all
2-Lebanon	No extent at all
3-UAE	Hard interventions that became part of the culture

Q10: Is there are law or regulation concerned with CSR that you take into account when operating?

Lebanon:

Company 1: "There are no legal laws we follow that say that we should be socially responsible."

Company 2: " No, and honestly we don't have any knowledge about the law and regulations related to the CSR. It was never communicated."

UAE:

Company 3: "Yes environmental, social and human laws."

In Lebanon, none of the companies follow legal laws pertaining to CSR. In UAE, company 3 follows environmental, social and human laws.

The below table summarizes the answers:

Table 29

Summary of Question 10 Responses- Companies

Participant	**Q10: Is there are law or regulation concerned with CSR that you take into account when operating?**
1-Lebanon	No
2-Lebanon	No
3-UAE	Yes. Environmental, social and human laws

Q11: Do you abide by any governmental issued framework on guidelines for socially responsible operations?

Lebanon:

Company 1: "Not at all."

Company 2: "No, we usually abide by our view and what we want to achieve and not related to government."

UAE:

Company 3: "the government has created the framework. They gave us indications, researches, platform, data, right research and initiatives. Following the framework created by the government, it became like a daily practice and we cannot live without because the customer will feel that you are not a good corporate citizen and that's the bad thing about it."

In Lebanon, none of the companies abide by any governmental issued framework on guidelines for socially responsible operations. In UAE, company 3 follows framework set by the government in terms of indications, researches, platform, data and initiatives

The below table summarizes the answers:

Table 30

Summary of Question 11 Responses- Companies

Participant	**Q11: Do you abide by any governmental issued framework on guidelines for socially responsible operations?**
1-Lebanon	No
2-Lebanon	No
3-UAE	Yes

Q12: Are there CSR awareness campaigns arranged by the government for your business in your local context?

Lebanon:

Company 1: "there are NGO's that create these campaigns about importance of CSR but not the government."

Company 2: "Never heard of a CSR awareness campaign related to insurance industry."

UAE:

Company 3: "Pollution, waste management, green water, reducing the print are all part of the government awareness campaigns, in addition to trainings and seminars from specific ministries."

In Lebanon, none of the participants of both companies heard of CSR awareness campaigns for their businesses. In UAE, the participant of company 3 stated that there are awareness campaigns arranged by the government in addition to trainings and seminars.

The below table summarizes the answers:

Table 31

Summary of Question 12 Responses- Companies

Participant	**Q12: Are there CSR awareness campaigns arranged by the government for your business in your local context?**
1-Lebanon	No
2-Lebanon	No
3-UAE	Yes in addition to trainings and seminars

Q13: Have you received any award or penalty from the public sector for social impacts of your activities and operations?

Lebanon:

Company 1: "No."

Company 2: "No. All our awards are not related to CSR, but related to the quality of service."

UAE:

Company 3: "Many awards for example "Tamayoz". To get awarded, we have to submit proofs of sustainable initiatives. We have to show that and create a healthy environment. Workers welfare is a key element of being in a sustainable business because if we don't treat colleagues with respect and integrity, we will lose out. They are our ambassadors."

In Lebanon, none of the companies received any award or penalty from the public sector for social impacts of their activities and operations. In UAE, company 3 received many awards such as "Tamayoz". The participant emphasized the workers welfare issue in sustainable business.

The below table summarizes the answers:

Table 32

Summary of Question 13 Responses- Companies

Participant	**Q13: Have you received any award or penalty from the public sector for social impacts of your activities and operations?**
1-Lebanon	No
2-Lebanon	No
3-UAE	Yes. Many awards such as "Tamayoz"

Q14: Will an increased governmental intervention in shaping CSR affect your CSR engagement? How?

Lebanon:

Company 1: "of course when the government helps and support and inform us more about the areas of help it will increase our CSR practices, but I doubt that they initiate anything such as bidding for implementing a green project."

Company 2: "Of course it will affect directly our CSR. We will engage more and we would like to help. especially that our line of business helps and we find ourselves involved in a way or another in CSR in terms of protection and safety, even though it is profitable and not for free. "

UAE:

Company 3: "Definitely… it will bring everybody to understand the importance of CSR. When people really understand it, they will definitely follow the rules and practice them. We cannot do it alone. Everybody has to clap their hands at the same time to make a big bang and that's the way to do it. When everybody follows the same law and mindset, it will create a synergy among institutions. "

All the interviewed companies believe that an increased intervention from the government in shaping CSR, will affect their CSR engagement. In Lebanon, the participant in company 2 emphasized the fact that the insurance business can do a lot about CSR because insurance provides protection and safety if the government supports them. In UAE, the participant in company 3 mentioned that an increased intervention will let everyone understand CSR and creates synergy among institutions in the country.

The below table summarizes the answers:

Table 33

Summary of Question 14 Responses- Companies

Participant	**Q14: Will an increased governmental intervention in shaping CSR affect your CSR engagement? How?**
1-Lebanon	Yes
2-Lebanon	Yes especially for the insurance line of business
3-UAE	Yes. It will create synergy among institutions

Q15: Will an increased governmental intervention in shaping CSR affect your business? How?

Lebanon:

Company 1: "CSR at heart has a main role to support the image of the company, and make the company look good whether nationally or regionally or internationally so this is the indirect benefit on the business. It might not appear much on the B to C level, but On the B to B level it matters a lot when we talk to external companies worldwide and we tell them we do CSR that is supported by the government, it helps the business, they feel that they are giving their brand to people who are trustable and responsible. This adds to the brand equity. This will certainly help on the long run the business."

Company 2: " It's a win-win situation for us if there will be increased governmental intervention in shaping CSR.
Our advertising campaign always focuses on humanity, and human contact. We think that we can implement CSR so easily if the government played its productive role. CSR needs huge budget if you really had the potential to make major changes in the environment and society."

UAE:

Company 3: "Absolutely, it will affect everything, everything in the business."

All the interviewed companies believe that an increased intervention from the government in shaping CSR, will affect their business. In Lebanon, the participant in company 1 mentioned that it will positively affect their image, their relationship with external worldwide companies and their brand equity. The participant in company 2

stated that it is a win-win situation if there was increased governmental intervention in shaping CSR especially that their advertising campaign focuses on humanity. In UAE, the participant in company 3 mentioned that it will affect every single thing in the business.

The below table summarizes the answers:

Table 34

Summary of Question 15 Responses- Companies

Participant	**Q15: Will an increased governmental intervention in shaping CSR affect your business? How?**
1-Lebanon	Yes. It will positively affect their image, their relationship with external worldwide companies and their brand equity.
2-Lebanon	Yes. It will be a win-win situation
3-UAE	Yes. It will affect everything in the business.

CHAPTER V
DISCUSSION

The interview sessions conducted with the public and private sectors in Lebanon and UAE have given the opportunity to disclose information about the practical engagement of governments in both countries in shaping CSR. As mentioned earlier, this paper contributes in presenting a practice-tested model that can inform the scarce body of literature available and not in establishing a theory model. The data collected throughout each session explored some dimensions of the topic and aroused some concepts that were consistent with the literature review at some points and different at other points. This chapter discusses these concepts that emerged per each sector by revisiting the findings of the nine interviews to reach comprehensive conclusions regarding the orientation of the role of government in shaping CSR in the Arab world.

Public Sector

- **Familiarity with CSR and its connotations**

It sounds promising to find out that all interviewed employees across the ministries in Lebanon and UAE are familiar of what corporate social responsibility is. CSR was said to be a concept that belongs to the private sector sphere and under its responsibilities. Public sector stuff is not only aware of the concept, but most of them have a positive impression about it. According to the participant of ministry B in Lebanon: "It is a commitment to behave ethically while improving local community socially, economically and environmentally." and according to the participant of

ministry C in UAE: "Sure, any company should behave responsibly in a society, because whenever they do their operations they will have some negative impacts, so CSR is all about minimizing or eliminating these impacts of operations, products or services." The participants were capable to perceive CSR as a tool that helps the community, and this is aligned with Berman and others, 2003 who believed that and the community is getting more aware of what CSR is, so companies ought to act as responsible citizens.

- **Involvement in promoting CSR**

While one of the two interviewed ministries (ministry B) is involved in CSR stimulation, but according to the participant of ministry A in Lebanon: " We are trying to work on the plan regarding CSR but unfortunately we couldn't find time for it." there was no time dedicated for the project that could have pushed CSR forward, and thus it is not a priority for ministry A in Lebanon or there is a lack of real willingness to allocate time to it. The lack of willingness of governmental institutions will work as a barrier to address CSR as affirmed by Woicke, 2003.

However, according to the findings in the previous chapters, all ministries in UAE are involved in promoting CSR to different extents and in various ways that are relevant to the domain of activity of the ministry.

- **Soft Vs. Hard Intervention**

In Lebanon, the sole ministry from the two interviewed that is actually working on promoting CSR is using hard intervention (imposing) as well as soft intervention (encouraging through environmental guidance). According to the participant of ministry B in Lebanon: "We concentrate on the environmental dimension of CSR by imposing (through policies) and by encouraging (through environmental guidance)." Similarly in

UAE, the ministries are using a mix of soft and hard interventions from providing awards and tools and guides to capacity building, raising awareness and imposing laws. This is consistent with Vogel, 2008 who stated that governments practically need a blend of hard and soft regulation for promoting CSR.

- **Improvement in community with the engagement of ministries in promoting CSR**

While it would be helpful for governments to assess the impact of their tools used to promote CSR, unfortunately in Lebanon none of the ministries has performed a measurement to study this impact on the society and environment. This implies that there is lack of interest or effort to study the situation of the community, and the strengths, weaknesses and areas of improvement of the ministry's role. Although the ministries might have performed prior cost-benefit analysis before implementing the potential tools or policies, but not assessing the influence of these tools or policies on social and economic growth after implementing them by examining quantitative and tangible results will not lead to any improvement in companies' buy-in and will not construct support for components of new policies. On the contrary, in UAE all the ministries moved a step forward to measure directly or indirectly how much things were advanced after their intervention. Based on the findings, the governmental role led to a reduction of water and electricity usage, increased charitable activities, reduction in work accidents, happier employees and increased awareness of CSR. This is aligned with The European Commission (2006) which identified social result of CSR on the national level including: increased respect for environmental protection, human rights and labor standards especially in less developed countries.

- **Encouraging corporate sector to earn accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, UN Global Compact.**

None of the ministries in both countries promote any of management systems or accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, and UN Global Compact. The governmental stakeholders might be unaware of the advanced sustainability solutions that international sustainability standards such as that of the ISO or the UN Global Compact can provide to the economic, political and social challenges. The added value that these standards can give might assist the governmental role in ensuring that the companies, as a main driver of globalization, can align their business and technology in a manner that benefit the local context over which the government rules. When governments are aware of this added value and are willing to move sustainability standards to an international level, they can disseminate knowledge among the private sector about the ISO certifications or UN Global Compact by for example conducting Global Compact related activities or hosting Global Compact events at home.

- **Rewarding good CSR practices vs. penalizing bad CSR practices**

In Lebanon, the strategy is to penalize the bad CSR practices. According to the participant of ministry B, the corporations that don't abide by the environmental rules will be penalized. For example, polluters will pay principle for their polluting activities. On the contrary, in UAE the strategy is to reward good practices. CSR Label certificates, Dubai Quality awards, Dubai Human awards, and environmental performance cards are provided for the companies that abide by laws pertaining to CSR and conduct responsible operations. Reward and penalty schemes might trigger the

commercial interest of companies, who originally exist to generate profits and establish a solid brand or name. A mix of rewarding, incentivizing or penalizing CSR practices would certainly provoke the private sector to monitor its operations and social responsibility. However, it might depend on the economic status of each country to adopt a reward plan or penalty plan or both.

- **Reporting to the government**

As reported previously in the literature, Ward, Fox, Wilson, & Zarsky 2007 have identified reporting as a potential instrument to create an enabling environment for CSR in the developing countries as the Arab states. However, none of the ministries in Lebanon and UAE mandate a reporting process on CSR. Reporting to the government might be an issue that is still at an advanced level from what has each of the Lebanese or Emirati government reached in its role to provoke CSR, although reporting practices might have joint benefits for both the public and private sectors. Organizations may gain public recognition for accountability and social responsibility through reporting, and governments may create transparency and may use the information to drive smart and sustainable growth and healthy economy.

- **Public sector roles (facilitating, endorsing, mandating and partnering)**

As evidenced in the findings, the four broad public sector roles in provoking CSR (facilitating, endorsing, mandating and partnering) exist in different distributions within all the ministries in UAE with an emphasis on the facilitating role which was mentioned the most by the 4 UAE interviewed ministries as quoted below. This is consistent with Warner, 2003 who stated that the relevance of the four public sector roles has mainly been affirmed, with a tendency to emphasize the facilitating and partnering roles.

Ministry C: "Our seminars, connecting programs and trainings are considered as facilitating."

Ministry E: "We facilitate, help and support social activities."

Ministry F: We develop environmental awareness to raise the interaction with our green initiatives (Facilitating)."

In Lebanon, one ministry out of the two interviewed is engaged in all the four roles while the second is performing none of them. According to the participant of ministry B: " what we do towards the private sector is:

- Endorsing environmental protocols and conventions
- Mandating key environmental decrees and laws
- Adopting strategies for the sake of well-being of this country's citizens
- Facilitating environmental governance
- Protecting the Lebanese natural resources
- Supporting environmental risks management
- Partnering with the private sectors on the project of "promoting and monitoring synergy between trade and environment in Lebanon" which was funded by UNEP/UNCTAD with a budget of 40,000 $."

The 4 roles might be overlapping and applied at different levels within the engaged ministries and the good news is that the public sector employees showed an understanding of the nature of the four central roles which wasn't expected without explaining the difference to them.

- **Tools for promoting CSR**

Different tools for promoting CSR are used by the 4 interviewed ministries in UAE. Awareness campaigns are arranged by all interviewed ministries in UAE in

different forms such as Sustainability Network Task Groups, seminars, trainings or conferences. Capacity building is also provided by all ministries through programs and schemes that build the knowledge and financial resources for the companies by connecting them with the relevant stakeholder of the community such as NGO's. CSR laws and frameworks are set by 2 out of 4 ministries in UAE, and labeling is provided by only ministry C through the CSR Label Certificate,

On the other hand in Lebanon, 1 out of the 2 interviewed ministries is using 3 tools to promote CSR which are: awareness campaigns, CSR laws and capacity building. There is no CSR labeling provided by this ministry.

Ward, Fox, Wilson, & Zarsky 2007 mentioned these tools in their list of instruments that the developing countries as the Arab states might have to create an enabling environment for CSR. However, they included other tools in their list that were not found neither in UAE nor in Lebanon such as setting minimum legal requirements, setting foreign investment contract regulation, and mandating reporting. Thus by increasing the spectrum of tools used by the UAE government, and by having more engaged ministries in Lebanon as well as more variety of tools, an optimized enabling environment for CSR could exist in both countries.

- **Linkage between CSR and public policy goals**

All interviewed participants from the ministries could perceive the linkage between CSR and the public policy goals. This proves Fox, Ward, and Howard, 2002 who indicated that in developing countries in general, the public sector is starting to view CSR as an issue that reflects public policy goals, and a means that can enrich sustainable development strategies. The need to ensure social and economic sustainable

growth emphasizes the significance of having a better understanding of the linkage between public policy goals and corporate social responsibility and its likelihood to add to the development agenda. This idea also affirms Davis, 1975 and Takala, 1999 who stated that business is an important element or constituent of society, and that it has the potential to make a positive difference in the context of broader social aspirations and goals, and Freeman, 2011 who affirmed that CSR can be utilized to achieve public policy goals, and it can offer realistic chances for the low and middle-income governments to adjust the terms on which they network with the private sector.

- **Political Support**

As evidenced in the findings none of the ministries in UAE and Lebanon provide political support and official endorsement for CSR initiatives. Their interference appears in other tools while keeping political support to its null level. This is different from what Ward, Fox, Wilson, & Zarsky 2007 suggested that in developing countries the best approach is to provide CSR with a degree of political support while keeping governmental interventions to a minimum. Providing political support for specific types of CSR activities or for a specific company in the market is a form of an endorsing role for the government, but while referring to the findings it appears that this initiative is not widespread in Lebanon and UAE.

- **National strategy**

There was a consensus from all ministries in UAE that the vision of the country leader and the national strategy are towards creating a sustainable country, and this is translated in the engagement of public institutions in promoting CSR through schemes and plans and through different investments in the country to create a cleaner, fairer and more sustainable smart country. It was even sensed while conducting the interviews,

that that the mindset of the interviewees being part of the Emirati population glows with faith in the betterment of the country and with an inspiration to develop it in all its dimensions. According to the participants of the UAE ministries:

Ministry C: "The strategy of the government here is to make UAE a happy country. And by our initiatives that promote CSR we are making everyone happy from employees to customers. We are helping in business excellence, dialogue between different stakeholders of the community, and fair trade and these issues compose the vision of the ruler."

Ministry D: "Our final results are to develop the country.so the CSR notion in itself is something that is aligned with the governmental goals. And actually we are learning from the private sector and they are learning from us and the end goal is national development of UAE. Lately the 2050 plan released by UAE, has a strategic goal for the whole government to develop the country, so every single institution in this country whether private or public has to work on developing the country. "

Ministry E: "Yes, the ministry objective is to empower helpless people and incorporate them in the community, and to encourage social communication and reinforce Emirati families' stabilities. Corporate citizens can play a big role in that through employing helpless and disabled people and initiating social projects that helps the UAE society."

Ministry F: "20 AED billion is being invested to build the Dubai Smart Sustainable City, which is self-sufficient of resources, energy and transport. The project has been approved by the Sheikh Mohammad in March 2014. 160,000 will be living in 140 km2 city by the time Dubai hosts the Expo 2020. Our ruler's vision is to make this emirate a sustainable city and an international model of sustainability, and this cannot be achieved

without the social responsibility of the corporate sector since it constitutes a big portion of the community pie."

This idea wasn’t reinforced by the Lebanese ministries. Nothing was mentioned about the country leader's vision or national strategy toward sustainability. Such a national vision might fortify the engagement of the entire stakeholders of the community in social responsibility, and strengthen the role of ministries in promoting CSR and the type of adopted tools. The idea of this national strategy aiming for sustainability is aligned with Shehadi and Jamjoum, 2014 who affirmed that CSR can be an agent for genuine economic progress, more than a bit of corporate theater.

In summary, the collected data in the public sector section proves Jamali 2009 who affirmed that the CSR movement is starting to dig its way in the Middle East and Levant. Although both the Lebanese and the Emirati governments revealed an engaging role in pushing the corporate sector to practice CSR and link CSR with public policy goals, but apparently UAE has moved further in this mission. 100% of the interviewed ministries in the UAE are in charge of encouraging CSR using different tools while 50% of the interviewed Lebanese ministries are doing that with a fewer tools. In UAE, the ministries managed to measure the impact of their intervention on the community which gives a clue of the authentic interest in the betterment of the local context and which is not the case in Lebanon. The national strategy and the vision of the leader in UAE believe in creating a sustainable future country and that is translated in the engagement of public institution in promoting CSR with an emphasis on the facilitating role as revealed by the findings. However, both governments still have a long path toward having a more mature and more active roles in shaping CSR. There is still a room for advancement in areas such as mandating reporting, providing political support and official endorsement for CSR initiatives, and encouraging corporate sector to earn accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, and UN Global Compact so that better results are achieved in the future.The table below summarizes the emergent concepts pertaining to the public sector.

Table 35

Summary of public sector discussed concepts

Concept	Lebanon	UAE
Familiarity with CSR and its connotations	Familiar	Familiar
Involvement in promoting CSR	1 of the 2 interviewed ministries	All the 4 interviewed ministries
Soft Vs. Hard Intervention	Mix of hard and soft intervention	Mix of hard and soft intervention
Improvement in community with the engagement of ministries in promoting CSR	No measurement	Improvement was measured and studied
Encouraging corporate sector to earn accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, UN Global Compact.	No encouragement	No encouragement
Rewarding good CSR practices vs. penalizing bad CSR practices	Penalizing bad practices	Rewarding good practices
Reporting to the government	Not mandated	Not mandated
Public sector roles (facilitating, endorsing, mandating and partnering)	Facilitating, endorsing, mandating and partnering	Facilitating, endorsing, mandating and partnering with emphasis on facilitating role
Tools for promoting CSR	Awareness campaigns, CSR laws, capacity building	Awareness campaigns, CSR laws and frameworks, capacity building, labeling
Linkage between CSR and public policy goals	The linkage is acknowledged	The linkage is acknowledged
Political Support	No	No
National strategy	No national strategy to promote sustainability	National strategy to promote sustainability

Private Sector

Moving on to the private sector, the following concepts emerged while revisiting the findings:

- **Involvement in CSR**

Opposite to the expectations, not all companies in Lebanon are fully involved in CSR. Company 1 in Lebanon has a CSR goal that is embedded in the mission and overall strategy of the company and has a department designated for corporate social responsibility whose role is to set plans and targets with a good fair amount of budget for that, but company 2 is involved to a small extent in CSR and doesn't have it as an objective. According to the participant of company 2, "we are involved to a small level in CSR and we don't have it as an objective in our main business strategy." Company 2 experiences CSR only through donations in holidays and through occasional sponsorship activities. They don't have a department for CSR, and their budget allocated for it is very small about 2% as mentioned by their interviewee. This implies that some companies in Lebanon still don't have the authentic faith in CSR and link it with philanthropy only, and are not addressing adequately the demands of the planet and the fourth party welfare (costumers, employees, & citizens). Moreover, the participant of company 2 has mentioned: "We were never advised to be partners in a big government campaign, but we are willing to join and partner in any of such campaigns whenever offered." Also it was mentioned that: "Our main challenge is that no governmental institution is even influencing or leading us to do CSR." Thus the company has the willingness to conduct more CSR activities but it is waiting for the government to induce it to work on CSR. This reinforces the idea that not all companies have the tendency to behave ethically and practice CSR and proves Freeman, 2011 who

stated that policy-makers will need to promote CSR through incentives and regulations since the business enterprise would not always be good corporate citizen.

In UAE, company 3 has sustainability strategies and is devoted to a large extent with CSR with a designated department for that which according to the participant its role is: "to define sustainability strategies, put certain measures, define the target of each property to achieve governed and measured by green globe. Our role is also to create the harmony between departments and entities and clarify that we all work for the same cause." Their sustainable activities appear more in the mode of their internal operations as mentioned by the participant, and their budget allocated for CSR is good with respect to the industry but not enough to cover all initiatives. Their CSR investments always lead to cost saving such as recycling paper and this proves Ring, 2003 and Minkes et al., 1999 who indicated that practicing CSR has benefits on the business itself and its profits. Interestingly, in UAE as mentioned by the participant, it became part of the culture that firms should be responsible corporate citizens and they can't simply act on their own. According to the participant of company 3:" We all agree to make Dubai as a sustainable city; we know where the leadership is taking to and we are doing it; Every company is doing something for the environment, welfare, waste management, colleagues, energy, savings…they adopt one or more of these initiatives. We find recycling bins in each and department in Dubai and we see it in all the government and sub-government entities. It became like a culture. It's not by law only, but we have it now in culture." In other words the market and community started to set the signals in UAE for CSR and this is getting naturally aligned with public policy environmental and social goals. Given that UAE is a developing country, the findings contradicts with Fox, Ward, and Howard, 2002 who stated that in parts of the world that

don’t belong to developed countries, the market failed in setting the right signals for CSR, but is similar to Falkner, 2003 who believed that the CSR momentum is described as a more complex relationship between private and public actors, rather than setting up straightforward power from governments towards enterprises. This culture that promotes CSR as mentioned by the participant of company 3 might help the UAE government a lot in playing its role, and would certainly make it easier for it to choose a laissez-faire approach one day and remotely support the CSR tracks.

However the common denominator between all interviewed companies is that none of them has any management system that helps ensure compliance with sustainability standards like ISO9000, ISO14000 or gained any accreditation such as UN Global Compact or is entitled to report to the government. This implies that although we have moved forward in the notion of CSR in the Arab region, but still the force is not enough to work on gaining ISO certifications or accreditations such as the UN Global Impact. The Arab governments might have a potential role here to push upward the number of Arab members in the UN Global Impact or to mandate CSR reporting so that any commercial company shall monitor its social, environmental and sustainability standards.

- **Governmental tools used with the companies to promote CSR**

According to both Lebanese companies, there are no laws or regulations pertaining to CSR that they take into account when operating. They don’t have any idea about governmental frameworks or guidelines issued for socially responsible operations. Also they don’t know about CSR awareness campaigns arranged by the government for their business, and they never received any penalty or award from the government for the social impact of their activities. The only form of governmental

intervention they witnessed was a partnership with a public institution for planting different areas in Beirut. This fact puts the effectiveness of the tools mentioned by Ministry B in Lebanon for provoking CSR into question and raises multiple concerns regarding the seriousness in applying the tools and the corruption in Lebanon.

On the other hand, the participant of company 3 in UAE stated that there are environmental, social, and human laws that they take into account when operating. They also follow framework set by the government pertaining to CSR in terms of indications, researches, platform, data and initiatives. In addition there are CSR awareness campaigns arranged by the government for their business in their local context as well as seminars and trainings. The company received many awards from the government for its social impact such as 'Tamayoz'. This gives a clue that the private sector and the interventions of the ministries in UAE are well aligned to develop a more sustainable country, and that the tools used by the government are effective and taken into account by enterprises.

- **Benefits and Challenges of governmental interventions on the CSR activities of the companies**

<u>Benefits</u>

As mentioned by the participant from company 1, the only intervention that they witnessed which was partnering on renovating the Sanayeh Park, gave the project credit and value in the community. It also helped them become a role model for other companies and helped fill the gaps in the governmental capacity to serve the local context. This is consistent with Davis, 1970 and Carroll, 1999 in that CSR is a part of a long-term form of economic gain that might not be financially measurable but may offer

a valuable asset for social power which results from the influence of the organization on the society as a whole and will lead to a business model that is admired by other organizations for the skills and knowledge it brings forward in different areas including CSR activities. This also assures the idea that both parties need each other's to produce a bigger effect in developing the society, environment and the economy. The private sector might need the value provided by the government on CSR partnered projects and the government might need capabilities of private sector such as sponsorship and financial resources and this reminds us of the relational state suggested by Mendoza and Vernis (2008).

In UAE, the benefits mentioned of the governmental role were customer satisfaction and getting in line with the investors who have a sustainable mindset. This indicates that the interventions of government in shaping CSR are helping the companies to serve their business goals in terms of wider business opportunities and profits and proves Ring, 2003 who stated that private sector approaches to CSR where businesses exist primarily to generate profits, can be interpreted as a response to a series of internal and external drivers that build a business interest in CSR.

Challenges

The challenges mentioned by the Lebanese company 1 reveal that there is lack of practical support from the public institution and its employees and a slow bureaucratic system in the public institution. This indicate that it's not enough to have the mindset of the leader of the governmental institution in favor of CSR, but the whole team and human resources of the institution should be educated about the importance of this concept. The findings here are consistent with RING, 2003 who stated that an

optimal CSR enabling environment calls for putting human capacities and the key teams and departments of government agencies in place to enable them to perform effective social work in their local context. These human capacities constitute a pillar for an enabling environment for CSR. Company 1 also found it challenging to provide water supply to the park that they renovated and that is initially owned by the government, but this proves O' Laughlin, 2008 who stated that some corporations are establishing private-public relationships to manage power or water systems or conservation areas previously considered as public goods.

The participant of company 2 stated in the context of challenges that the governmental interventions are initially very limited which reduces their CSR activity. Company 2 is willing to work with the government to serve the community in case more intervention is available from the government. The enthusiasm of company 2 and perhaps other companies in Lebanon for corporate social responsibility is an excellent opportunity for governmental institutions to harness this enthusiasm to achieve promising results that are linked with public policy goals.

In UAE, there were no mentioned challenges of governmental interventions on the CSR activities of the companies. This indicates that the public-private relationships on CSR in UAE are perhaps going smoother.

- **The effect of increased governmental intervention in shaping CSR on the on business and CSR activities**

As evidenced by the findings, increased governmental intervention will increase CSR practices conducted by the companies that will find out more opportunities of engagement in CSR. It will get every corporation on the trajectory of

CSR which will produce bigger effect on the long run. This synergy will definitely produce more changes to the society and the environment than having the government alone developing the country. Moreover, increased interventions from the governments on promoting CSR have an effect on the business itself in terms of better image, brand equity, relationship with external companies and everything else in the business. This is aligned with the European Commission (2006) that identified as an outcome of CSR for a country, a better image of entrepreneurs and business in the society, which helps in forming positive attitudes towards engaging in entrepreneurship. Based on the findings, fortunately companies today can perceive the business benefit of CSR especially with more interventional approaches from the government.

In summary, practicing CSR in Lebanon is not something that is adopted by all companies. Some companies embrace it willingly while others such as company 2 are waiting for the government to intervene and induce them for CSR. Surprisingly none of the interviewed companies got involved or had an idea about any of the roles or tools mentioned by the interview with the Lebanese ministries for promoting CSR. The only form of intervention they witnessed was partnership to plant areas in Beirut. This puts the effectiveness in applying the tools used by the engaged Lebanese ministry for provoking CSR into question. However, this wasn't the case in UAE. The Emirati Company confirmed the existence of several governmental tools for promoting CSR that they take into account while operating. Practicing CSR is enticed by culture and not only by law in UAE. The private sector and the public sector in UAE are well aligned and the tools used by the government seemed to be effective and taken into consideration by enterprises. The governmental intervention on promoting CSR had more challenges and less benefit for the companies in Lebanon but had only benefits without challenges for the company in UAE. This indicates that the effect of the role of government in shaping CSR is bigger and clearer in UAE than in Lebanon. Yet as mentioned in the previous section, the governments in both countries still have a room for more effective roles especially that none of the companies has any management system that helps ensure compliance with sustainability standards like that of ISO9000, ISO14000 and UN Global Compact, or is entitled to report to the government. The governments of both countries have gaps to fill in order to accomplish their roles, in particular that the companies showed willingness to respond to more governmental intervention on CSR and affirmed that increased governmental role have positive results

on both their businesses and CSR activities. The table below summarizes the emergent concepts pertaining to the public sector.

Table 36

Summary of private sector discussed concepts

Concept	**Lebanon**	**UAE**
Involvement in CSR	Yes	Yes
Governmental tools used with the companies to promote CSR	Nothing other than partnerships for planting different areas in Beirut	Environmental, social, and human laws, frameworks, awareness campaigns, seminars and trainings. awards
Benefits and Challenges of governmental interventions on the CSR activities of the companies	More challenges and less benefits	Benefits with no challenges
The effect of increased governmental intervention in shaping CSR on the on business and CSR activities	Positive effect	Positive effect

CHAPTER VI

CONCLUSION AND RECOMMENDATIONS

Conclusion

Giving a verdict about the role of government in shaping CSR in the Arab region is intricate, as the topic has a subjective and intangible nature with an absence of clear-cut definitions. In general, governments have a crucial role to play in enticing the corporate sector to practice CSR and consider the welfare of the employees, costumers, citizens and the rest of the stakeholders in the community. It was evident that the public sector agencies in the Arab world are starting to get involved in the CSR agenda, with a sturdier role in some countries such as the UAE and a weaker role in other countries such as Lebanon. Apparently when the governor or the leader of the country genuinely believe in sustainability and the concept of CSR as a trajectory to develop the nation, all the institutions of the community gets engaged in CSR at a wider scale and deeper level whether as a performer or influencer. Besides, other factors might be playing a role in deciding the strength of the governmental engagement in shaping CSR in the Arab countries such as the economic development, resources of public sector agencies, the willingness and capabilities of the private sector, and the specific social and environmental issues that the country is facing especially with the crisis that almost all Arab countries are facing under the name of "Arab Spring". It was evident through the research that the facilitating and partnering roles are emphasized more than other roles in the region with a willingness from the private sector to consolidate their efforts to respond to increased governmental interventions. It is also clear that there are promising CSR initiatives among the private sector in the region that could be

developed over time if the government played a stronger role especially in Lebanon where apparently the public sector role is very weak and is not aligned well with the private companies that almost witness no intervention at all from the government. The more the government encourages sustainability and educates public agencies employees about CSR, the more the companies practice it, and the wider the notion of CSR can become a competitive advantage that each company will look forward to acquire especially that firms can act as role models to each other's. Yet this research provides a good example and a weak example that represent a fraction of the whole Arab world, but there is a promising hope in the region provided that governments play a more effective role, continue to develop their initiatives and work on new ones such as mandating CSR reporting or encouraging companies to join UN Global Compact especially that there exists a potential across the private sector to get socially involved.

All in all, in reference to the Lebanese and Emirati cases, it's not enough to set plans to provoke CSR, but governments should transform these plans into continuous concrete actions. Offering awards for good practices such as the Dubai Quality award seemed to be a very effective way to let companies compete for sustainable activity in pursuit for recognition. Task groups and networking such as the "Engaged Dubai" program revealed also to be a rapid way to build capacity among private sector especially SME's to practice CSR by bridging different institutions and fulfilling capacity gaps. Impressive figures of national expenses savings and natural resources protection were witnessed in UAE as a result of governmental intervention in shaping CSR. Also by having each public agency focus on one or two areas in CSR to work on like in the UAE, will channel the efforts of this institution in few places and will produce improved effect. The corporate sector will then be instructed and enticed about

all the CSR topics. In addition, continuous monitoring and research among governmental institutions for tracing the negative impacts (potential or actual) of private sector operations on community is also indispensable to ensure that policies and means of intervention regarding CSR are addressing the real problems in the nation. Moreover, based on the study, it was noted that the private sector has a business interest in CSR. In other words, what is driving companies to practice it is not only ethical responsibility but also cost saving and opportunities that CSR can provide. It was noted also that the higher the number of companies that practice CSR in a country is, the more it becomes a market rule and not an option for the rest of companies to get responsible. The public-private relationship in UAE is not a straightforward power but a multitude of means of intervention that revealed to be an effective mode that each other Arab state can learn from.

The CSR agenda might be mainly shaped by governments of industrial countries, but perhaps the governmental stakeholders in the Arab region can soon start to participate in setting the terms of the sustainability debate and to become effective players in shaping the trend for the international CSR standards if they played a stronger role in their local contexts

Recommendations

In reference to the study, the following recommendations arise that could give insights to help the public sector agencies in encouraging corporate social responsibility:

- Educate the public sector employees about the importance of CSR and the necessity of being supportive with private sector when it comes to CSR partnerships or other public-private relationships
- Mandate reporting to continuously assess the CSR situation in the country
- Provide political support and official endorsement for CSR initiatives
- Promote management systems or accreditations that help ensure compliance with sustainability standards such as ISO9000, ISO14000, UN Global Compact
- Pool more efforts in the "endorsing" and "mandating" roles
- Proceed in the "facilitating" role and provide more partnership opportunities for the enterprises in order to produce more intensive impact
- Generate more awareness about CSR through arranging nationwide campaigns and establishing CSR consultancy departments in the public institutions so that companies can refer to when they need to practice CSR
- Integrate corporate social responsibility and environmental awareness in the education curricula starting from the elementary level, so that students get well-prepared to become ethical future business leaders

- Develop a national strategy that aims at sustainable development, and calls for embedding it in the culture of the country
- Lead by example and public procurement so that public institutions express themselves as socially responsible institutions
- Share experiences between Arab states about good modes of intervention in shaping CSR
- Ensure that CSR-related plans are transformed into concrete actions

APPENDIX I

INFORMED CONSENT FORM

American University of Beirut

P.O. Box 11-0236, Riad El Solh, 1107 2020, Beirut, Lebanon

CONSENT TO SERVE AS A PARTICIPANT IN A RESEARCH PROJECT

Project Title: Role of Government in Shaping CSR Engagements in the Arab World.

Project Director: **Dima Jamali, PhD, dj00@aub.edu.lb, 01-350000 extension 3727**

Research Investigator: **Sahar M.Z. Atika, sma97@mail.aub.edu**

This informed consent form pertains to a research study that is concerned with role of government in shaping CSR engagements in the Arab world. This study is a Master's Thesis research conducted by Ms. Sahar Atika, a graduate student at the American University of Beirut (AUB), and supervised by Dr. Dima Jamali, who is a Professor and Associate Dean at AUB. This study will examine the potential impact of Arab governments on CSR initiatives in four Arab countries in particular: Lebanon, UAE, Egypt & Kuwait.

Nature and Purpose of the Project:

The purpose of this study is to find out the influence of government on catalyzing the CSR engagement and pushing corporations to get enthusiastically concerned in the betterment of society, develop a framework of CSR policies and then suggest recommendations for improvement

For this purpose, 12 participants will be recruited for this study to answer standardized interviews face to face. 4 participants will be from governmental institutions and 8 from the private sectors across Lebanon, UAE, Egypt & Kuwait.

Explanation of Procedures:

As a research participant, you will be presented with the interview questions by the research collaborator to answer. You will have the option of choosing your language of

preference (Arabic, English, or French). These questions will ask about the roles of government in directing the CSR initiatives, in addition to the current CSR program in your company if you are in the private sector, and hence you will not be asked questions regarding your feelings, attitudes or opinions.

It is estimated that your participation in the interview consisting of 15 questions that need no more than brief answers will last no more than **45 minutes**.

The sample represents a range of public and private organizations reflected across different sections of industry sectors. The answers for the interview questions will be written down during the interview session for later analysis.

Potential Discomfort and Risks:

Participation in this study involves no more than minimal risks ordinarily encountered in daily life or during performance of routine physical or psychological examinations or tests.

Potential Benefits:

The potential benefit is that you will participate in a study that will contribute to the scarce body of literature available concerning role of government in shaping CSR engagements in the Arab World. Another potential benefit is the opportunity through these questions that might make you gain insight to certain factors that could have helped in encouraging CSR, which is an issue that serves to a far extent the environment and community you live in.

Costs/Reimbursements:

There are no costs associated with participation in this research.

Alternative Procedures:

Should you decide not to give consent to participate in this research, there will be no penalty and no alternative procedures. Consent to participate is totally voluntary and there are no penalties imposed if consent is not provided.

Alternatives to Participation:

Should you decide not to give consent to participate in this research, there are no alternatives to participation.

Termination of Participation:

Should you decide to give consent to participate in this research, your participation might be terminated by the principal investigator or research director if the results show

that you have not reported honestly or truthfully since such biased response might alter the findings of the study.

Confidentiality:

Participation in this research is anonymous; you will not be asked about your name but might be asked about your job position as interviews shall be conducted exclusively with HR departments or positions that might play a role in CSR. The results of your participation will be used for the research to get insights about the topic, so it will be used for strictly academic purpose and for No other purpose. Raw data (written down during interview) will be stored in a locked cabinet in the office of the principal investigator's office (Dr. Dima Jamali) for a period of three years following the termination of the study. After the three years have elapsed, the raw data will be deleted (data entered on computer) and shredded (paper-based data).

Withdrawal from the Project:

Your participation in this interview is completely voluntary. You may withdraw your consent to participate in this research at any point without any explanation and without any penalty and without any loss of benefits to which you are otherwise entitled. You are free to decide not to complete the interview for this research at any point in time. You have the right also to review, comment on, and/or remove answers at any point of time during and after the interview.

The Refusal to participate or withdrawal from the study will involve no penalty or loss of benefits to which the subject is otherwise entitled and neither will affect their relationship with AUB.

Debriefing:

If you are interested in learning about the outcome of the study, you may contact Dr. Dima Jamali and/or Sahar Atika (contact information provided below). After data analysis will be completed, a summary of the results could be shared with you upon request.

Who to Call if You Have Any Questions:

The approval stamp on this consent form indicates that this project has been reviewed and approved for the period indicated by the American University of Beirut Institutional Review Board for the Protection of Human Subjects in Research and Research Related Activities.

If you have any questions about your rights as a research participant, or to report a research related concern, you may call:

Institutional Review Board (Ethics Committee), AUB: 01-350000 extension 5445

If you have any concerns or questions about this project, you may contact:

Dima Jamali, dj00@aub.edu.lb, 01-350000 extension 3727

Sahar Atika, sma97@mail.aub.edu, 03-078573

Participant's Oral Consent:

If you are interested in participating in this study, your informed consent does not have to be in written format. By consenting you agree to participate in this research project. The purpose, procedures to be used, as well as, the potential risks and benefits of your participation have been explained to you in detail. You can refuse to participate or withdraw your participation in this study at any time without penalty. You are asked to keep this consent form.

Upon agreeing to participate, please answer the interview questions the best of your ability.

Sahar Atika_____

Printed Name of Person Obtaining Oral Consent (PI or Co-PI)

_____

_____

Signature of Person Obtaining Oral Consent Today's Date and Time

INSTITUTIONAL REVIEW BOARD APPROVAL STAMP:

APPENDIX II

RECRUITMENT EMAIL

Invitation to Participate in a Research Study

This notice is for an AUB-IRB Approved Research Study

for Dr. Dima Jamali at AUB.

It is not an Official Message from AUB

This Invitation is on the behalf of Dr. Dima Jamali, Professor and Associate Dean at AUB.

You are invited to participate in a research study entitled "Role of Government in Shaping CSR Engagements in the Arab World" conducted by Dr. Dima Jamali, Faculty of Business (Olayan School of Business) at the American University of Beirut. The conduct of this study will adhere to the IRB approved conditions and terms.

***The IRB approved method for approaching subjects is via email. The purpose* of the study is to find out the influence of government on catalyzing the CSR engagement, develop a framework of CSR policies and then suggest recommendations for improvement. For this purpose, subjects are invited to participate in standardized interviews.**

PROCEDURES

This message invites you to:

1. **Read the consent form and consider whether you want to be involved in the study.**

And to note:

- ***Participation is completely voluntary.***
- ***If you agree to the consent form, participating in the interview will take around 45 minutes.***
- ***Only the data you provide in the interview will be collected and analyzed.***
- ***The results of the interview will be published in the form of a project report and will be available by the AUB Library in printed form and electronically.***

POTENTIAL BENEFITS TO SUBJECTS AND/OR TO SOCIETY

You will not receive payment for participation in this study.

The results of the study will contribute to the scarce body of literature available concerning role of government in shaping CSR engagements in the Arab World. Your participation will give you the opportunity through the interview questions to gain insight to certain factors that could have helped in encouraging CSR, which is an issue that serves to a far extent the environment and community you live in.

POTENTIAL RISKS FOR PARTICIPATING IN THE STUDY

The risks of the study are minimal. The collected data will remain confidential *and anonymous.*

CONFIDENTIALITY

Any information that is obtained in connection with this study will remain confidential. *Only you will know that you answered the interview.*

PARTICIPATION AND WITHDRAWAL

You can choose whether to be in this study or not. If you volunteer to be in this study, you may withdraw at any time without consequences of any kind.

AGREEMENT OF RESEARCH SUBJECT

If after reading the consent document and having any questions you might have answered to your satisfaction, you voluntarily agree to take part in the study, please specify your suitable time and location for the interview session.

Otherwise please ignore this invitation to participate in the study.

Principal Investigator

Dima Jamali, PhD
Professor & Associate Dean

Kamal Shair Endowed Chair in Leadership

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