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THE AMERICAN UNIVERSITY IN CAIRO
SCHOOL OF GLOBAL AFFAIRS AND PUBLIC POLICY

**Model of Sustainable Development in Corporate Social
Responsibility in Egypt**

**A Thesis submitted to
Department of Public Policy and Administration
in partial fulfillment of the requirements for the degree of
Master of Public Administration**

Amani Abdallah Gamal El Din

Under the supervision of: Dr. Khaled Abdelhalim

Fall 2016

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The American University in Cairo

School of Global Affairs and Public Policy

Department of Public Policy and Administration

Model of Sustainable Development in Corporate Social Responsibility in Egypt

Amani Abdallah Gamal El Din

Supervised by: Dr. Khaled Abdelhalim

Abstract

The aim of this descriptive and exploratory study is to address a gap in the literature in a topic that remains largely under researched in Egypt. It attempts to shed the light on the practices of Corporate Social Responsibility in the Egyptian context to evaluate their compliance with the imperatives of Sustainable Development that have become a global concern. These concerns are much more pressing in Egypt, due to necessity to plan interventions more long-term driven. The study is of importance to policy-makers in their design of strategies and policies in a broader framework of poverty alleviation within Egypt's Sustainable Development Vision 2030, with the private sector as major societal player, through CSR activities. The methodology relies on qualitative research, based on the analysis of 2 case studies, and in depth-interviews; on a globalist multinational company represented in Egypt, and the second is a local family business that is typical of many local corporates. After analyzing using the model of assessment from Wood (1991) and Carroll (1979), several findings are to be noted. Institutional variables, such as cultural and religious beliefs, as well as uncertainty of socioeconomic conditions, are binding elements for the local approach to CSR that still invests heavily in philanthropy. The globalist CSR of the multinational is more assertive due to the experience of the mother company and 26 subsidiaries. The thesis concludes with recommendations to include sustainable development indicators in assessing CSR and to view CSR from a public policy perspective.

List of Acronyms

BOP	Bottom of the Pyramid
CBOs	Community-Based Organizations
CSR	Corporate Social Responsibility
CSP	Corporate Social Performance
EEAA	Egyptian Environmental Affairs Agency
ESG Index	Economic Social and Governance Index
EGX	Egyptian Stock Exchange
GRI	Reporting Initiative Guidelines
MDGs	Millennium Development Goals
MESA	Ministry of State for Environmental Affairs
MNEs	Multinational
NGOs	Non-Governmental Organizations
SD	Sustainable Development
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
S&P	Standard & Poor's Index
UNCG	United Nations Global Compact Initiative
WEF	World Economic Forum

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Chapter One: Introduction

1.1. Introduction

Corporate Social Responsibility (CSR) has gained momentum in practice as well as in theory in recent decades due to the advent of globalization and the international trade movement. Globally, corporations are witnessing an expansion in scale and power, and they are directly influencing a set of actors, from employees to suppliers, distributors, and—most importantly—consumers. Their extensive physical reach has exceeded most of the times governments' influence (Jamali and Keshishian, 2009). Consequently, business became more complex and demands for more responsive and transparent conduct were made in a climate of heightened scrutiny after several scandals came to light in which Corporate Responsibility was blamed for malpractice. These scandals included practices of "faux CSR" of BP Oil, and Enron; whereby corporations used to engage superficially in CSR, purely for the sake of branding and consumerism.

The changing dynamics and the new configuration of the world—influenced by the advent of globalization and the failure of governments—have altered the rules of the game concerning issues of domestic labor and product markets, and have deepened the complexity of the socioeconomic contexts of South and the developing world. The proliferation of Multinational Enterprises (MNEs), operating across different locations of the world, has increased the challenges of policymakers in local, regional, and national governments due to public pressures (Buckley & Ghauri, 2003). As a result, the discourses on CSR have been a global issue before the 1990s, and the growing power of the anti-globalization movements, the environmentalists, and consumerism forced corporations to reduce their negative externalities or to minimize

their environmental footprint. Additionally, pressures emanating from NGOs and social activists, as well as government regulations and the impact of standardization on branding, have considerably affected corporate conduct (Safwat, 2012).

These demands were expressed much more in the developing countries, due to their chronic socioeconomic, political, and environmental problems. According to Dobers & Halme (2009), the need for CSR in this part of the globe was more urgent since there are deficiencies in social provisions, and since institutions delivering social services are less efficient than their counterparts in developed countries.

In a country like Egypt, despite numerous efforts led by the government to improve the living standards of the population, the system is still inefficient, and poverty remains multidimensional because the population is very susceptible to social and environmental risks (Leoni, 2015). Egypt has always witnessed an embedded culture of philanthropy and the emergence of CSR was mainly due to the neoliberal trends that accompanied the multinational corporations that were operating on the ground. However, it peaked during Mubarak's era because of the massive foreign investment flows in the country where the private sector played a pivotal role in political life. CSR was perceived then, as an important tool in the process of development that advocated for forming more legalized and institutionalized structures complementary to the government, in a partnership model that would contribute to social justice, economic empowerment, environmental protection, and poverty eradication.

CSR can be explained with different approaches, especially from sustainable development perspective. One of the most famous models is the Garriga and Mele (2004) model for sustainable development. It comprises four dimensions, namely, the instrumental, the political, the integrative, and the ethical. The sustainable

development approach is a core component of the ethical dimension and is seen as a value-based concept. Several studies have also tackled the necessity of linking corporations' behavior and actions to the principles of sustainable development through several appellations, such as corporate environmental management, Corporate Social Responsibility reporting, life-cycle assessment, and social return on investment (Glover, 2006).

CSR has been linked to the notion of sustainable development since the late 1980s, when the connection was made by the Brundtland report, published by the World Commission on Environment and Development. The report stressed the fact that poverty should not be seen as inevitable and that sustainable development, through its long-term generating impacts, is a must to ensure the fulfillment of the basic needs of the marginalized, to protect their rights, and to improve their quality of life. According to the report, sustainable development is a harmonized and complementary approach that is led by different actors to fill the gap of failures of the governments and institutions and to ensure global equity (UN, 1987). In 2002, additional governmental acceptances and actions were concretized and the concept witnessed a growing reach into the areas of business, local government, and civil society. Sustainable development has been considered since then a harmonized cross-sectoral approach that bridges economics, ecology, and ethics. The secretary general of the 2002 Johannesburg summit at that time, Desai stated that to endorse real ownership of the concept, there is a need to have a better integrated outreach to all sectoral agencies, as well as to the private sector constituencies (UN, 2007).

According to the literature that deals with the role of CSR in international development, there are three schools of thought that operate across the developing and developed world: (1) the neoliberal, according to which engagement in CSR policies

by businesses is rational and beneficial in the long term; (2) the state-led, in which advocates hold that international and national policymakers should make CSR obligations part of the core agenda of companies, within the tax and regulatory framework; and (3) the "third way", directed by civil society, works to promote CSR interventions without being a part of the government or the business realm (Michael, 2003).

Several well-known theoretical constructs in the literature attempted to understand the conceptualization of CSR in practice, such as Carroll's four part pyramid (1979) and Wood's Conceptualization (1991) of Corporate Social Performance Model (CSP). Lately, in 2007, in the realm of relating CSR to development, Hopkins identified three layers of operating types:

- 1- The philanthropic type is implemented through charitable donations in developing countries.
- 2- The second type "a by-product of company's action" that involves the promotion of new products for developing countries, or by taking advantage of their cheap labor or natural resources. In this case, the return impacts the organization as a whole.
- 3- The third type involves interventions that enhance sustainable development and antipoverty policies. This type of activity could be complementary to type 2 and does not impact the company's bottom line immediately, and are designed to a long-profit generating impact.

This study is an attempt to see whether, in Egypt, CSR as a development mechanism is imbedded into the core agenda of the country's corporations, and to determine which layer of development CSR embraces, as identified by Hopkins (2007).

Accordingly, CSR can correspond to one of three types, or it could be a combination of two or three of the types.

1.2. Problem Statement

After reviewing the literature, despite the fact that there is a sufficient coverage of CSR activities in the developing parts of the world, there are very limited references about the topic in Egypt. As stated by Refaat (2014) & Avina (2013) the scattered activities undertaken in Egypt are, for the most part, "ad hoc and philanthropic", which suggests that the weak quality of CSR interventions reveals a flagrant gap between intentions and actual implementation (Utting, 2014). Additionally, it suggests also their unsustainable nature, since they are philanthropy driven, and consequently they become in shortage of enhancing social and economic empowerment for the marginalized segments.

The CSR agenda became problematic in light of some figures provided by the World Economic Forum (WEF), which released a report that revealed that the Fortune Global 500 companies grant to the developing countries on annual basis a 12 billion dollars cash donations and approximately 10 to 15 billion dollars go to in-kind donations. Moreover, corporate donations directed to developing countries have risen, and they reached 80 billion in 2004, to the extent that (WEF) noted that corporate philanthropy is exceeding Foreign Direct Investment flows (Utting, 2014). However, even though the flow of corporate philanthropic donations is considerable, its impact on societies and communities is still minor (Ibid).

In the aftermath of the political transition of the January revolution of 2011, macroeconomic indicators, and structural imbalances worsened. Disparities have persisted, leading to multidimensional poverty, especially in Upper Egypt, where the

population is vulnerable to social shocks and suffers from a lack of basic services. Approximately one fourth of the population is living under the poverty line, and the poverty map shows a concentration of high levels of poverty in Upper Egypt. Egypt's Human Development Index (HDI), measured according to three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living places the country in the medium human development category. The value increased between 1983 and 2013, from 0.452 to 0.682, which is an increase of 50.8% or an average annual increase of about 1.25% (UNDP, 2014).

Based on the above dissection, it was acknowledged, by all the economic actors and scholars, that traditional capitalism and conventional development models would not denote any effectiveness in light of these socioeconomic conditions because of their accumulated failures. Egypt needs to embrace more inclusive business models and empower new segments of consumers and producers at the bottom of the pyramid. These modes and platforms are intended to surpass governments and civil societies through a comprehensive involvement of the private sector, as a core actor in solving major developmental challenges generate long-term impact in the broader development agenda of poverty alleviation within the framework of Sustainable Development vision stated by the country. (UNDP, 2015).

Due to the difficult nature of the Egyptian economic system, which is a mixed economy, it is difficult to ascertain what type of CSR from the three schools of thought could function within this complexity: the neoliberal CSR, the state-led option, or the third way school, which is led by for-profit and nonprofit organizations. On the other hand, the full potential of corporate behavior towards society could require a model consisting of a combination of the three types. Actually, the type of

CSR that is predominant in Egypt is the neoliberal type, along with an emergence of the third way, due to minor pressures from civil society and watchdogs.

1.3. Research questions

The focal question in this study is the following:

To what extent the CSR strategies of the corporations are tailored according to imperatives of Sustainable Development?

The sub-questions will be:

- 1- How are CSR strategies and interventions being implemented?
- 2- To what extent is CSR an integral part of corporate strategies?
- 3- Are CSR practices designed to ensure sustainable development?
- 4- What are the factors that enhance the effectiveness of CSR that would improve the livelihood of communities?

1.4. Hypothesis

1. CSR in Egypt is mainly of type II and fewer models embrace type III. The sustainable development results are expected when a CSR strategy adopts type III.

1.5. Importance of the study

A. Practical importance:

This study is an attempt to clarify the concept of CSR in the Egyptian context. It addresses a gap in the literature review in CSR practices in Egypt. Additionally, it is one of the rare studies that tackle the two variables of Corporate Responsibility and sustainable development through an assessment of actual practices and an exploration of the adequate mechanisms that allow its policies to work in specific contexts and to be designed to impact on the long-term communities. As a counter-result of the

standardization of CSR after a wave of applications of a set of benchmarks that were developed to measure different practices across the globe, has emerged a necessity to contextualize CSR by taking into account the socioeconomic environment and the cultural differences in developing countries and emerging economies, especially as relating to Egypt. This context dependency is important in Corporate Responsibility because it is seen in relation to sustainable development.

Although some progress has been made in Corporate Social Responsibility constructs in developing contexts, such as Egypt, the business case for CSR remains controversial, in light of a view that oscillates between globalized theory and institutionalized theory of the local company. Other hypotheses still hold that a well-performing CSR, through a broad range of social policies, is associated with strong welfare states. This conviction goes along with the prevailing criticism of the contribution of global templates in solving the social issues of the vulnerable groups in a sustainable way (Dobers & Halme, 2009; Gjolberg, 2009).

B. Policy significance:

From a public policy perspective, the research is of significance for policymakers in their attempts to design of strategies redefining the concept of sustainable development and integrating it into specific policies for poverty alleviation that could eventually lead to economic growth and opportunities in an equitable and sustainable way. The thesis could also contribute to the national vision of aligning the efforts of all development stakeholders' with sustainable development through Egypt's vision 2030 (The National Sustainable Development Strategy), including the efforts of the private sector via CSR.

1.6. Outline of the Study

The study is structured as follows; chapter one offers a comprehensive introduction of the CSR concept, its evolution and its connectedness with the sustainable development imperatives, statement of the problem, importance of the study, as well as research questions and sub-questions. Chapter two presents an overview of the literature on the topic. Chapter three encompasses the theoretical and the conceptual framework. Chapter four draws a detailed methodology of data collection and data analysis. Chapter five presents an analytical view to case study one of Family Business Group and affiliated Foundation for Development with relevance to the conceptual framework. Chapter six assesses case study two of Multinational and affiliated Foundation. Finally, chapter 7 provides recommendations to the business units, policy recommendations, as well as the conclusion.

Chapter Two: Literature Review

The aim of this section is to explore in a literature review the different variables undertaken by the current study and their correlation under some specific groupings in order to understand the different theoretical views and frameworks related to the scope of the research. The literature review is a way to map out the different themes to identify the gap that this study will attempt to address.

There is a growing body of literature on the business case that attempts to provide a rational justification for CSR activities from a primarily corporate economic/financial perspective and which is fundamental in understanding the concept. For the analysis of this thesis, the review of the literature for the business case is a way of grasping the functioning modes of CSR across different models and understanding their gaps, in order to analyze them from a contextual perspective.

2.1. The business case for CSR:

Most of the scholars that have focused on the business case have linked a successful model of CSR to a strong financial performance. One of the reference papers that paved the way on this topic was co-signed by two eminent scholars named Archie Carroll and Karim Shabana (2010). Carroll (1979) was the first to frame the responsibilities of the business into a four-part pyramid. While retracing the roots of CSR back to World War II, the two authors (Carroll & Shabana, 2010) presented a comprehensive overview on the evolution of the concept. Accordingly, Corporate Social Responsibility has evolved and has undergone several changes from the philanthropic to a more evolved incorporated into the bottom lines and core agendas of corporations. The authors argued that, through CSR activities, organizations look

beyond narrow shareholder value maximization in search of benefiting all stakeholders, namely, the consumers, employees, communities, as well as the environment. In other words, CSR is concerned with the need to connect a prosperous company portfolio with broader community welfare, while realizing the interdependence and a synergy between business and society.

One of advantages of the business case for CSR is that it moved away from theoretical and ethical orientations to more practical grounds related to performance, since it maintains that social responsibilities enhance the financial bottom line of the corporation and are central to an organization's overall strategy (Carroll & Shabana, 2010; Kurucz et al., 2008). According to Kurucz et al. (2008) the role of CSR is central in bridging ethical business with communities at large through four mediators: (1) reducing costs and risks; (2) gaining competitive advantages; (3) developing reputation and legitimacy; and (4) seeking win-win situations.

In the same vein, some advocates of the business model, such as Kyte (2007); Kytle & Ruggie (2005), and Carroll & Shabana (2010) argue that the "materiality issue", which suggests a causal relationship between economic and social and environmental models, is a main driver in CSR. Since the bottom of the pyramid is the future market, the drivers of change should stem from the business model itself and financial imperatives through effective regulation, privatizations and public-private partnerships, competitiveness, profitability, shareholder/stakeholder value (Kyte, 2007).

The relationship between the business and its financial performance has been tackled by several scholars as well, such as Argenti (2004), who proved the successful business of the CSR model with Starbucks in partnerships with NGOs, and Rondinelli

& London (2002), when they analyzed successful business models through cross-sectoral environmental partnerships.

Manuela Weber (2008), a proponent of the business case, advocated for a company-level measurement approach. In a more concrete way, Weber (2008) bypassed the theoretical framework of the discipline and progressed by developing a multi-step measurement model that combined qualitative and quantitative methods to the business managers in assessing their company-specific CSR approach. Weber suggested the shaping of a CSR model of assessment that relies on the evaluation of monetary value as well as non-monetary value and includes four steps: an assessment of qualitative CSR impacts, the development and measurement of KPIs, an assessment of the monetary CSR Value Added, and the evaluation within the CSR strategy of each of the assessment components. The author argues that the model is an appropriate tool to identify business impacts on a company-specific level that can benefit in the decision-making process, as related to the company's CSR strategies and policies. The author ascertained, however, that there were two obstacles in this four-part assessment model. Firstly, it requires additional effort from the business team. Secondly, it remains difficult to identify CSR-related effects, and to calculate the monetary Value Added into cash flows.

Jacques Bogh (2010) concluded that attitudes towards CSR and the rationale behind them differ according to the organization's size, and that a relevant risk management strategy is correlated with more constant and highly performing CSR strategies. He suggested a three-dimensional model that links the business case to sustainable development. The first dimension is the type of financial benefit, and this includes three components: cost reduction, revenue increase, and risk mitigation. The second dimension is specific or generic benefit calculation with two major

components: specific benefit calculation and generic benefit calculation. The third dimension is the type of cash flow analysis, which includes two major components: discounted cash flow and simple/no cash flow.

Salzman et al. (2005) broadened the term of business case for CSR to business case for corporate sustainability and argues that empirical studies of the business case are divided into two sets. The first set is grouped under instrumental studies and tests the relationships hypothesized in the theoretical studies linking corporate financial performance to social and environmental performance. The second of the descriptive studies aims to explore how managers and corporations approach the business case in practice. (Salzman et al, 2005). Instrumental are still questionable because qualitative studies are not representative, and quantitative studies are inconclusive because there is an evident lack of sector-specific research to enable measurements as well as comparative studies, including cross industry, cross country, or cross-functional studies. Salzman et al. (2005) argued the difficulty of the business case because it is contingent to several determinants, such as the nature of regimes, visibility, and technology, which vary across borders and fields. The materiality exists but most of the time it is downsized to operational risk mitigation and reduction. Descriptive studies focused on the attitudes of managers towards social responsibility rather than economic arguments that drive the cause and how to create tools for measuring their validity.

On their behalf, Prahalad & Hammond (2002) linked a prosperous business case for CSR to strategies enhancing Bottom of the Pyramid (BOP) markets that remain untapped and represent a new source of income generation and social inclusion for the most marginalized societies. Three major advantages result from

implementing such strategy: revenue growth, cost-saving efficiency, and access to innovation.

Throughout its itinerary, eminent scholars and economists were opposed to CSR, such as Nobel Prize laureate in Economics, Milton Friedman. Friedman was one fervent detractor antagonistic to the business case in promoting social responsibility, in the prevailing context of free-markets. He contested in 1971 the whole ideology of CSR in his famous article entitled "The only responsibility of the business is to increase its profits".

2.2. Overview of theoretical evolution of CSR, and mechanisms of implementation:

2.2.1. Theoretical evolution of CSR

Discourses on CSR culminated in the 1970s, and definitions have proliferated from scholars as well as various organizations. But one of the theoretical constructs most widely used until nowadays was that of Carroll's four-part pyramid (Carroll, 1979). Carroll's conceptualization gave more space to a better operationalization of the discipline. It includes the four responsibilities of the business; namely, the economic, the legal, the ethical, and finally the discretionary or philanthropic.

In the 1990s, one of the most important contributions to CSR discourse is the Corporate Social Performance model (CSP) proposed by Donna Woods in 1991. She revisited the corporate social performance model including three levels of analysis in 2010. The first level is principles of Corporate Social Responsibility: (a) the institutional principle: legitimacy; (b) the organizational principle: public responsibility; and (c) the individual principle: managerial discretion. The second level is the processes of corporate social responsiveness, including (a) the environmental assessment; (b) stakeholder management; and (c) issues management.

The third level is outcomes of corporate behavior, including (a) social impacts; (b) social programs; and (c) social policies. In 2009, Woods updated the third principle to be in tune with a more complex world and added more items referring to the effects on people and organizations: (b) effects on the natural and physical environments; (c) effects on the social systems and institutions.

Despite the numerous attempts to frame the discipline, most of the scholars have agreed upon the difficulty of reaching a common and unified theoretical cadre or framework for CSR in practice considering its diversified management mechanism across the globe (Aggarwal et al., 2011).

According to Jamali (2010), in order to manage the complex relationship between MNEs, which seek legitimacy through their subsidiaries in their host countries, two main theories were significantly predominant:

- 1- The stakeholders' theory. This theory is explained by the moral obligation of managers in their quest for legitimacy to fulfill the demands of the wide range of constituencies in different subsidiaries who can affect impact of being affected by the firm's products (Freeman, 1984; Yang and Rivers, 2009).

- 2- The institutional theory. As in the stakeholders' theory, the institutional theory has been widely applied in the understanding of MNEs and CSR. In the context of MNEs, the institutional theory explains that the isomorphic pressures applied from their constituencies in the host country—called coercive isomorphism—stimulate the corporation to tailor its business strategy to meet, in a homogeneous way, the specific needs of the society's core values and the requirements of its own values (Hah & Freeman, 2013).

Garriga and Melé (2004) compiled the major theories of CSR. They assumed that CSR-related theories and approaches revolve around one of the following components of social realities: economics, politics, social integration, and ethics. According to their hypothesis, the authors subsequently compiled (in their article, entitled *Corporate Social Responsibility Theories: Mapping the Territory*) the major CSR-related theories into four major classifications:

- 1- Instrumental theories assume that CSR is a means to reach the ultimate goal of wealth creation. It incarnates the economic objective of the discipline. These theories are perceived from three themes: (1) maximization of shareholder value; (2) strategies for achieving competitive advantage; and (3) cause-related marketing issues.
- 2- Political theories put an emphasis on the social power of the corporations and they can be used as mediators in the political arena. They derived three components: (1) corporate constitutionalism; (2) integrative social contract theory; and (3) corporate or business citizenship.
- 3- Integrative theories assert that the synergy between business and society is what allows the continuity of the business. These theories entail: (1) issues management; (2) public responsibility; (3) stakeholder management; and (4) corporate social performance.
- 4- Ethical theories maintain that the system is embedded in ethical values. These theories comprise: (1) stakeholder normative theory; (2) universal rights; (3) sustainable development; and finally (4) the common good.

After a quick review of the main theories of Corporate Social Responsibility, this section aims to introduce the mechanisms that allow the linking of the theoretical

conceptualization of CSR to the operational and day-to-day practices of the corporations. These are mechanisms that allow one to move beyond normative approaches to more practical grounds.

2.2.2. Implementation mechanisms:

There are several mechanisms for CSR implementation, from developing codes of conduct, to achieving social and environmental interventions, to partnering with NGOs, international organizations and governments and embedding moral values into their core agendas and business models. Corporations vary in their implementation mechanisms, which can be carried out through four formulas: unilateral acts, partnerships, foundations, and voluntary programs. Safwat (2012) explained in detail those mechanisms as follows:

- 1- Unilateral acts. These correspond to donations of cash, materials, or employee volunteerism.
- 2- Foundations. Corporations launch separate institutions managed by a professional team to ensure the establishment of a long-term institutional system in the support of the developmental, social, and environmental programs oriented to local communities.
- 3- Partnerships. Corporations establish partnerships with NGOs and governments in public private partnerships (PPPs). These partnerships are a way to coordinate efforts and to build up skills and expertise in specific areas in order to reach precise goals.
- 4- Voluntary Programs. These programs, in which corporations are free to adhere, are created or managed by industry associations, NGOs, and

governments to curb industry-related negative externalities, generated from corporations' management, production, and management-processes.

2.3. CSR and context dependency

Although several studies (Barin Cruz & Boehe, 2010; Jamali, 2010; Muller, 2006) were initiated to comprehend domestic and multinational CSR strategies, there are still difficulties in providing a theoretical assessment of the strategic implications of CSR due to the wide physical reach of MNEs, which extend through their subsidiaries in a multitude of environments, systems, and cultures (Rodriguez et al., 2006). Another set of scholarly references have offered a comparative analysis for global versus local CSR (Hah & Freeman, 2013).

A number of studies (such as Husted and Allen, 2006; Jamali, 2010; and Muller, 2006) have acknowledged that the global models or those locally oriented in CSR interventions entail strengths as well as weaknesses. The global version of CSR is a successful approach to synchronizing CSR practices across MNE subsidiaries even if it becomes in short of ownership and legitimacy at the local level (Jamali, 2010; Muller, 2006). In contrast, as suggested by Muller (2006), the local templates of CSR interventions may be tailored according to the needs of their communities, but they may also become fragmented and incoherent.

For example, context dependency in CSR was well identified by Maria Gjolberg (2009) when she differentiated between the globalist hypothesis and the institutional hypothesis. According to the globalist hypothesis is imposed by the global market. The anti-globalization movements that are widespread across the globe have generated the necessity for the corporate to have a strong reputation in order to seek competitive advantage. The institutional hypothesis suggests that CSR efforts are

contingent upon the institutional element which is embedded in the national, political-economic system. The Qualitative Comparative Analysis concluded the existence of a causal heterogeneity, indicating two separate ways for successful CSR.

There are different perspectives on whether the CSR approach should be replicated through a centrally coordinated approach from the mother global company to a subsidiary, or whether it should be a decentralized approach in the national context. In fact, the two approaches of necessary autonomy and proactive nationally and of the necessity of replicating the model from the headquarters because of the similarities of problems the global world encounter are equally valid (Muller, 2007).

While discourses on Corporate Social Responsibility have been predominantly assimilated to the universal approach of global corporations, and regulated by a number of standardized measurements and reporting, an urgent need emerged to consider the political economy of the different practices and the underlying assumptions about social, economic, and social systems that remain unexplored in depth (Halmes, Room & Dobers, 2009; Blowfield & Frynas, 2005; Midttun et al., 2006).

The complexity of CSR has resulted in broad attempts to define the concept. While it is generally agreed that corporates have to comply with responsibilities that go beyond the financial imperatives, there are different interpretations when it comes to practice (Halmes, Roome & Dobers, 2009).

Baughn et al. (2007) suggested that the prerequisites for prosperous CSR are functioning markets, strong governmental and financial institutions, and a vibrant civil society. For Jamali & Mirshak (2007), the cultural component is dominant in the understanding of CSR dynamics, since it affects corporate behavior in different parts of the world.

2.3.1. Developing countries/ emerging economies and CSR performance:

Recently the attention of scholarly references in CSR has slightly shifted to explore its practices in emerging markets. These attempts were conducted to document the evolution of activities in countries where CSR practices have not yet been fully investigated or documented (Luken and Stares, 2005; Vives, 2006). CSR research has mostly focused on developed countries – North America, Europe, and to a lesser extent, Asia – and sometimes from a comparative perspective (e.g., Kolk, 2005; Maignan and Ralston, 2002; Welford, 2004). The coverage of CSR activities in emerging markets has been limited to analyzing the activities of subsidiaries of MNEs rather than those of local companies in European and North American countries. Where emerging markets have been covered, this has usually involved the activities of North American or European companies in the emerging markets, and thus foreign subsidiaries of multinational enterprises (MNEs) have been targeted rather than local companies (e.g., Husted and Allen, 2006).

Visser (2006) reported that Latin America is not intensively covered in the literature review, but most of the references focus on Mexico and Brazil. Muller & Kolk (2009) argued that emerging markets offered a different setting for CSR application due to differences in cultural determinants or institutional environments, which generally are manifested on two levels: (1) differences in the types of CSR activities; and (2) differences in the levels of CSR performance.

Muller & Kolk (2009) have investigated, in several studies, the specific context of the auto parts industry in Mexico and argued the absence of connection between higher foreign ownership and high levels of Corporate Social Performance. The authors emphasized the context specificity and the cross-cultural variations in the assessment of CSP (Muller & Kolk, 2009).

CSR in Brazil has taken the characteristics of "social interventions" designed by the corporations themselves but in coordination with state agencies at the local and state levels. Lula Da Silva initiated the alliance of public social programs and business social policies while simultaneously opting for deregulation (Hopkins, 2007).

CSR in South Africa, Brazil, India, and—to some extent—Central and Eastern Europe is more advanced compared to high-income countries and the drivers are not the same. Central and Eastern Europe seek to join the EU; Africa and the Middle East are motivated by domestic pressures and the threat of regulations; Latin America is engaged because the agenda triggers public interest in addressing social inequalities; and, in Asia, it is about global pressures for competitive advantage (Hopkins, 2007; Baskin, 2004).

Asia is the most-covered region in the literature on CSR in developing countries, with a significant emphasis on China, India, Malaysia, and Indonesia (Visser, 2006). According to a comparative survey conducted by Welford (2004), the low response from Hong Kong, Malaysia, and Thailand is consistent with their lower degree of engagement in the domain.

The specific context of China was explored by Li & Zhang (2010) from an ownership perspective and concluded the importance to consider it as a main variable in assessing CSR practices. Other studies undertaken in the Chinese context have reported that a firm's size, productivity and effectiveness; employee leading role, leverage, and growth opportunities affect CSR in China (Chapple and Moon, 2005; Deniz-Deniz and Garcia-Falcon, 2002), and that one should note that state-centric control was not to be undermined.

As noted by Hopkins (2007), CSR in China has been marketed in different channels. In reaction, the policy agenda was mainstreamed and politicians and

business figures have started to respond to criticism from watchdogs, consumers, and trade unions regarding the ethics of business. CSR is not clearly identifiable in the Chinese context, as its conceptualization varies from region to region. It differs considerably in Beijing and Shanghai, on the least developed coasts, and even more in rural areas (Hopkins, 2007).

A study of CSR in the Asian context (from an examination of website reporting of 50 companies in seven Asian countries: India, Indonesia, Malaysia, the Philippines, South Korea, Singapore and Thailand) revealed that acceptance of CSR varied across the countries and was not justified from their stage of development, but was instead explained by their national business systems. (Chapple & Moon, 2005).

On the other hand, Das Gupta (2007) pointed out that Indian companies perform better than multinational companies in CSR, in scope as well as in content. Some examples, such as Amul Milk Cooperatives, have witnessed a decentralization of management processes to empower the marginalized. However, the cultural determinants are not to be underestimated in contemporary CSR discourses (Das Gupta, 2007).

The literature on Africa is heavily focusing on South Africa (Visser, 2006). Visser (2006) argued that 12% from 53% African countries publish research in CSR journals, with 57% on South Africa. The CSR discourse has been dominated by colonialism and by the philanthropic aura. From the emerging markets, South Africa is the most advanced in terms of local corporate governance codes. In the wake of the "apartheid movement", the attempts of South Africa to bridle the colonialist approach have set regulations and laws requiring corporations to have a fair representation of black people, as well as to include black people in ownership and in the procurement process (Baskin, 2004).

The drivers of CSR can be split into internal and external drivers and can be resumed in political reform imperatives, socio-economic determinants, governance gaps, crisis management, market access, global standardization, investment incentives, stakeholder pressures, and supply chain management (Visser, 2006).

2.3.2. CSR in developed countries:

Many scholars have acknowledged that despite the Western-centric nature of the numerous studies, there is still a dearth of studies in this part of the world. This scarcity has triggered the curiosity to understand CSR practices in diverse contexts with enormous economic, social, and political variances (Jamali & Mirshak, 2007).

Jeremy Moon (2004) emphasized the driving role of the government of the UK in shaping public policies with respect to CSR. The paper demonstrated how the two ideologically different cabinets of Thatcher and Blair assumed an important role, along with other drivers in the institutionalization of CSR through a wider societal governance process.

In Spain, an upward trend has been dominating CSR implementation. The main drivers were branding-related issues, competitive advantages, and current industries trends. These motives were strengthened by a sociopolitical landscape favoring the lobbying for the responsible behavior of companies, such as public and NGOs pressures, as well as pressure from international organizations (Mele, 2004).

A comparative study in CSR policies in Germany and the UK showed that CSR is mainstreamed into the core agenda of the company due to performance considerations and stakeholder pressures. In shaping their CSR policy, firms put an elementary emphasis on pragmatism. It is institutionalized in an explicit manner and one of the main driving forces is communication departments (Silberhom & Warren, 2007).

In research conducted by Papasolomou-Doukadis et al. (2005), mapping CSR practices across the business sector in the Cypriot context, it was concluded that there is a consensual definition about CSR: "to reach community welfare". The motives for embracing CSR were financial profit as well as the awareness of top management that they needed to enhance their corporate reputation and branding due to the fierce competition that the business sector encounters in engaging in responsible business.

In the Finnish context, Panapanaan et al. (2003) argued that CSR is gaining more maturity and the main drivers are globalization, laws and regulations, constituencies' management practices, and sustainable development objectives.

Tencati et al. (2004) reported that attitude vis-à-vis CSR in the Italian context is satisfying and another reference by Longo et al. (2005) supported the same opinion on the responsible behavior of Italian companies that are keen to engage from a stakeholders' approach. At the same time, research by Russo & Tencati (2008) argued that SMEs in Italy should strategize their CSR into their business line in order to stabilize their financial bottom line and to ensure that their operation is licensed within their local communities. However, large firms do not incorporate their CSR in an explicit way into their management systems.

The literature review mapping the different practices across the developing and developed countries has demonstrated that studies drawing the connection between CSR and sustainable development haven't been made yet from a country-specific analysis, despite the global calls and frameworks that tend to link them.

2.3.3. CSR in Egypt: Background

Egypt has always witnessed a long-standing legacy of philanthropic donations through personal initiatives, those emanating from wealthy families and established foundations, and the third type is faith-based through zakat and wakfs. Darrag and Bassiouny put forth a similar argument on the prevalence of Islamic CSR in the Egyptian context upon the willingness of shareholders (Darrag and Bassiouny, 2011). In the last decade, a shift has occurred to mobilize resources based on a philanthropic vision from the private sector through CSR, which is still a nascent domain with little information. An illustration is the initiatives of the holy month of Ramadan, through donations or in-cash, undertaken by corporations to support the most vulnerable, that are characterized by their short-term and unsustainability (Avina, 2013).

There is scarcity of sources on Corporate Social Responsibility in Egypt, but the minor contributions to the literature review asserted that it is still at its philanthropic stage (Refaat, 2014). Refaat (2014) argued that practices of CSR were introduced by the multinationals but they manifest a lack of long-term vision and are limited to the voluntary, informal and philanthropic giving with an evident lack of coordination between various stakeholders.

In the 1990s, the government took some measures to address global issues such as preservation of environment. 1994 witnessed the issuance of law no. 4 for Environmental Protection and the restructuring for the Egyptian Environmental Affairs Agency (EEAA). In 1997 another step was taken, in an explicit commitment to sustainable development, with the establishment of the Ministry of State for Environmental Affairs (MESA) to enhance the collaboration with national and international development partners in defining environmental policies (Safwat, 2012).

In the turn of the 21st century and specifically in 2010 Egypt introduced the standardized reporting initiatives responsible of mapping CSR activities, the United Nations Global Compact (UNGC), and the Global Reporting Initiative Guidelines (GRI) guidelines¹. UNGC, is a strategic policy initiative, launched by the United Nations, for businesses to align their operations to ten universal principles in human rights-related issues, environment, labor, and anti-corruption. Another step was adopted proving the growing awareness vis-à-vis importance of CSR advancement by launching under the supervision of the Ministry of Investment Standard and Poor's/Egypt Stock Exchange Economic Social and Governance Index (S&P-EGX ESG) by the Egyptian Stock Exchange (EGX) (Safwat, 2012). The index lists companies that integrate environmental, social and governance (ESG) practices. The social and environmental evaluation is analyzed from GRI guidelines and the UNGC, while the governance assessment is based on GRI to Standard & Poor's governance methodology.

In a study conducted on CSR practices and disclosure of information by Rizk et al. (2008) in Egypt revealed that while some corporations, especially those of industry membership, publish their CSR portfolio, the quantity of information is incomplete due to the absence of legislative framework for firms to disclose social practices. Social practices have been defined as information provided on the relationship between a corporation and the physical and social environment in issues

¹ The United Nations Global Compact Initiative (UNGC), is a strategic policy initiative for businesses to align their operations to ten universal principles in four areas of focus: human rights, labor, environment, and anti corruption (as cited in Safwat, 2012) (Last access, August the 28th, 2016, retrieved from

<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html> .

GRI <https://www.google.com.eg/#q=gri+principles+of+reporting>

related to human resources, community involvement, product safety,...etc. (Safwat, 2012).

Recently, the phenomenon has been gaining more ground because of the commitment of Egypt in its economic vision 2030 to embrace a liberal and a market economy orientation with an emphasis on the contributions of the private sector to the development agenda (Egypt's vision, 2030). Moreover, the two CSR forums held in 2015 and 2016 played a pivotal role in underlying the importance of discipline and provided an important arena for the gatherings of CSR practitioners, scholars and all operating stakeholders. The 2016 forum resulted in forming the sustainability committee.

According to Avina (2013), the 2011 revolution have contributed to raise Egyptians awareness to the principle of social change, and the corporations were at the center of that debate. Consequently, their contributions addressed to community welfare programs have been strengthened and have witnessed a slight change in nature.

2.4. CSR and Sustainable Development imperatives

According to Moon (2007), CSR and sustainable development are seemingly divergent and contested concepts, even though they are used in connection to each other. It is difficult to argue that there are CSR ready-made templates because of the difficulty of adopting the same model across social, environmental, and moral variances. CSR is the element of the economic pillar of sustainable development that brings it closer to achieving sustainability by generating value to the social and environmental pillars.

Moon (2007) argued that sustainable development is embedded in CSR through a theoretical model of business strategy, combining the natural-resource-based view and business policies oriented essentially towards a focus on ecological issues. In the context of sustainable development, business has substantial power in the regulation of its supply chains in enhancing sustainable development, but also in thwarting it.

After the success of the Rio de Janeiro Summit, sustainable development as a concept has evolved in the past three decades from the macro level, implying governments' engagement to the triple bottom line (economic, social, and environmental), to a micro-level, to be applied on the business level, which has been widely accepted as a prerequisite for doing business. Six criteria should be regarded when speaking about the sustainable development of a business: eco-efficiency, socio-efficiency, eco-effectiveness, socio-effectiveness, sufficiency, and ecological equity (Dyllick & Hockerts, 2002).

According to Steuer (2010), governments showcase interest in CSR to enhance the sustainable development agenda. He added that governments consider CSR negatively within the traditionally regulation social and environmental framework because the "voluntary business contribution to sustainable development starts where the legal framework ends".

Some of the scholars linked CSR and Sustainable Development to stakeholders' management.

In Corporate Social Responsibility, sustainable development can be applied from different perspectives, and one of them is Stakeholder Relationship Management (SRM). Since corporations are considered open entities interacting in a societal context, through stakeholder management, they are called upon to take into account

the societal patterns of chances and constraints for the resourcing process that leverages the firm's opportunity (Steuer et al., 2005). Boele et al. (2001) added to the perspective of SRM the rights-based approach as a mandatory giving space to impede any potential threats and conflicts over resources in the developing world.

State regulation of corporate behavior became problematic due to the advent of globalization; therefore, corporate should adopt CSR as a means of achieving sustainable development (Hermann, 2004). Pressing global problems revolving around environmental hazards and issues of poverty have pressured the role of MNEs in the international business system, ranging across different variables, such as stakeholder and institutional setups in the home and hosting countries. Being a part of the problem makes MNEs part of the solution as well. Increasingly, the discourses are focusing on CSR interventions and SD implications (Tulder & Kolk, 2010).

Tulder and Kolk (2010) argued that the phenomenon of globalization dictates an enforcement of “sine qua non equilibrium” between the factors that are embedded components of its internationalization strategies and broader imperatives of Corporate Social Responsibility. Consequently, subsidiary relationships, the choice of products to be disseminated in the host countries, and upstream and downstream processes entail strategic decision making, taking into consideration the economic, legal, ethical, social, and environmental dimensions, simultaneously. The complex changing landscape of IB brought CSR discourses to the forefront in studying the dynamics of MNEs operating across the globe, as challenges were posed by globalization, and the capitalistic theory and its institutions (Buckley & Ghauri, 2004).

The same source emphasized the particular importance of BOP when studying CSR and sustainable development. According to the BOP theory, business can be a contributor to poverty alleviation policies by merging the poor into the global

economy, but this effort requires innovations on behalf of the MNEs. (Hermann, 2004).

The responsive behavior applied by MNEs is critical in the sustainable development agenda because of their central role in the global economy. Nevertheless, many MNEs currently implement the so-called Porter's Five Forces Model of analysis, according to which a corporation studies supplier power, threats of substitutes, buyer power, and the level of competition. Managers of MNEs should add to these components by establishing long-term-strategy plan shaped by five additional factors specific to their hosting countries, namely, economic, legal/political, social demographic, supplier technological, and environmental elements. Unless there is a legal framework to follow, global, social, and environmental policies will be unproductive (Hermann, 2004).

Today, sustainable development does not imply the setting of a clear demarcation between markets and states, but it is a way to create a partnership environment between government and private entities in maximizing welfare (Idemudia, 2007). Vachon & Mao (2008) conducted a country-level analysis and explicitly linked a strong sustainable development case for CSR in its three dimensions to the strength of the supply chains.

2.5. The role of the State in shaping CSR public policies

The review of the literature on governments and CSR contains two main focuses. In the first one, some scholars analyze CSR from a globalized economic perspective due to the social and environmental challenges that have resulted from the globalization of business activities, the retreat of welfare states, and the societal governance problems (Albareda et al., 2008). In the second one, other authors analyze

the development of CSR public policy frameworks and implementations developed by governments (Albareda et al., 2008).

The government as an enforcing regulator was inspected by Blowfield (2005), who ascertained that CSR is an issue that relates to context and what works for one firm or in one place could be unsuitable for others. CSR works well in some contexts in which civil society is strong, as well as in states that provide an enabling environment for their activities. It could also work well in places where the government is unable to deliver social services. He affirms that cross-country differences in poverty-related issues cannot be resolved when isolated from state-led development policies.

Thirarungrueang (2013) adopted the same logic in supporting state regulation to control corporate activities without undermining the significant voluntary aspect of the corporation. Accordingly, the law plays an essential role in enhancing the active participation in CSR policies within a commitment to responsible behavior on the part of businesses (Ibid).

Other scholars have examined the various roles adopted by governments in promoting CSR from the perspective of the "soft regulator". One of the main issues to be taken into consideration is the role of the soft regulator (Fox et al., 2002). In the same vein, Ho (2012) argued that the role of government in shaping CSR policies reflects advanced governance trends that encompass "soft laws", quasi-voluntary standards, and incentive policies.

International organizations often advocate for the soft role of government in shaping CSR interventions. According to European Commission;

In principle, adopting CSR is clearly a matter for enterprises themselves, which is dynamically shaped in interaction between them and their stakeholders. Nevertheless, as there is evidence suggesting

that CSR creates value for society by contributing to a more sustainable development, there is a role for public authorities in promoting socially and environmentally responsible practices by enterprises. (2002: 7–8) (As cited in Valentin & Murillo 2012, p. 7).

Midttun (2005) added to the literature—in regards to the role of the government in shaping CSR public policies—a new embedded relational model defined as based on the Weberian theory. This new model is embedded in a more decentralized approach that relies on civil society's interventions and business self-regulation rather than on government intervention.

In another interesting reference, (Midttun et al, 2008) developed a relational analytical model that attempts to analyze four areas of interest in public policy initiatives in CSR: the vision, the strategies, the roles, and the scope of CSR policies. The model relies on partnerships between governments, private sector and social organizations.

On the same path, Le poutre et al. (2005) introduced a new wider policy framework based on the New Governance Paradigm in considering CSR/government relations. The New Governance Paradigm entails a shift in public administration focus from the public hierarchy of command-and-control programs to a more progressive path of inter-organizational networks in which policy makers are more engaged in negotiations to reach the desired state model.

Al Bareda et al. (2008) proposed a public policy-relational analytical framework for CSR using two levels: a preliminary analysis of the governmental policy framework, and a secondary analysis of the governmental policy implementation.

Finally, as pointed out in Albareda et al. (2006), while shaping public policies in CSR, every country should take into account numerous factors related to the nature of political and institutional bodies; and political regimes and institutions in addition

to the role of civil society. Companies and countries must be increasingly attentive in formulating their CSR strategy.

It was drawn from the review of the literature that there are no standards norms in CSR practices and that the views are largely varying, which triggers the understanding of the operational ground of corporations within their contexts. There is dire need then, to move away from theories to a country specific analysis. Moreover, there is a gap in knowledge concerning the theoretical models of analysis vis-à-vis sustainable development and at this specific point there is a shortage in the practices as well as in the referencing in Egypt.

Chapter Three: Theoretical & Conceptual Framework

Since the concept of sustainable development in CSR is at the core of the study, the ethical dimension of Garriga & Mele's (2004) theory that comprises four interrelated components, namely, sustainable development, universal rights, the stakeholders' normative theory, and finally the common good, approach will be adopted. This thesis will just focus on the component of sustainable development that was not operationalized by the authors. The latter will be tied up with the practices of the corporate to assess whether it is an integral part of the mandates and the business strategy to generate social and economic development, and environmental assessment.

3.1. CSR and Sustainable Development definitions

Before thoroughly analyzing the conceptual framework adopted by this study which will rely on Carroll's Pyramid to CSR and Wood's conceptualization (Jamali & Mirsahk, 2007), this part will track different definitions of CSR.

3.1.1. Corporate Social Responsibility

There is no unanimous or standard definition for Corporate Social Responsibility, but the growing body of literature, the academia and business manager agree on CSR as a means to promote the business from a purely economic construct seeking the profit of shareholders to a more developed ethical and humanitarian model enhancing value-creation to the broad spectrum of the society. For Kennedy School of Government,

CSR encompasses not only what companies do with their profits, but also how they make them. It goes beyond philanthropy and compliance to address the manner in which companies manage their economic, social and environmental impacts and their stakeholder relationships in all their key spheres of influence: the workplace, the marketplace, the supply chain, the community and public realm (Rai et al. 2013, p. 15).

Another operational definition was provided by the World Business Council for Sustainable Development (WBCSD) with regards to sustainability and growth necessary to ensure a social welfare system more equitable. Accordingly, CSR is defined as “the commitment of business to contribute to sustainable development, working with employees, their families and the local communities (Jamali & Mirshak, 2007, p. 244).

World Bank working Definition stresses on the commitment of the business to sustainable development: "Corporate social responsibility is the commitment of business to contribute to sustainable economic development—working with employees, their families, the local community, and society at large to improve the quality of life, in ways that are both good for business and good for development" (World Bank, 2004, p. 3).

The four-part definition of Carroll and the definition of the World Business Council for Sustainable Development will be more appropriate for the purpose of this thesis. Regarding Carroll's pyramid, it has been acknowledged from most of the scholars that this pyramid is capital in broadly understanding the responsibilities of the business in an integrated way, and the different constructs that were developed later on were relying on it (Jamali & Mirshak, 2007). For the definition provided by the World Business for Sustainable Development, it has linked explicitly to sustainable development, which will be explored by the thesis.

3.1.2. Sustainable Development

Although malleable and ambiguous, the widely accepted definition of Sustainable Development was first coined in the Brundtland report in 1987 “Humanity has the ability to make development sustainable—to ensure that it meets

the needs of the present without compromising the ability of future generations to meet their own needs"(Leiserowitz et al, 2005, p.10).

This ambiguity made the concept of sustainable development more deemed to be interpreted rather than defined, and it was subsequently broken down by the UN into the 17 integrative goals that allows concerted efforts in various domains to enhance government plans and policies for development (Leiserowitz et al, 2005).

In 2002, the World Summit on Sustainable Development expanded on this standard definition by integrated the three foundations of sustainable development: economic, social, and environmental (Ibid).

In the same year the Johannesburg Declaration added a definition that emphasized the three pillars “a collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development—economic development, social development and environmental protection—at local, national, regional and global levels” (Ibid, p. 4).

For Sustainable Development, the study will refer to Johannesburg Declaration's definition but will not tackle the regional and global level, and will focus the analysis at the level of the business unit.

3.2. Conceptual map

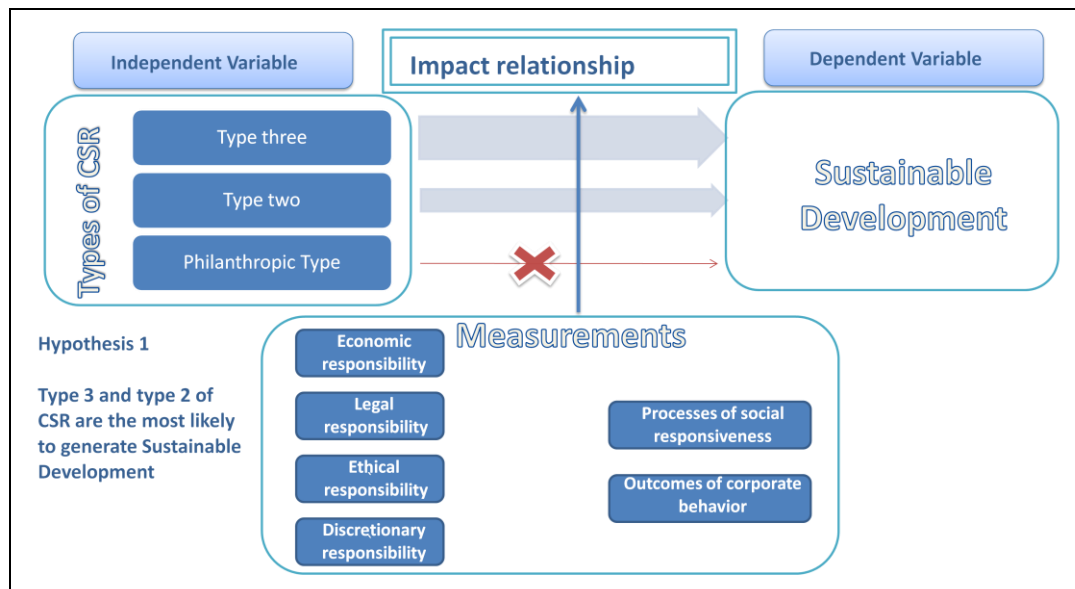


Figure 1: Source: The author.

- The relationship between the two variables of the study, the independent (CSR) and the dependant (Sustainable Development) is going to be tested by borrowing two conceptual frameworks from the literature that will be combined: the 4 part-pyramid of Carroll (1979), and latest version of Wood conceptualization (1991) that was updated in (2010).

Jamali & Mirskah (2006) have developed a robust model in assessing CSR by combining Carroll's conceptualization 1979, and Wood conceptualization 1990, to evaluate CSR within the Lebanese context. Because the role of the theory is key capital in understanding Corporate Responsibility, the model could be an entry point for the descriptive as well as the exploratory and analytical part of the study that will assess CSR activities because of the similarity of economic conditions of the two countries, Egypt and Lebanon. The integration of two models is an appropriate way to understand the conceptualization of CSR as well as to identify its interventions.

3.3.1. Carroll's Conceptualization

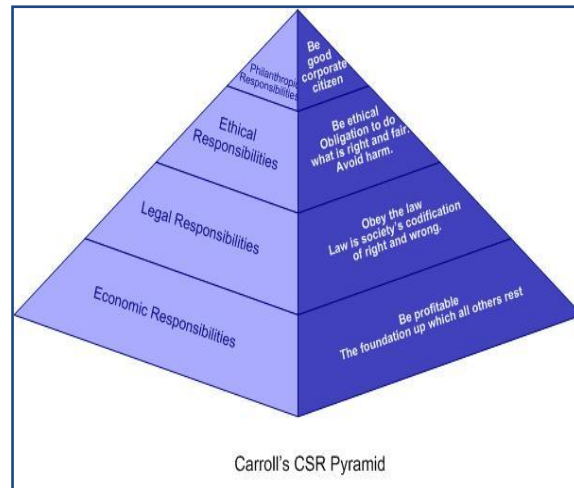


Figure 2: Source (Carroll, 1991, p. 42)

Carroll had elaborated in 1979 his famous four-part definition of CSR that was embedded in a conceptual model of CSP. According to Carroll, there are four types of corporate social responsibility: the economic, the legal, the ethical and the discretionary. The four-part model, provides, according to Carroll, a starting point for a basic understanding of Corporate Social Performance. The first type is the economic responsibility that is the core of any business activity.

- 1- The economic responsibility is concerned with providing a return on investment to shareholders, opening new channels for investment, creating jobs and launching new products and creating new jobs opportunities. The role of business is fundamental and all other roles rely depend on it and could be understood within this perspective (Carroll, 1979).
- 2- The legal responsibility comes second in this pyramid and signifies abiding by the rules of the game. Societies expect that business assumes their economic target within the legal frameworks. By definitions, regulations may constrain any harmful behavior, thus it is difficult to ensure that all practices are sustained regularly and equitably.
- 3- The ethical responsibility transcends the boundaries of laws and regulations by

contributing to create an "ethical personality" for the company. This responsibility is not codified by the law, but it should meet the expectations of the communities and societies at large, such as respecting human rights, mitigating and preventing social harms and managing externalities caused by the company's activities (Carroll, 1979).

- 4- The discretionary responsibility is concerned with the broader view of discretionary decision that encompasses philanthropic activities, like contributing in education, or conducting trainings. This type is very its practices and impacts is controversial because with the economic one which is at the core of the firm (Carroll, 1979).

When Archie Carroll revisited his four-part definition in 1991, he stressed on the necessity of the identification of social issues that should be addressed by the corporate. He acknowledged that these issues are of changing nature according to times and circumstances, and that they should be mapped out by the industry. Moreover, he cited vaguely that a mode of responsiveness should be developed.

3.3.2 Wood's Conceptualization: the Corporate Social Performance model (CSP)

Wood's elaborated on Carroll's pyramid and introduced three additional set of criteria related to assessing the principles motivating responsible behavior, the processes of responsiveness and the outcomes of behavior. The conceptualization of Wood is advancement on CSR methods of assessment.

- 1- The theme of **principles of corporate social responsibility**, borrowed from Davis (1973) considers legitimacy as a societal-level concept and describes responsibility at the threefold level, **institutional principle** referring to institutional legitimacy, **organizational principal**, referring to public responsibility, and **individual principle** relating to managerial discretion.

- 2- The second theme called **processes of corporate social responsiveness** broadens more the dynamics of action necessary to complement the first more normative and motivational theme of principles of corporate social responsibility that measures the capacity of the corporate to respond to external environment. It comprises three levels of interaction via a- **environmental assessment** which signifies the survival of the entity by adapting to difficult and complex environmental conditions. b- **stakeholders' management** that suggests by mapping the relations and contributions of different stakeholders to scrutinize the potential areas that require specific managerial handling, such as among others research on philanthropy, internal stakeholders management, business-government relations. c- **Issues management**: according to Wartick and Cochran (1985), this facet could be termed as policies developed to address social issues.
- 3- The third and final theme, **outcomes of corporate behavior** that was updated in 2010 by Woods is a direct and tangible way to evaluate corporate social performance. According to Wood (2010), this theme is going to consider three main items, a- effects on people and organizations; b- Effects on the natural and physical environments; c- effects on social systems and institutions, referring to social impacts, social programs, and social policies developed to deal with social and stakeholders' issues. This part tackles the implementation on the ground and assesses impacts of corporate behavior positively or negatively. The three levels of Corporate Social Performance of Wood include criteria that assess the balance of the three pillars of sustainable development: social development, economic development, and environmental assessment.

This study will refer to theme 2 and 3 of Wood's conceptualization and will not tackle theme 1 related to principles of corporate social responsibility because it is out of the scope of this study. Theme one referring to social principle is more concerned of the responsiveness of the public, which needs further analysis of the kind of legitimacy it displays to their constituencies. A slight change is going to be introduced to theme 3 of outcomes and impacts of performance of Wood's that will analyze at the level of CSR strategies, the interplay of the three dimensions of SDG: social responsibility, economic responsibility, and environmental sustainability. (This study does not assess impacts due to shortage of information).

3.3.3 Combination of the two models

The combination of the two models proposed by Jamali & Mirshak (2007) would be useful for this study because of their complementarities. It provides guidelines that would generate a thorough analysis and evaluation of Corporate Social Performance. According to Jamali & Mirskah, "Carroll's categories of CSR can be viewed as the domains within which CSR principles, processes, and outcomes can be enacted" (p.248). This comprehensive approach to CSR could give researchers the opportunity to assess the real practices of CSR and to know to what extent the company engages in CSR and whether it is proactively motivated by the three principles or only one two (Jamali & Mirshak, 2007).

CSP Levels CSR Domains	Processes of Corporate Social Responsiveness	Outcomes & Impacts of Performance
Economic Responsibility	<ul style="list-style-type: none"> • Environmental Assessment • Stakeholder Management • Issues Management 	<ul style="list-style-type: none"> • Effects on people & Organizations • Effects on the natural & Physical environments • Effects on social systems & institutions
Legal Responsibility	<ul style="list-style-type: none"> • Environmental Assessment • Stakeholder Management • Issues Management 	<ul style="list-style-type: none"> • Effects on people & Organizations • Effects on the natural & Physical environments • Effects on social systems & institutions
Ethical Responsibility	<ul style="list-style-type: none"> • Environmental Assessment • Stakeholder Management • Issues Management 	<ul style="list-style-type: none"> • Effects on people & Organizations • Effects on the natural & Physical environments • Effects on social systems & institutions
Discretionary Responsibility	<ul style="list-style-type: none"> • Environmental Assessment • Stakeholder Management • Issues Management 	<ul style="list-style-type: none"> • Effects on people & Organizations • Effects on the natural & Physical environments • Effects on social systems & institutions
Sustainable Development Responsibility	<ul style="list-style-type: none"> • Balance between the three dimensions of SD 	<ul style="list-style-type: none"> • Achievements of SD

Table 1: Adapted from (Jamali & Mirshak, 2007)

This research will add to the 4 layers of responsibilities, the layer of the sustainable development responsibility to demonstrate how far is the contribution of CSR in SD. The factors of analysis will consider the equilibrium between the three dimensions: the economic, the social, and the environmental, through the mechanisms and the design of corporates' development programs. The outcomes and impacts of corporate performance will map additionally the achievements of sustainable development goals within the interventions.

Chapter Four: Study Design & Methodology

4.1. Study Design Phases

The study design was conducted on two phases through purposive sampling and qualitative research method.

Phase one: Sampling

Due to the scarcity of information and reporting on CSR in the Egyptian context, two semi-structured pilot interviews took place with Corporate Social Responsibility experts in order to map the different activities and interventions of the private sector. These interviews helped in understanding the companies known for their active engagement in the domain. It is worth noting that the selected case studies are not listed in the Standard and Poor's/Egypt Stock Exchange Economic Social and Governance Index (S&P-EGX ESG) by the Egyptian Stock Exchange (EGX). This mapping has helped in identifying the trends of CSR undertaken by the study as follows:

- a. The family owned business;
- b. The multinational company.

Phase two: Research approach

Rooted in a qualitative research method and based on **case study approach** as identified above from the business sector, this research assesses actual practices in order to better understand the conceptualization of CSR on the grounds in companies operating in the Egyptian context. The nature of this research is twofold, descriptive and exploratory/analytical and is an attempt to reach the ultimate goal by answering the main and specific question: To what extent the CSR strategies of the corporations are tailored according to imperatives of Sustainable Development?

Relying on a **case study** design, this research examined and investigated intensively CSR features and used "logic of analytic instead of enumerative induction" (Newman, 2006, p. 40). It aimed at providing the necessary observation needed to understand the contextual and undefined contours within which CSR operates and reach a mature understanding of its conceptualization. "The process will be multiform and iterative", which is a characteristic of case studies (Forsman-Hugg et al. 2013), in an attempt to provide focus and insights that would contribute to the overall assessment of features of CSR.

4.2. Data Collection and Operationalization

4.2.1. Data collection

Two major steps were undertaken throughout the research process:

- **The descriptive part:** used a thorough analysis of CSR department operational measure and current issues and the departments that are in daily contact with CSR practitioners. Data collection did not rely, contrary to expectations, on internal documents. Yet, the researcher consulted annual sustainability reports published on websites of the companies, as well as their foundations.
- **The exploratory/analytical part:** attempted to see what kind of impact the companies have from a developmental and sustainable development perspective. This part has proceeded with an identification of the company's social and environmental policies, programs, and diversified portfolios targeting vulnerable, local communities, and categories at risk, and will be supplemented by a primary classification of the type of CSR undertaken, in order to know what kinds of project is implemented (philanthropic, type II or,

type III), what kind of CSR responsibility is adopted the economic, the legal, the ethical, or the discretionary, and to what extent these interventions have a long term impact on societies and contribute to Sustainable Development. At this stage attempts were made to understand the different linkages with NGOs that implement the projects, or the programs established in partnerships with the government.

In the two stages of the research, a total of 14 interviews were conducted.

Sample design within case studies: As cited in Forsman-Hugg et al. (2013) since stakeholders' dialogue is of main importance, semi structured **interviews in-depth** will be conducted with key persons of the company.

Case study 1:

The sample included 6 interviewees:

- The head of corporate affairs of only one company of the Group; the whole entity of the family business.
- CSR upper and middle management of the Foundation affiliated, responsible of managing CSR bulk in socioeconomic engagement issues.
- One of the implementers of their programs.

The questions were designed according to the mission and responsibilities of each one of the respondents and their level in the hierarchy. Field visits were not allowed as well as interviews with beneficiaries.

Case study 2:

The sample included 3 key interviewees from the Sustainable Business Department of the Multinational, and the Foundation delivering social change as well.

For triangulation purposes in the assessment of the case-studies, another purposive sample was designed with 3 CSR experts and scholars. According to Neuman (2006), purposive sampling is better used in exploratory research or in field research. In purposive sampling, researcher seeks to reach a specialized population and uses a wide range of methods to map particular cases that needs further in-depth investigation, or that are characterized by dearth of information (p. 222).

Due to time limitation and difficulty to reach government officials, the sample designed for that purpose was discarded. All interviews were taped recorded after getting the consent from the interviewees, except for one and confidentiality was ensured to all informants: names and positions were not disclosed, as well as names of the two selected case studies.

4.2.2. Data analysis and operationalization

The data was analyzed with relevance to the conceptual framework, as well as from discourse analysis of different sets of interviews conducted, and the content analysis of sustainability reports published on websites. Given the abstract nature of CSR definitions, the researcher has proceeded into breaking them down into indicators as summarized in the table below, to reach more concrete answers. This operationalization would contribute to identify the trends of analysis in the subsequent chapters.

4.3. Limitations

The researcher encountered difficulties in accessing the business models and several attempts were not successful before settling on the two cases undertaken by this research. There were problems of disclosure of information and no documents were released from the two entities except for sustainability reports published. No details were released on impact reports, monitoring and evaluation and KPIs, and the analysis relied mostly on critical discourse analysis of interviews' content.

The process of data collection was much more difficult than expected, as it spanned over a long time period because of busy schedules or seasonal philanthropic activities.

Level 1/Principles of CSR	Indicator
1- Economic responsibility	<ul style="list-style-type: none"> ✓ Social Return on Investment calculated. ✓ Strong brand name ✓ Adherence to international standards, especially GRI
2- Legal responsibility	<ul style="list-style-type: none"> ✓ Compliance with the national development agenda and Egypt's strategic vision 2030. ✓ Existence of projects in partnership with government. ✓ Existence of soft or hard regulations
3- Ethical responsibility	<ul style="list-style-type: none"> ✓ Adherence to international standards such as GRI ✓ Compliance to consumers rights ✓ Sustainability reports published
4- Discretionary responsibility	<ul style="list-style-type: none"> ✓ Philanthropic activities and donations to communities.

Level II/Processes of social responsibility	Indicator
1- Environmental mapping	✓ Mechanisms of mapping social issues
2- Stakeholder management	✓ Adopting a good governance structure ✓ Adopting mechanisms of engaging stakeholders (dialogue-forums etc.)
3- Issues management	✓ Policies shaped according to social issues ✓ Conducting social or environmental impact assessment

Level III/ Outcomes of behavior	Indicator
<p>1- Impact on stakeholders</p> <p>a- Internal stakeholders: this study will focus on Managers visions and CSR practitioners</p> <p>b- External Sustainable development responsibility:</p> <p>1- Social empowerment</p>	<ul style="list-style-type: none"> ✓ Working and trained on mission of CSR ✓ Innovation in new product lines to the BOP ✓ Involvement in community welfare programs ✓ Social impact on communities in programs related to social advancement (impact reports delivered and development interventions and programs achieved).
<p>2- Economic empowerment</p>	<ul style="list-style-type: none"> ✓ Socio-economic developmental approach embedded in vision and mission. ✓ Engagement in projects of anti-poverty policies and economic empowerment, as part of economic development.

3- Environmental sustainability	<ul style="list-style-type: none">✓ Reducing pollution✓ Waste management✓ Energy efficiency (rationalization of use of energy and water)✓ Recycling & use of recycled products✓ Policies for engaging in environmental projects reducing externalities posed by industry.
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(Source Hopkins, 2007, p. 166; 167; 168 & adopted and elaborated on by the author).

Chapter Five: Case Study (1): Family Business Group/Affiliated Foundation for Development

5.1. Case Study Introduction

Established in the 1950s, the family-owned business selected is one of the key Egypt's private sector corporations that became global. It is present as well today in the Middle East and Africa. The group includes several major companies known for their strong brands and for their strategic alliances with other partners. Since its establishment, it portrayed a sense of generosity and charitable giving towards his stakeholders and the community at large. This philosophy has assimilated since then the group to a strong culture of philanthropy.

5.2. Changing conceptualization of CSR

5.2.1. From a decentralized to a centralized approach to CSR: For a more inclusive business model

The affiliated Foundation for development is an independent entity fully funded by the family business entities. It is run with a separate budget and does not receive any grants from national or international donors. Established in the beginning of the Millennium, it was chartered to address philanthropic activities to their surrounding communities. Almost a decade later, the entity has witnessed in 2009 a key evolution shifting from charity to development.

The strategy of the Foundation is since then dedicated, through a sustainable management model, to promoting social welfare. The mission statement is explicitly committed to socio-economic empowerment and to poverty eradication of the Egyptian

Society via a multitude of methods: 1- By expanding and diversifying its scope and programs with a strategic focus on fundamental domains of human development: education, health, capacity building. 2- By funding and implementing numerous development activities; demonstrating a new inclusive business models through compliance to business standards and ethical behavior. .

Since this shift before the key date of January uprising 2011, the Foundation become the gear of CSR activities managing the bulk of philanthropic and developmental projects initiated and funded by the family business. Before, each company of the whole business used to have their own CSR projects internally, which reflected the fragmented nature of the family business in which every company is managed in a strikingly independent manner. The projects, that focused on educating teachers the principles of environmental awareness and presenting TV spots on the importance of education, were characterized by their minimal nature and impact because they were stopped abruptly due to the lack of a well articulated sustainable vision (Head of Corporate Affairs, personal communication, May the 1st, 2016).

Although, the process under the decentralized approach was quicker in terms of processes and decision-making, it reflected the subjective view of the chairman that was not necessarily benefiting the societies and communities at large (Head of Corporate Affairs, personal communication, May the 1st, 2016) .

The conversion to the centralized-driven approach for CSR, via the mechanism of the Foundation that is chartered to deal with the socio-economic issues, has somehow showed a convergence of efforts and presumably a proactive stakeholders' engagement model, has stressed and enhanced the sustainability of the services provided to the

external environment. The CSR under the foundation, as an implementation mechanism, is the only common denominator between the family members and reflects the centralized aspect of the family business that demonstrates an inalienable commitment to the different constituencies and a sense of ownership towards local communities (Head of Corporate Affairs, personal communication, May the 1st, 2016).

The key interviewees from the panel of top managers have manifested a broadened and a mature understanding of CSR conceptualization by highlighting the complementary relationship between its internal and external facets. The adoption of the centralized version of CSR has referred to the inside-out and outside-linkages advocated by Porter & Kramer (2006) useful for strengthening the governance process and the proactive stakeholders' involvement, and the environmental responsibility as well. Evidently, the responsibility of the business is being understood from a wider societal perspective of competitive advantage where a set of actors are orchestrated simultaneously. According to a key responsible in the Foundation, the cancellation of CSR from companies has contributed to its integration into each department. "It has become a part of the DNA and our core values. When CSR is not embedded into the DNA, it becomes complementary and a pure tool serving Public Relations and branding".

As asserted by the same key person, one of the advantages of the Foundation as a mechanism is its independence, in the policies, the strategies and the implementations. It will not be involved in the competition of the corporations and the branding issues. Therefore, there is a conviction that the foundation is not only established, for the branding or the prestige, but it is there for the heritage; meaning that if the business is one day not there, the Foundation is here to live. This conviction has somehow influenced

negatively the way it is managed that tends to adopt a more discretionary profile in conducting their philanthropic and developmental activities. They lack a moderate communication strategy to marketing for their image, and consequently the ability to better outreach and to conclude partnering models has been affected.

5.3. CSR models

5.3.1. An amalgam of strategic philanthropic-embedded and developmentally-oriented

Any observer would not miss out the leap of faith in charity and giving that resonates inside the premises of the Foundation. The team manifests a passion to philanthropy and charitable giving due the long-standing experience that took place. A very good understanding of the difference between the philanthropy and development has been perceived. Due to the accumulated socio-economic problems encountered by the Egyptian society, although unsustainable as acknowledged by the responsible of the charity, the philanthropy is a quick way to deal with some seasonal pressures such as the scarcity of food supplies in the holy month of Ramadan. It is considered as well, a tool for mitigating social risks by providing caravans for food and medicine supplies in the emergencies, such as the disaster of Al Dweika, as well as the expatriate returning from Libya.

The philanthropy of this Foundation has even become transnational, exceeding borders to some countries in democratic transitions, such as Libya "Because I used to work with philanthropy before I shift to corporate sustainability responsibility, I think it is a unique foundation, because they are into strategic philanthropy"(Practitioner in philanthropy and corporate responsibility, personal communication, July the 10th, 2016).

"They have the charitable arm and they are aware of the importance of local giving, but they give a major importance to development. Rarely, I found the same model whether in Egypt or in the Arab Region. They are trying to present a different one by enhancing the socio-economic development" (Practitioner in philanthropy and corporate responsibility, personal communication, July the 10th, 2016). Strategic philanthropy is called in business, cause-related marketing, whereby all its internal actors from the board of directors to the foundation as well as business personnel are aligned to concentrate its charitable giving to specific causes. It is more of a linear process, it is repetitive and it generates competitive advantage, such as the Ramadan suppliers for instance.

In fact, the charitable work is more of an organizational culture and goes back to the early years of the 20th century and was initiated by the founder of the group. Throughout its short history, the Foundation has moved from an individual philanthropy to a more institutionalized and strategic kind of giving based on a citizenship engagement in the Arab Spring awakening. The charitable donations were scaled up within a more strategized framework via different partnerships and have covered most of governorates. "The philanthropy and especially in the month of Ramadan is what gives us the energy to continue and to persevere".(Philanthropy Senior Responsible, personal communication, June the 24th, 2016).

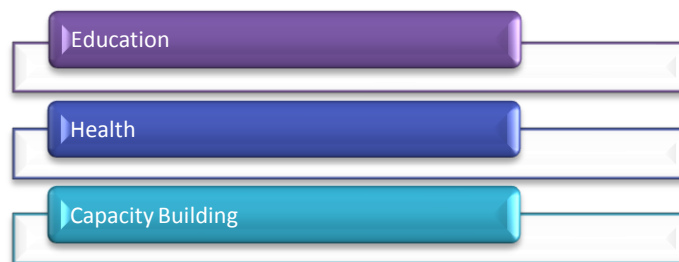
In this regard, some scholars like Godfrey (2005) argue that despite the unsustainable nature of philanthropy; corporate philanthropy philosophy is a positive aspect from a risk management perspective. The rationale here stems from a psychological and discretionary standpoint relying on building trust between the two sides of the equation to maximize objectives for both sides. Consequently, the

philanthropic activities become a risk management technique for rational managers that help them to solidify economic incentives. They enhance the reputation, the branding and generate subsequently moral capital that can bond ties with stakeholders and solidify shareholders' wealth. There is a valid point of view in this say especially in the specificity of the Egyptian context due the long-standing history of charitable donations engraved in the collective socio-cultural and religious determinants (Jamali&Mirshak (2007); Refaat (2014); Porter & Kramer (2006). The philanthropy is regarded as an organizational philosophy that still holds a primordial importance in this group's strategy.

5.4. Issues identification

5.4.1. A stakeholders' mode of engagement via social media

The scope of work of the Foundation



The scope of work has three main focuses 1) Education, 2) Health, and 3) Capacity Building; and targets: 1) Youth, 2) Women & girls, 3). Yet, it seems that other ill be addressed in a short term timeline. This scope called "target groups" is implemented through three main instruments: 1-Philanthropy; 2- Development programs; and 3- Advocacy. According to the interviews the specification of the scope helps them to be positioned into the Egyptian environment and they have identified the Civil Society as their main stakeholders.

They start with target groups, mainly youth and women, public leader and media. According to the interviewees media becomes an important tool for outreach as they are also involved into advocacy and raising awareness. There was an acknowledgement on the role of the media to complement the whole cycle. They recognized also to be self-learners by depending on try and error and learning from mistakes.

Their scope is little broad and not specific, coupled with shortages to outreach, as they choose for main medium social medial, which has shown insufficiency. As a result of such an approach, the Foundation is more focused on "small scale" projects as asserted by a CSR scholar. It is worth mentioning that problems of outreach result primordially from government's deficiency due to lack of baseline data, and the weak performance of NGOs and CBOs.

In the education sector for instance, their scope of work focuses on the human capital to ensure the sustainability by granting scholarships to students. A huge campaign for combating illiteracy was operating, and then abruptly was terminated or suspended and no valid reason was advanced. Another program was designed to enhance the capacities of orphans in an Egyptian orphanage by initiating them to understand the Groups industries, production lines and supply chain operations. Moreover, a partnership was concluded with NGO working in youth empowerment and operating with a huge number of volunteers that enable them to access easily large segments in the universities. For instance a program called to train students of faculty of engineering on stock market exchanges and commercial transactions has been implemented. Another program was implemented called Enactus, and it takes its name from the INGO implementer. It was an important inclusive platform of work with 45 universities collaborating to select the best

projects. Enactus provides a platform for university students to engage with the business models and the academia in the advancement of entrepreneurial-based projects that empower in a sustainable way their communities. The details of the contribution of the Foundation in this project, that gather several other entities from CSR of the private sector, were not provided. Still, the impact of this partnership was not very well identified, because of the susceptibility to disclosure of information and impact reports.

The Foundation has been proactively engaged in promoting the infrastructure of the healthcare system as well. Several attempts were made to equip and renovate some departments of public hospitals, such as cancer hospital for children 57357. Another gender oriented program is actually being implemented actually and is still in the stage of strategy formulation. The program actually deals with socioeconomic empowerment of women leaders. The Foundation offers those who work in handicrafts, equipment, materials and platform for marketing and selling products.

5.5. Environmental scanning: Small-scale partnerships

The philanthropic activities are obviously underscored and have the upper hand due to the expertise and experience they have in this regard. Although, there is a progress, but they did not reach the same maturity for the developmental portfolio, as they said they rely on "try and error". Nevertheless, the Foundation has proven innovation in dealing with the Egyptian ecosystem and choosing potential "small scale partners" from the local communities that run their own projects. The management team has the necessary know-how to capitalize on them.

Moreover, the scope of the Foundation has broadened in the aftermath of the January 2011 revolution, in order to be more in concomitance with updates, to encompass

civic engagement, arts and culture. There is also a recent interest manifested to entrepreneurship, social entrepreneurship, start-ups and incubations. The scale of the incubations has not been determined yet, but the selection will settle on those that will impact the socio-economic development scope. It has been confirmed by a philanthropy and corporate sustainability practitioner that, the management team of CSR is creative in the sense that it knows how to attract the talents and to maximize their potential, regardless the legal restriction that it might face (Philanthropy and corporate sustainability practitioner, personal communication, July the 10th, 2016).

Moreover, their recent attempt to collaborate in development program oriented to gender empowerment for woman entrepreneurship/leadership with a partner, which detains the necessary potential and a strategy committed to sustainable development, proves their gear to a new matured way of managing the development programs. These new breaths of partnerships were a way to address the donor's fatigue felt because they had to become a donor-implementor as well, which is overwhelming, as stated by a key manager.

The imperatives that brought Foundation to implementation of their own programs have, with no doubt, hindered and negatively affected the "multiplier effect" designed to give power to the bottom of the pyramid, as per number of beneficiaries. It was a double weapon, as the emphasis was directed to the quality, but instead the number of recipients was severely impacted. It is worth mentioning that the students selected for scholarships were well chosen and represent premises for potential success. An example of a graduate student from the faculty of engineering, Alexandria University finished a scholarship from MIT. It was fully financed by the Foundation, and actually he has been

provided with a space and a laboratory and he has been training youth engineers. Another pilot project of students of the faculty of engineering was tutored by them and represented Egypt in a competition for an eco-friendly car at the stage of prototype. When they were asked about the possibility of financing the industrialization process later on if they succeeded, they replied that it was not discussed yet.

5.6. Processes of management: A robust methodology

Despite all these difficulties, the processes of management undertaken in current projects are solid. The team starts by studying the proposal, organizing field visits, doing documentations and concluding contracts. Daily reports are submitted; there is monitoring and evaluation from the Foundation, as well as the NGO. Each three months there is an inspection, financial and technical report. The final wrap up is the external auditing, as explained by the field manager. Their methodology for studying the offers, despite the lack of any government statistics, is diversified and relies on several tools for management (No KPIs were shared and impact reports were not disclosed), well documented and credible. "We evaluate every single project, we do more than KPIs and we have a statistical data to measure impacts (Management programs specialist at the Foundation, personal communication, July the 18th, 2016).

5.7. A lack of a well- articulated strategy

For a donor agency, the argument put forth for a lack of a well articulated strategy is that it is a demand-driven process. Accordingly, most of the work is done by the foundation after the NGOs apply for grants; starting by studying the proposals and considering how to maximize the benefits from the funds through the research that they

conduct, the selection of their partners, and pilot projects that are done before embarking on the projects. Though an implementer of one of their programs has considered that the lack of strategy enables the foundation to be more flexible and to update their contribution according to the changing needs of the society, it is still perceived as a major hindrance. Additionally, it is eventually considered an obstacle in measuring the impact of the outcomes of its performance and consequently the sustainability.

When they were asked to define CSR, the different interviewees said that it is "CSR in action and a platform to empower people at the bottom of the pyramid. The model we target is an inclusive one that gives people space to innovate and to reach out to us through partnerships". But at the same time, it was stated that as long as the methodology is concrete and the benefit is solid, the definition is less important. "We do not alleviate poverty, but we offer an arena for empowerment and inclusivity. We aim to enhance a system where we all work in parallel". (Key person in management of development programs, personal communication, July the 18th, 2016). This statement is somehow contradicting the mission statement that aimed explicitly to eradicate poverty and to promote social welfare.

The kind of CSR implemented by the Foundation is actually based on a stakeholders' model recalling the stakeholders' theory advanced by Freeman (1984) that was very primarily in applying CSR. Although the stakeholders' theory is capital in CSR construct, but should be complementary with strategic thinking and regular assessment of outcomes of corporate performance. The stakeholders' model is insufficient and reflects a short-sight way of dealing with CSR, as it coins the whole process to an undefined stakeholders' dialogue.

5.8. A lack of an effective institutionalization

The capital role of managers was captured by most of CSR scholars that tackled the business case. The interviews has clearly showed that CSR is primordially a matter of leadership and when it is dedicated to the cause and aware of the importance, it insufflates the same degree of passion to the team. There is no doubt that the team leaders as well as the board believe firmly in corporate responsibility, to the extent that their dialogue continues even when a demand for grant is rejected. They are always supportive to the youth and they try to engage in dialogues. But, in this case, nothing guarantees the institutionalization of the process from the upper management to a second generation of management because of the incomprehensive institutional framework, the reduced number of personal and the lack of capacity building, and especially the disintegrated nature of the business.

5.9. Issues of sustainability of the financial model and other challenges

The Foundation as a grant-maker operates with the money coming from a percentage of family profit. It does not perceive grants and decided to implement simultaneously their projects, which has accumulated the burden on the foundation due to the ineffectiveness of NGOs to whom it provides technical assistance. It was discussed throughout the interviews that the viability and the sustainability of the financial model in itself could be endangered with the acute challenges, the constraints of funding, the lack of an overarching governmental strategy, and the dispersion of the family contributions in front of the huge amount of problems encountered. The burden became more

accumulated, as it was even mentioned that a grant was made with a considerable amount of money from the group to support a national fund established by the government.

Several challenges and restrictions were frequently mentioned by the management team as well as the upper management.

- Political challenges: the volatile political atmosphere and the inexistence of a regulatory framework have worsened the situation of the donor community that became skeptic vis-à-vis NGOs and CBOs operating on the ground. Most of them are not registered and there is lack of information on their profiles. With the governmental campaigns purchasing civil society, there is always a risk of being accused of financially supporting a terrorist group. The unavailability of records on NGOs is increasing the moral and financial burden of the foundation.
- Socioeconomic challenges: The immense socioeconomic problems faced by the country with a worsening of macroeconomic indicators affecting GDP growth and level of inflation have created new pockets of poverty and marginalization. The absence of correct figures on poverty incidence, have lead to a dispersion of the allocated funds to poverty alleviation and community welfare. The lack of key information and data has privileged some regions while others are by far less served.
- During the interviews it was mentioned that amongst the different stakeholders a misunderstanding is still prevailing on the role and responsibilities of the foundation. Therefore, the foundation had to clarify this role in order to ensure to provide quality control over their grants and build partnerships.

- Lack of an overarching governmental strategy or vision. The role of government is completely absent from the picture and its basic responsibility in updating data is strikingly missing. There is no access to any basic information. According to a key manager "We are working in vacuum. Sometimes two parties are serving the same region and areas of focus are overlapping. There must be at least a situational analysis and geographical mapping for the development projects per region every year. The strategies of government should be tailored according to region needs. We do all this and it is difficult" (personal communication, June the 24th 2016).
- Strategic planning linked to fund

5.10. The potential of family owned-business: a tool for promoting Sustainable Development

Undoubtedly, the family-owned business especially if it is known for their long-standing giving to local communities has some kind of aura and can gain a more grounded legitimacy from the public. It is even suggested that this public legitimacy could be a main driver for their engagement in Social Responsibility (CSR scholar, personal communication, July the 18th, 2016). The CSR coming from this segment of the society and applied on the business model and the Foundation could serve as an entry point to a better understanding of the local model of CSR and whereas it takes into consideration the specific contexts in which they operate and the political economy of the country, as advocated by the scholars supporting this culturalist and contextual approach, called institutional/local hypothesis, such as, Muller (2006); Jamali & Mirshak (2007).

The selected family business is a key part of the economic fabric, and their contribution to GDP is significant (Economic expert, personal communication, June the 2nd, 2016). They have a strong branding; they detain the economic capabilities, the moral obligation vis-a-vis their communities and country, and the human capital.

From an ownership perspective, CSR practices generate a long-time investment with the aims of perpetuating family traditions for the future generations, and this specificity is linked to Sustainable Development (Hirigoen & Poulain Rehm, 2014). Drawing from an ownership culture, a key manager stressed on the sense of responsibility towards the society inherited by the family members, considering that as an important driver to serve the communities, to enhance reputation, and consequently to sustainable development.

This research did not delve into a deep analysis of the organizational structure of the board and the family members from a CSR perspective; it will yet consider how far it contributed to sustainable development. Since the funding comes from the Group, the environmental responsibility will be explored within the business model itself.

The Group is one of the initiators of the United Nations Global Compact Network (UNGC) in partnership with UNDP. The UN Global Compact, UNGC is a strategic policy initiative for businesses to align their operations to ten universal principles in human rights-related issues, environment, labor, and anti-corruption. The commitment of the business sector, as a main driver of globalization, to UNGC contributes to the advancement of markets, finance, and technology in a way that is mutually reinforcing economies and societies. The commitment to UNGC is universally considered a way for catalyzing efforts in support of larger UN commitments to poverty eradication, such as

the MDGs and actually the SDGs. The Group as a local partner of this huge network, is seen in itself to a more socially-oriented behavior that is strongly correlated to sustainable development and SDGs goals.

It has been argued that, family-owned businesses with positive interaction in their communities are more anxious about environmental degradation and social issues. The business which seeks social legitimacy will promote efficiency and sustainable development (Hirigoen & Poulain Rehm, 2014).

5.10.1. The sustainable development responsibility: Outcomes of behavior

A. Environmental responsibility

There is a mature awareness about the environmental hazards produced by the business, and an unequivocal orientation towards applying responsible business practices. As stated in the interview with the head of corporate affairs, the group is committed to enhancing the environmental sustainability. Accordingly, there has been a determination to look for solutions to the energy crisis Egypt is facing. A development of energy conservation and management plan has been adopted, as well as new approaches in energy usage in offices, outlets, and production facilities. The strong link between the economic sustainability and the environmental sustainability has been emphasized in the sustainability reports of 2013/2014. The adoption of the centralized approach of CSR internal versus external was a way to enhance the environmental and economic responsibility.

It was stated in the economic sustainability that, there is a focus on maximizing efficiency, reducing production costs, and securing affordable and sustainable energy resources. In the environmental sustainability, it was provided in details the measures

undertaken to mitigate the environmental impact of their industry. A scaling in the usage of biodegradable bags and energy reduction has been adopted. Some vehicles were converted into natural gas. They reduced electricity consumption to 30% and initiated the usage of LED lights in their stores and in their premises, and lights consumption was decreased to 70%. A standardization of the whole supply chain and operations have been introduced and advanced quality control standards, such as advanced ISO certifications were applied (Head of Corporate Affairs, personal communication, June the 5th, 2016).

The sustainability reports included in figures the details of environmental performance, the financial statement, energy consumption efficiency in water, diesel and electricity; and GRI disclosure table.

B. The socioeconomic responsibility:

It has been stated in the sustainability reports of 2013/2014 that the Group through the Foundation oriented for Development and socioeconomic empowerment is dedicated to supporting a wide range of civil society organizations and social enterprises. A locally-driven orientation to social investment focusing on social needs through interventions in the domains of education, poverty alleviation, civic engagement, and social entrepreneurship has been adopted. An unambiguous commitment to expanding the social investment portfolio in order to contribute to Egypt's sustainable development has been expressed.

A closer look on the orientation of the arm of the development, the Foundation, showcases a scaling in the nature of development programs and interventions designed to the communities they serve. Although still minimal in terms of impact and dispersed in nature due to the chronic nature of socioeconomic problems Egypt's encounter, the

approach adopted by the Foundation is witnessing a socioeconomic developmental course with a focus on enhancing the human element; even if it is premature to evaluate some projects or because they are still in the pipeline. This orientation applies to capacity building they offer to NGOs, the scholarships to Egypt's university students, the women empowerment, the research funding, and the social entrepreneurship. Up-scaling was evident in the projects of economic empowerment as well. They started by supporting minor projects of Ekshak to incubation and entrepreneurship.

Along with the diversified social investment portfolio, the philosophy of philanthropy and charitable giving still holds a primordial place due to religious beliefs and cultural determinants, as stated in the literature.

5.10.2. Type of CSR adopted by the Group

According to the analysis, the actual signals suggest that, once well enhanced and strategized, CSR adopted by the Group/the Foundation could fit into the third type of CSR that enhances sustainable development and antipoverty policies. It is worth mentioning that the environmental responsibility analyzed from the business model was satisfactory fulfilled.

5.10.3. Recommendations for improving CSR performance; towards a strategic CSR

1- Stakeholders'-oriented recommendations:

Conducting a proper stakeholders' analysis:

Since it has been stated by the key persons that there must be an emphasis on the potential stakeholders in the external environment, a proper stakeholders' analysis should be conducted, as social media could not remain the only medium.

Establishing stakeholders' platforms of dialogue and forums based on reporting initiatives and stakeholders' needs assessment.

2- Partnership model

The strategy of has to rely on a constructive relationship between the four major stakeholders: the government, the NGOs and CBOs that implement their programs, the private sector, and the beneficiaries as representatives of the community in a larger sense.

In order to be more strategic and to resort to concrete impacts, a solid partnership model should include the four players, and should be based on a sectoral orientation related to the scope of work of the Foundation: higher education and health.

The main potential stakeholders are summarized in the table below:

	Areas of focus
Ministry of Social Solidarity	Inventory and information on INGOS, NGOs, and CBOs according to the target area.
CAPMAS	Information on poverty maps on target area. Statistics and information coming from households' surveys to better perform in philanthropic and seasonal charity.
Ministry of Higher Education/and Supreme Council of Universities	Providing lists on potential candidates.
Houses of Youth	Providing lists on potential candidates
The Egyptian Corporate Responsibility Center	Providing consultancy, expertise and technical assistance.
Ministry of Health and medical units at the local level	Providing inventory on public hospitals.
Medical consultants	Conducting field visits to hospitals to prepare a plan for reforming infrastructure
National and multinational counterparts	Building partnerships through regular forums and meetings.
Media	Hiring marketing consultants for strategic campaigns for fundraising.

Table 3: Source: the author

3- Processes-Oriented Recommendations:

- The reporting and disclosure of information of the company is fulfilled in a satisfactory way according to GRI's disclosure of information tables and benchmarks. But, there is still need to improving reporting and disclosure of information of the Foundation in a separate way, according to specific benchmarks and assessing impacts and **outcomes of performance, on a longer time period.**
- **Quantitative measurements** and impact reports with KPIs should be released according to the governorates served. As argued by Weber (2008), CSR is difficult because it requires qualitative and quantitative measurements, which could entail additional efforts from the management teams. Yet, without the two measurements and especially the quantitative, the advancement of the business case will be difficult.

4- CSR Strategy-Orientation Recommendations:

- Adopting a strategy flexible enough to be updated according to new imperatives with operational and strategic objectives. On a yearly basis, it is recommended that a gap analysis is to be conducted on actual and expected outcomes.
- Deciding on scope and sectors: by maintaining the same scope of health and education. In health portfolio, the Foundation is actually on the right track, as it focuses on renovation of infrastructure of public hospitals; and the expansion is easy. Through the Ministry of Health, the medical units at the local level, and international organization working on health portfolio

such as USAID, an inventory of public hospitals could be released in a first step.

- In a second step a networking with private sector working on the same scope via media campaigns could be appropriate.
- Providing capacity building to their partners form NGOs and CBOs through professional and foreign trainers.
- In the education portfolio: Efficient use of funding by narrowing down the scope to better target. This would be possible by dealing with specific segments, chosen according to determined selection criteria within for instance the category of students of last year of faculty of engineering or commerce.
- ✓ Expanding geographical outreach within a medium timeline:
 - The process should start with major universities in specific geographical location, and within a timeline strategizing by expanding outreach:

5- Enhancing type II of CSR

In education and training whether vocational or designed for university students, there is a possibility to leverage the value chain of the Group's industries by training and hiring the graduates and entrepreneurs after setting selection criteria via their HR channels. With huge entities it is likely a good solution to engage in both types: type two of a by-product of company's action by promoting new lines of products for other segments of consumers; and type three that enhances socioeconomic welfare which is already implemented.

6- Initiating capacity building activities

Training staff and managers of CSR in strategy and decision-making.

7- Socioeconomic business solutions

A. Adopting Social Innovation Process Flow: (Retrieved and adapted from ECRC, 2016)

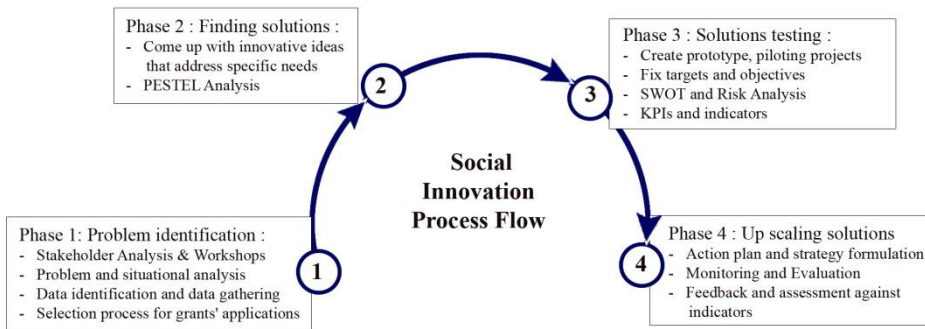


Figure 3: Adapted and compiled by the author: Social Innovation Process Flow

Phase 1: Problem identification: Clear understanding of problem before phase 2

- ✓ Stakeholder Analysis & Workshops
- ✓ Problem and situational analysis
- ✓ Data identification and data gathering
- ✓ Selection process for grants' applications

Phase 2: Finding solutions: Creating pilot projects to test solutions

- ✓ Come up with innovative ideas that address specific needs
- ✓ PESTEL Analysis

Phase 3: Solutions testing: testing the effectiveness of solutions and prototypes

- ✓ Create prototype, piloting projects
- ✓ Fix targets and objectives

- ✓ SWOT and Risk Analysis
- ✓ KPIs and indicators

Phase 4: Up scaling solutions

- ✓ Action plan and strategy formulation
- ✓ Monitoring and Evaluation
- ✓ Feedback and assessment against indicators

B. Economic Empowerment

- ✓ Scaling social and economic entrepreneurship and entrepreneurial projects
- ✓ Establishing incubation to select the best models for start-ups

C. Environmental sustainability

- ✓ Publishing Sustainability Reports on reducing CO2 footprint, supply chain management, waste management, energy efficiency, and renewable energy sources.

To address all the challenges related to the conditions of the country, specifically the one related to the misunderstanding of the role of the donor, the Foundation team mentioned that legislation should be endorsed to deal with this specificity. According to their opinion, because of the vital role played by the Foundation, in sustainable development, it is necessary that it becomes part of the decision-making process to have more space to work on the ground because of the accountability it holds towards the public.

Chapter Six: Case Study (2): The Multinational and affiliated Foundation

6.1. Case Study Introduction

Case study 2 will analyze the type of CSR of the multinational renowned, among the scholars and the practitioners of the field, for its strong social investment portfolio and its prominent CSR activities. It is one of the first corporate companies in Egypt to establish in 2003 a department dedicated to **Corporate Social Responsibility** activities. At this date, the department was committed to manage the philanthropic and community support activities oriented to the communities at large.

The bulk of CSR activities have always been implemented through the arms of the company, as well as the Foundation which is present in all operating countries across the globe. Throughout the history of the company, special attention has been dedicated to the activities of the Foundation with regards to social change and development. Even in the countries where it has closed and where they just have partner markets such as Safari com in Kenya, the Foundation in Kenya remains viable due the developmental footprint it delivers (Key person in CSR department, personal communication, August, the 9th, 2016).

The Foundation was created in 2003 and is registered in the Ministry of Social Solidarity. The fund of the Foundation, dedicated to drive social change and improving the living standards of the citizenry, emanates from the global company and a percentage from the subsidiary in Egypt. According to its establishment decree, the Foundation is eligible to provide grants to institutions, NGOs and other foundations registered under the

same Ministry, and it is dissociated from the company's subsidiary in Egypt; it has its own budget, and does not generate any profit.

6.2. Towards a new conceptualization of CSR

6.2.1 The sustainable business strategy as a tool

There is an alignment between the global company and its local subsidiary in Egypt in the adoption of a new conceptualization of CSR that reflects their vision, mission statement and core values. The definition has been tailored according to the specificity of the operator of telecommunication and the new direction of the business model. The CSR term has been discarded from the definition and substituted with sustainable business and is offering a new approach and a new conceptualization in compliance with their strategy whether locally or globally. Accordingly, it has been stated that the company "is an enterprise that has minimal negative impact on the global or local environment, community, society or economy. It is a business which strives to meet the triple bottom line" (CSR practitioner, sustainable business team, personal communication).

An analysis of this statement shows that, while short, the definition reflects the whole strategy and puts into application the theoretical principles of the business case of CSR and the sustainable development literature as well. **The subsequent investigation of Sustainable Business strategy features will prove it.**

6.3. A new strategy, away from philanthropy integrated into the financial bottom lines

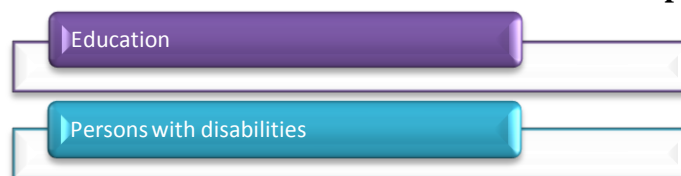
The strategy of sustainable business was first disclosed by the mother company. The new strategy 2016/2018 of Egypt's subsidiary that resulted from a 2 year of heavy

work has shown a qualitative change in nature. The challenge was not easy for the team who deployed a lot of effort starting from doing desk research, to studying the best practices in sustainable business global that operates across 26 countries and applies the sustainable business perspective, each according to its needs and demands. Before settling on the actual strategy, the team did acceleration and deployment of the old version, worked on the old one along with working on the sustainable business.

A gap analysis and a SWOT analysis were carried out before reaching the current model. Simultaneously, a process of monitoring and understanding the operations of the company and of the group took place in order to identify the gap through which they could reach their own business sustainable model tailored to local needs. The responsible of the sustainable business asserted that the sustainability is very weak in Egypt, although it is present worldwide a long time ago, and that the introduction of a sustainable business strategy required a huge effort from all the departments of the company.

6.4. Processes of management

Scope of work of the Foundation and the Sustainable Business department



The new strategy does not undertake any philanthropic activities due to their unsustainable nature, as they are considered more of marketing tools and public relations for the sake of the branding. Before enhancing the new one, several charitable interventions used to be implemented through the foundation on seasonal basis.

According to a key manager, before this strategy they used to have a broader scope that tended to have a scattered and weak impact and the deliverables were not satisfying, nor were they easy to measure.

The new strategy adopts a defined scope by blending the interventions of the sustainable business model coming from the corporation to work in parallel with the foundation, in order to generate a sustainable impact and to have an economic developmental and social change. The social footprint is delivered through the foundation and environmental and economic through sustainability of the business "You are the one who chooses to become scattered or to be focused." Our new strategy does not correspond anymore to the philanthropic giving philosophy "(sustainable business Team, personal communication, August the 9th, 2016).

6.5. Issues identification through a solution-oriented philosophy to Sustainable Development

The company's strategy comprises four elements:

- 1- Displaying a responsible ethical behavior
- 2- Having a greener environment and enhancing eco-efficiency
- 3- Enhancing community development with a focal point on children's wellbeing and youth employability.
- 4- Developing sustainable products and customers to differently-abled clients.

The sustainable business strategy stemming from the business model is a practical solution to the business case for CSR that enhances the financial bottom lines seeking a win-win situation. The strategy relies on the efficient-use of the company's resources, the technology, services and products, as advocated by Moon (2010). Moon (2010) argued

that sustainable development is embedded in CSR through a theoretical model of business strategy combining the natural-resource-based view and business policies.

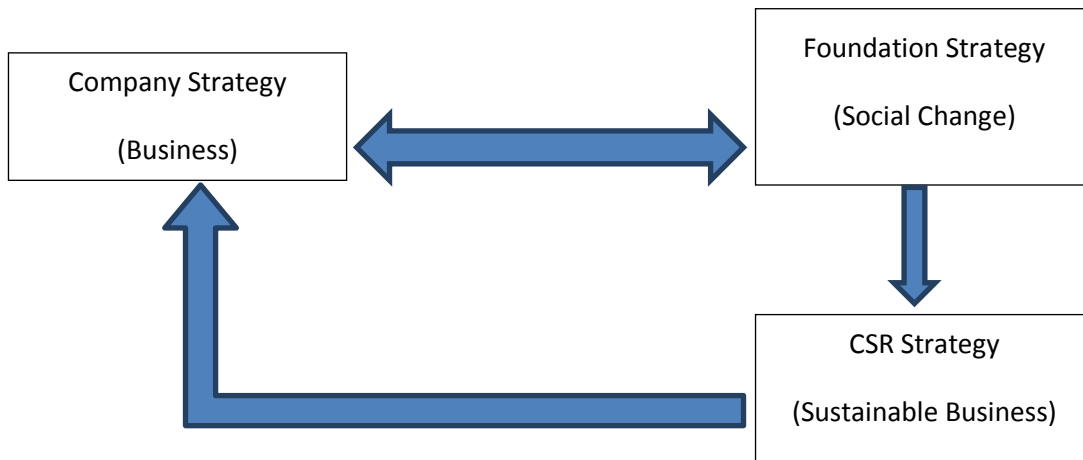
Some of the scholars supporting the business case for CSR, such as Carroll & Shabana (2010) and Kurutz et al (2008), attempted to provide a justification and a rationale for the corporates in engaging in CSR from an economic/financial perspective. According to Carroll& Shabana (2010) the sustainable solution should come from the core agenda of the company, the financial bottom line. According to their rationale, it is mandatory to formulate successful strategies and policies relying on mediating variables and situational contingencies that were categorized under 4 arguments: "1-reducing cost and risk; 2- strengthening legitimacy and reputation; 3- building competitive advantage and 4- creating win-win situations through synergistic value creation (Carroll & Shabana, 2013, p. 101).

In response to the aforementioned arguments, the new sustainable business strategy was a solution-oriented one and stemmed from the business model itself. A customized tariff was created for deaf and hearing impaired. This segment gets the same service and technical support as the normal people with the same tariffs. A call center specialized was established to deal with their specificity and sign language and through which they can get any information. Two teams trained on sign language were created. An up-scaling and expansion of this service is currently been implemented in all stores in all governorates. It is a win-win situation, as the product generates revenue but at the same time it serves this category of special needs people. Moreover, the actual strategy is examining offering the same product and services to visually impaired category.

“Our team came up with the model. We consulted with the different departments, from procurement, to operations, to retail, to marketing and VIS (the department responsible of outsourcing). Then we brainstormed together each one of us according to his or her background and expertise. The outcome was positive as we all come from corporate backgrounds and we did try and error. We were fully aware of the imperatives of the mission of the CEO who wants to drive more into commercialized products which helped us to be revenue generating at the same time” (Key person, Sustainable Business Team, personal communication, August, the 9th, 2016).

6.6. Outcomes of corporate performance: socioeconomic empowerment

6.6.1 Unifying social impacts through the foundation and economic impacts via the sustainable business strategy: a double weapon



Source 4 the author: The Unified Strategy of Sustainable Business and Foundation

The company strategy and the Foundation strategy are aligned together through selecting the CSR strategy of sustainable business, which contributes back to the company's business, while achieving the foundation's main objective of social change.

The new orientation has even added a layer to the literature on the business case of CSR, by unifying the two strategies of the foundation and the subsidiary in Egypt in order to attain the full potential of sustainable business model. A more comprehensive and complementary framework was created where the two strategies work in tandem, especially that there is a privilege of a focused scope on education and persons with

disabilities. The sustainable business was then a mechanism to endorse the Sustainable Development principles.

6.6.2 Adopting a right-based approach for an inclusion of all the segments of the society including the marginalized

To fulfill this approach, the Foundation complements the strategy of the company/ the sustainable business regarding the two elements of the scope, education and persons with disabilities. There is for example a project for visually impaired people called entalek. It provides them a platform of inclusion in society. The project is a trip advisor that gives them detailed information about any location they want to target; if they need to go to a hospital for an emergency or anything. The team does an assessment to the place to see whether it is accessible for this segment or no and it is at the same time a marketing tool that serves the place.

When asked about the financial challenges they might face or the shortages in delivering, with regards to the business model, the sustainable business team replied that there is an internal process through the procurement team which determines the desired deliverables. Whenever there are financial problems, there is support function team which works with them step by step. In addition to that, the plan and budget is set and disclosed for each project with the beginning of each year.

In the education portfolio, the Foundation implements an important program called "Education First". It works on training teachers as well as the management team of experimental schools with a foundation called education comes first through the arms of several NGOs according to the targeted geographical area. It has already targeted all experimental schools in Egypt approximately 750 schools.

Other programs are implemented such as

- Illiteracy
- Heart to heart medical caravans, which is a program that ensures a medical screening for 1200 school children of 12-16 years throughout Egypt's governorates.
- School feeding program.
- Caravans for visual impairment: the program is in partnership with the Egyptian Association for Blindness Prevention. From 2010 until 2012, the foundation sent 158 satellite clinics in 42 villages over 16 governorates.

While operating, in a second step, there are attempts to **maximize social impacts** through "Knowledge is power". The program selects 50 schools grouping all the foundation education programs starting from "Education first" for training teachers and managers, school feeding program, illiteracy courses for parents.

The Foundation sets specific benchmarks for choosing operating NGOs, and all projects have KPIs. If the partner fails to deliver, the funding will be suspended. Regarding socioeconomic empowerment, the sustainable business, according to the new strategy, has three main focuses:

- 1- **Education for employment:** this program targets graduate students from public universities who are in short of skills. The program is designed to enhance their communication, presentation skills, and English language skills. The selection process is based on criteria adopted with the HR department. In a second step they go through the technical training of the company. It is win-win situation because

it is an empowerment of people who did not have the chance to work in the company, and the corporate takes advantage of their training and competencies;

- 2- **Entrepreneurship:** This project of economic empowerment is accomplished in partnership with two famous NGOs Gisir and Misr Al Kheir, through their incubators. The company selects ideas for start-ups that fit their scope. They go into the incubator for a certain period and they are provided all the facilities they need to do the prototype. At the end, there is the selection of the best proposals.
- 3- **Training for employment but for disabilities: there is a 5% quota that should be hired.** Empower is a program designed to train persons with disabilities on the needed market skills: business skills, business etiquette, career planning and English for business.

6.7. A robust methodology and proactive engagement with stakeholders

Before starting the project, a needs assessment and a field research is conducted to determine customers' needs by VIS and research departments. The product is not created haphazardly, but it is tailored according to needs. In a second step a marketing strategy, activation plan are done. An on ground activation is carried out. A large event for deaf and hearing disabilities hosted all the associations working in this field. A workshop took place for more than 1700 attendees that disclosed to them the tariffs and showed them how the services work. The company goes as well to NGOs and markets their services and products to this segment of 5 million persons, deaf and hearing impaired people, that provide them an important tool for social inclusion.

Diversified Outreach through media campaign also took place, as well as, the client and customer himself, deaf and hard of hearing. "We target them. We go to their

association in Bibliotheca Alexandrina. We gather with them in *Kosour Al Sakafa* (cultural centers) in the different governorates".

After communicating with all relevant stakeholders for data collection, focus group discussions, questionnaires, face-to-face interviews, more than hundred video calls. The group targets the community of deaf and hearing impaired. Once collected, the whole process is closed with market analysis and market research through which their needs are identified. The results come up with recommendations on the nature of the product.

6.8. The relationship global/local: A positive outcome

The relationship between global/local has been discussed and analyzed intensively in the literature on CSR. Consensually, it was agreed that both hypothesis are valid of proactive engagement and of disruption of the mother company to the subsidiaries in hosting countries. The multinational operating in Egypt's case illustrates a proactive engagement tailored according to local needs; and not just a replicated model. Moreover, the experience of the global company through the diversity of the models of sustainable business proposed through the multitude of subsidiaries was of positive impact, as stated by the team.

The group provides a framework for a strategy and it is disseminated to the hosting countries and localizes the model according to their needs. For example, one of pillars of the group's strategy is women inclusion, as the western world still suffers from women inclusion at workplace; which is not the case in Egypt. The team in Egypt has convinced the group that since the main focus is social inclusion, the attention should be diverted to the differently-abled people that suffer from marginalization.

The framework serves both local and global. The team give them arguments why they do not have to match with them hundred percent. They tell them that women empowerment is high in Egypt. They give arguments for their cause in figures and percentage, by telling them that half of vice-presidents are women, as well as the CEOs, the CBO responsible of marketing and business, the head of VIS responsible of outsourcing operations, HR director. Quite the contrary then the prevailing global trend were women usually are responsible for supporting functions, in Egypt, they are heading heavy operations and core corporate departments. Even if they succeed in their mission to divert the scope, they still had to negotiate with them and to hire on women in all departments and programs, whether through foundation or the business model. "When we chose to emphasize on the principle of inclusion to all, we did not have to do it in gender equality related issues, but we snapshot on people with disabilities who are less advantaged in the Egyptian society" (Key person, Sustainable Business Team, personal communication, August, the 9th, 2016).

6.9. Environmental sustainability

The strategy of the sustainable business team that is displayed and dispersed by the global company, is well articulated and divided into the three pillars of sustainable development. As displayed by the team, for each pillar, the expected deliverables for 2016/2018 are mentioned, social, economic, and environmental.

For the environmental sustainability, the strategy is disseminated across the group and has to comply with safety measures and standards. It is affirmed in the sustainability reports that the multinational operating across the globe is committed to address global environmental issues. One of its objectives is to become energy efficient to increase

environmental sustainability. The tool of using renewable energy is of major importance by converting more than 200 of its sites to solar across Egypt.

Energy efficiency has been systematically implemented in their offices and retail stores. This is an alignment from the group towards emerging markets to "reduce CO2 per network node by 20% against a 2010/2011 baseline by March 2015.

Energy saving initiative took place as well in offices and retail stores by using LED lighting, free cooling and lower power consumption in air conditioning system. Global/local companies have implemented a new waste recycling management system to decrease environmental footprint.

6.10. Corresponding principle of CSR

Referring to the indicators inserted in the table p. 63, the sustainable business model corresponds to the economic and ethical layers of Carroll's pyramid. It lacks the legal responsibility and the discretionary because it is diverted from philanthropic activities. The dissociation from philanthropy is not a weak point as the focus is more directed to developmental goals.

6.11. Type of CSR

It was drawn from the analysis that the sustainable business model corresponds to type II that involves the promotion of development by promoting new products for developing countries, and by taking advantage of the natural resources of the company. It is a win-win situation that benefits the whole organization, as well as some marginalized segments of consumers. Probably, it is too early to measure socioeconomic impacts of the new strategy of the business model aligned with the foundation, as the project is still in its

beginning. Yet, the configuration of the whole strategy, if it is implemented and the outreach is expanded, could eventually correspond additionally to type III that likely involves interventions that enhance sustainable development and antipoverty policies. These interventions could become complementary to type 2 that impacts the company's bottom line immediately. The new layer added by unifying the two strategies of the company and the foundation to work in tandem ensures a long-profit generating impact, through the social change driven by the foundation.

6.12. Recommendations to improving sustainable business strategy

- ✓ Focusing more on learning from international experiences of other global companies
- ✓ The role of government should be better defined
- ✓ Creating a sustainability committee to comply with GRI's
- ✓ Having clear measurements of assessing the sustainable business model outcomes of performance.

Chapter Seven: Key findings Conclusion and Recommendations:

7.1. Key findings

The below table summarizes the findings drawn from the analytical approach undertaken for the two case studies. The Globalist CSR Model adapted in Egypt refers to the multinational after localizing its strategy through its subsidiary in Egypt. The Institutional/local CSR refers to the domestic CSR representing the local family business.

Element of Comparison	Globalist CSR Model	Institutional/Local CSR Model
Conceptualization/Definition	“An enterprise that has minimal negative impact on the global or local environment, community, society or economy. It is a business which strives to meet the triple bottom line”	"Enhancing socioeconomic welfare, alleviating poverty, and empowering communities".
Strategy	Well articulated: Good scanning of environment and their targets	Strategy needs articulation and depending on stakeholders' model of Freeman (1984). Good scanning of environment but needs to improve capacity of outreach.
Methodology	Robust field work and methodology	Robust field work and methodology

Element of Comparison	Globalist CSR Model	Institutional/Local CSR Model
CSR Model	Sustainable Business model: Aligning company's strategy in environmental sustainability and economic empowerment and the social change via the Foundation.	A philanthropic embedded and developmentally-oriented.
Sustainability of the financial model	Sustainable because using the company's natural resources: technology, products and services	Less sustainable. Coming from varying percentage of profit from the entities of family business.
Philanthropic activities	Discarded due to their unsustainable nature	Core component
Institutional variables: socioeconomic conditions of the country/ religious and cultural beliefs	Not affecting	Majorly affecting

Element of Comparison	Globalist CSR Model	Institutional/Local CSR Model
Scope	Specific	A little broad ; needs narrowing down
Partnering	Rigorous in criteria of choosing NGO implementor/Foundation	Difficulty to find adequate NGO implementor due to the ineffectiveness of NGOs
Mode of Engagement	Targeting constituencies according to the scope	Stakeholders' engagement through social media as main medium
Environmental Sustainability	Fulfilled	Fulfilled
Socioeconomic Empowerment	Embedded in strategy but no impact reports were released/but they have reached the target of deaf & hearing community: 5 millions	Embedded in strategy but fragmented due to the large scope.
Corresponding Principle	Economic/Ethical	Economic/Ethical/Discretionary
Corresponding Type	Type II and early to say that it corresponds to type III because there are no deliverables on the success of the unified strategy	With a more strategized CSR model, the type could correspond to type III. But there is dire need to go through type II and to leverage the value chain of their industries in vocational training and hiring of university students.
Applying business case and Sustainable Development		There are premises for Sustainable Development but none for the business case
Innovative	Yes	Yes with an interesting sense of ownership

Table 4: Source: the author: Comparison of the two CSR Models

After analyzing CSR in Egypt via two different case studies representing the globalist and the institutional theory, the researcher would acknowledge that the legal responsibility aspect of CSR, as one of Carroll's model's assumptions is vital though overlooked in Egypt. One of the major problems results of the missing middle of Archie

Carroll's CSR pyramid (Please refer to figure inserted in p. 43) and the radical solution should be structural from public policy perspective.

The missing middle is partly responsible of the scattered and dispersed nature of the programs and projects. In a developing country context, it is difficult to reach a mature level of synergy between business and society apart from a mega-partnerships model of engagement especially cross-sectoral cooperation. To reach a sustainable CSR drive, a thorough analysis would suggest that a combination of the three schools of thought working in synergy is needed: the neoliberal, the state-led, and the third way.

The two selected case studies fall under the category of the prevailing neoliberal CSR in Egypt. Given the difficult economic context that restrains a flourishing climate for the private sector, it is difficult to suggest that the neoliberal trends would invest heavily in CSR, because their main focus will be diverted to maintaining the economic viability of their business. The local private sector and SMEs suffer from their own problems as well. They are totally immersed in legalizing their status, dealing with red tape and taxation problems that bound their activities towards their environment.

7.2. Conclusion

This thesis has revealed that the understanding and the conceptualization of CSR in Egypt has witnessed a major shift and is no more seen from the tight prism of philanthropic activities and charitable giving. A closer look on both case studies has shown the substantive differences between them. The family business case, which still believes firmly in philanthropic giving, has shown an important progress in CSR advancement from a developmental perspective, even if it is still immature in designing the strategies of their interventions. Though still relatively fragmented, it is characterized by a sense of

ownership and belonging to the communities they serve. This segment of family-owned in Egypt is of particular importance because of the potential contributions in Sustainable Development and should attract the attention of CSR scholars and practitioners.

The second case of multinational, that surprisingly does not lack the sense of ownership or the responsibility towards the society, offers a more commercialized product through the business lines of the company. The financial model of the brand name that uses the natural-based resources of the company guarantees the required sustainability to economically empower the Bottom of the Pyramid and a prelude for Sustainable Development, because the foundation closes the cycles through the social change it delivers.

The role of CSR in Sustainable Development is an invitation to reshape the responsibilities of a whole society with its different constituencies. A broad range of scholarly references have captured this specificity and have tackled the relationship between business and government, as well as NGOs and their roles in advocacy and as watchdogs. The literature offers several models and their applications in a multitude of countries in the relationship business/government with clear templates assigning roles and responsibilities to each. It shows also clearly how a vibrant civil society can bridle corporate conduct and how the models of partnerships with NGOs can be successful, even at the level of heavy mega partnerships of environmental management and environmental protection.

The wide physical reaching of MNEs and corporations in general, that has exceeded sometimes the power of governments, are totally aware of the responsibility of their business towards the communities within which they operate. They are aware as well,

that they need to attract public legitimacy in order to expand and operate freely. In today's world, public acceptance is a sine qua non condition, and not a luxury. Eye is kept on them by the trade unions, the environmentalists and the consumerism alliances.

There are no specific templates for applying CSR and it is still yet uneasy to measure what kind of sector has succeeded in improving the living standards and has contributed to poverty alleviation. The positive outcomes out of MNEs powerful presence is their understanding that the adoption of CSR programs and interventions that promote Sustainable Development is capital for the brand name and survival of the entity.

The main argument of this thesis is that CSR could be a tool to complement the retreat or failure of government to deliver social services in a sustainable way. It could also be seen as a tool to link the private sector national Sustainable Development strategic agenda, such as Egypt's vision 2030. This should reflect positively on forming new forms of partnerships between government and the private sector. Unless, the whole cycle is complemented with all constituencies, powerful institutions and government, a vibrant civil society and trade unions, multilateral organizations, and an ethical behavior of business in a well-functioning market that understands the imperatives of shaping interventions that contribute to Sustainable development, the initiatives will remain marginal and superficial.

7.3. Recommendations:

Three types of recommendation are suggested; the first is concerned with the level of the business unit itself, the second is classified under corporate policy recommendations, and the third is from an overarching public policy perspective.

The following recommendations are designed to the business units:

- Convening renowned foreign experts in the design of CSR strategy and assessment to train CSR upper management and team.
- Training the management team on assessing the outcomes of CSR qualitatively and quantitatively, and in fixing KPIs. Such a measure would require additional efforts from the management team, but it is vital.
- Designing CSR strategies linking financial performance to social and environmental performance.
- Linking CSR strategies to Sustainable Development Goals and Egypt's Vision 2030 and disseminating CSR practices across national and SMEs in Egypt.
- Workshops to encourage the business models and to initiate them to the privileges in engaging in CSR. It is necessary to inculcate the idea that business contributing to economic growth is no longer sufficient, because of the major problem of inequalities the neoliberal trends have generated, and that there is a shift of responsible behavior in order to attain sustainable development and a synergy between societies and business.

7.4. Corporate Policy Recommendations:

- Expanding the research on the potential contribution of local Egyptian private sector to CSR.
- Enabling the investment environment to Egypt's private sector and identifying CSR activities.

- There is need to conduct sector-specific research to enable measurements as well as comparative studies, including cross industry, cross country, or cross-functional studies.
- Networking coordination of targeting the potential beneficiaries of the different segments.
- Exchanging experience among CSR entities. This would only be possible by ensuring the continuity and building upon the yearly gatherings through the CSR forum and enhancing the endeavors of the sustainability committee that is affiliated to it.
- Mapping the potential of family-owned business in CSR activities via more longitudinal studies on this segment of the business in Egypt, as well as comparative studies in family-owned, versus non family owned.
- Engaging CSR in research and costly surveys, such as experimental design.
- Redefining the mandates of institutions working in CSR advancement, such the Egyptian Corporate Social Responsibility Center.
- Improving CSR reporting and disclosure of information, by fixing a set of disclosure rules to the corporations in order to assess the outcomes of corporate behavior under the supervision of a formal authority such as the government or the stock exchange. The voluntary disclosure should be improved by adopting international standards such as the GRI and the OECD guidelines.
- Enabling the environment that scrutinizes corporate conduct coming from civil society and watchdogs. Active civil society could strengthen the relationship between the three parties of the equation, itself, the government and the business

toward further collaboration and mega partnerships that are likely to ensure a satisfactory outcome of Sustainable Development. The strength of civil society and NGOs, whether logistically, technically or financially, is beneficial on the long term because of their vital role in mapping the needs of the different governorates and carrying successfully CSR interventions.

- There should be a clear cut assignment of roles and responsibilities of the triple parties, government, civil society, and business. Even the multilateral organizations are called upon to assume the surveillance with the government necessary to bringing credibility to the whole process.
- Raising awareness of the importance of CSR between research centers, academia, and think tanks that can promote for CSR importance and help government in the area of research and in mapping communities and geographical locations needs.

7.5. Public Policy Recommendation

A main recommendation in this research is to give further attention to CSR from public policy perspective. The literature has clearly revealed that CSR activities can only be steered when the legal framework ends, and Hermann (2004) asserted as well that unless there is a legal framework to follow, global, social, and environmental policies will be unproductive. In the same vein, the literature has accentuated that a strong and well performing CSR is implemented through an overarching governmental strategy, away from hard regulations, which requires soft facilitating or stimulation incentives; especially to CSR coming from the local private sector.

The public policy perspective is capital in endorsing CSR interventions that should be tailored according to local needs in order to achieve the long time impact of profit expected from the Sustainable Development orientation. Hence, there must be an alignment between the corporations and the country's development agenda to reach a long time benefiting impact on societies. In a free market ideology and the ramification of MNEs, only governments, can hold them accountable and detain a similar power to curve their unethical behavior.

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