

Review

Overview of Corporate Social Responsibility in the Middle East

By Dima Jamali

Corporate Social Responsibility (CSR) in the Middle East has distinctive roots and unique expressions that do not always mirror the current understanding and practice in the West. Dima Jamali demonstrates how the long-entrenched traditions of philanthropy and generosity in Arab culture have been reinvigorated in recent years and are starting to cross-fertilize with new, more institutionalized forms of giving.

Highlights of the Book

To date, the concept of Corporate Social Responsibility (CSR) has not received systematic attention in the Middle East region. The recent book on CSR in the Middle East published by Palgrave in 2012 begins to probe and flesh out the understanding and practice of CSR in this part of the world. As revealed through the various contributions, CSR in the Middle East has distinctive roots and unique expressions that do not always mirror the current understanding and practice in the West. Nevertheless, the various contributions included in this book seem to suggest that CSR is alive and well in the Middle East region, although it continues to have its unique flavour and connotations; Islamic philanthropy, in other words, provides a strong foundation for CSR in the region, and constitutes a pivotal tradition of voluntary giving that falls outside the realm of what we commonly encounter in the West.

Philanthropy, derived from the Greek words *Phillen* (love) and *Anthropos* (human), is clearly rooted in the religious and cultural traditions of the Arab region and in the broad social values of compassion for other humans. Several Arabic nomenclatures for giving, including *Zakat* (mandatory giving and one of the five pillars of the Islamic faith), *Waqf*

(Islamic endowment), and *Takaful Insani* (humanitarian solidarity and giving) permeate the language and culture of the Arab world. Giving and helping hence resonate with Arab and Islamic values and are nested at the heart of this culture, flavouring the behaviour of individuals, organizations and the corporate sector as a whole. Grounded in Islamic principles, the philanthropy ecosystem thus continues to be diversified, drawing on the efforts of business and political leaders, foundations, non-governmental organizations, social welfare institutions, and charitable trusts.

Through the voices of scholars and practitioners from the region, the book on CSR in the Middle East demonstrates how the long-entrenched traditions of philanthropy and generosity in Arab culture have been reinvigorated in recent years and are starting to cross-fertilize with new, more institutionalized forms of giving, advocated through advances pertaining to CSR. The book covers important ground, highlighting through practical examples the current peaceful co-existence of philanthropy and nascent CSR in the context of various organizations operating in the region¹, the evolving trend of social entrepreneurship and the important role of underpinning values and value systems in relation to CSR and social entrepreneurship², the ascendancy of corporate social reporting and corporate environmental management, and the growing cross fertilization of ideas inviting a wider range of actors (e.g. educational institutions) to be engaged in addressing relevant and thorny societal gaps and challenges.³

An interesting niche or focus of the book is on Small and Medium Enterprises (SMEs) and Family Owned Businesses which constitute



an important backbone of the Middle East regional economy, accounting for 75% of the private sector economy and employing 70% of the labour force.⁴ Using various case examples, the book documents the peculiar drivers, challenges, and opportunities characterizing the engagement of SMEs in CSR across the Middle East, confirming a spontaneous affinity to CSR among smaller firms grounded in a crystallized ethos system and their embeddedness in their local communities.⁵ The book also highlights that values of care and compassion, commonly embedded in cultural traditions, also permeate and flavour existing employment relationships in SMEs in the region, translating into managerial and employment practices that are less formalized revolving around trust, caring, compassion and reciprocity that are akin to internal CSR.⁶

Recommendations for Future Research

The CSR in the Middle East book makes the case for the need to evolve beyond traditional philanthropy at this juncture in the history of the Middle East and institutionalize it into more strategic forms of giving. Middle East countries in fact continue to be profoundly challenged by many of the structural problems that existed before the Arab Spring, including inequitable growth and high unemployment rates



- 20-25 percent on average but steeper for university graduates and women.⁷ Poverty and associated vulnerability and insecurity are also salient with 23 percent of the population of this region living on less than \$2 a day and pockets of poverty saliently scattered across the region.⁸ There is certainly room and need in this newly reconfigured institutional space to leverage Islamic philanthropy and institutionalize it into more strategic forms of giving. This would ensure a more effective channeling of resources to address region-specific social ills ranging from unemployment, increasingly salient pockets of poverty, and restricted - even elitist - access to quality healthcare and education.

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Hence the book argues that what is needed in the Middle East at this critical juncture is a more institutionalized form of modern philanthropy that preserves the original social values but mobilizes resources more effectively in facilitating social change and promoting sustainable development. Strategic philanthropy requires a more careful scrutiny of resource allocation decisions, a systematic consideration of the social issues to address, a delicate selection of partners and granting conditions, as well as a proactive assessment of social impact or social returns. While it equally leverages values of compassion and ethical leadership, it requires adjustments in how organizations approach their giving, with a focus on institutionalization, integration and outcome assessment. In other words, what is needed is taking existing philanthropy in the Arab world to the next level in terms of greater institutionalization, reporting and impact measurement.

The book moreover makes the case that social entrepreneurship, as a nascent trend, deserves further scrutiny and consideration in light of the socio-economic turmoil facing the region. With the Arab world contemplating a transformative leap in terms of addressing entrenched social ills and various structural problems, the vital role of social entrepreneurship comes to the fore, given its uncontested potential for creating jobs, generating wealth and unleashing human talent. Across the region, social entrepreneurs have begun to intuitively step up and take action, and innovatively create social value. But there has been very little academic effort to document and preserve this reservoir of knowledge and offer insights into how to foster a social entrepreneurial ecosystem that can help in guiding and nurturing budding social entrepreneurs and channelling their efforts more strategically and systematically. An interesting extension of the book would therefore entail fleshing out recent trends pertaining to social entrepreneurship and how to create a more conducive environment that can support the efforts of budding social entrepreneurs.

Finally, beyond activating various forms and expressions of responsible business, the book argues that what the region

also needs going forward is to mobilize different forms of partnerships or cross-sector collaboration to address common and complex social challenges or meta social issues (e.g. clean water, clean air, environmental protection, healthcare, and education), which are recognized to have spillover effects on multiple constituencies and multiple stakeholders, yet lie beyond the scope or capacity of a single sector or organization. There are various examples across the Middle East but these need further analysis, particularly in relation to challenges and outcomes. These new partnering arrangements will certainly be beneficial in taking CSR in the Middle East forward to the next level of institutionalization, enactment, monitoring and evaluation.

Concluding Remarks

In closure, the book on CSR in the Middle East brings forward a wealth of insights that can sharpen our understanding of the landscape of responsible business in the Middle East. By focusing on local examples and institutions, the book takes a first step towards bringing to light some of the recent trends and advances of this region that fall under the broad umbrella of responsible business. There is a need, however, for extensions of this work along multiple tracks and dimensions, to document the various manifestations of CSR and responsible business in the Middle East, ranging from philanthropy to CSR and social entrepreneurship. This book makes a first step in the right direction, but there is room for more scholarship given the informality of existing practices in this space, the existing culture of silent philanthropy and the dearth / scarcity of systematic research efforts in relation to these important topics. 

About the Author



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References

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