

**Political Corporate Social Responsibility and Corporations Ethics in
the Confessional Democracy System of Lebanon**

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Thesis submitted in fulfilment of the requirements for the degree of Doctor of
Philosophy.

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Declaration of Originality

I, Rayan Merkbawi, declare that this thesis is submitted in fulfilment of the requirements for the award of Doctor of Philosophy in the Business School/Faculty of Management at the University of Technology Sydney. This thesis is wholly my own work unless otherwise referenced or acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis. This document has not been submitted for qualifications at any other academic institution.

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Preface

Where I come from, people do not live a full existence, they simply survive, facing one tragedy after another. I was lucky to have survived twenty-four years of my life in Lebanon, my birthplace. This thesis whilst on Political Corporate Social Responsibility is also my story as a Lebanese researcher living in Australia, remembering Lebanon daily. In this story, my words will give a window into the daily life of Lebanese people. This is very much an account of how we have to face and build on fear and trauma, and an inbuilt resilience to be seen, to be heard, to be identified, and to arrive at some place where you can breathe and live a life of possibility.

This is my story.

I have repeatedly been asked why I left Lebanon. In some ways I can quickly respond, and in others I fall silent. My responses differ based on my mental and emotional state at the time of questioning. Often my strategy is to answer as briefly as possible with short sentences 'for better future', 'to explore a new country', 'for better education', but never did I provide an honest answer, ever. It seems that even the ability to speak of the Lebanese experience, is governed. Now that I am elsewhere, I write to speak. Some people say, 'what does not kill you makes you stronger,' but I find this saying absurd. Nobody had ever explained how to live in the aftermath or how someone could become stronger when we are constantly in fear. How do we become strong in the diaspora? Displaced, fragmented and struggling to make meaning. My story started the day I was born. However, on the 23rd of August 2013 life changed forever. When I changed forever, and so this day marks a point of time which has made me who and where I am today.

It was a quiet Friday afternoon, I left work early for a quick lunch with my friends in Beirut before heading back to my hometown in north Lebanon. Usually,

Friday is the day when all southern and northern workers who work in the capital Beirut return to their hometown to spend the weekend with their families. My friends and I met in a nice restaurant where all the filthy rich Lebanese bourgeois moor their multi-million-dollar boats. Only a few miles away, people live in dire poverty in an overcrowded urban area. Two areas located within miles away from each other reflect a complete contradictory reality that simply summarise Lebanese society.

My sister called that afternoon whilst I was at the restaurant to ask if I am coming to dinner. The line was cut off, so I walked a few steps away from my friends, and the music of jazz played in the restaurant. It was then that I heard a loud sound, like of a bomb. This sound of the bomb was clear, but also real that the movement from the bomb could blow my ears. At this moment I heard her scream 'the house is down' before it was complete silence. My brain could not process that one flash moment. I tried to call again, and again but all telephone lines were disconnected in the District. That moment my feet let me down, I did not have the strengths to take a few steps to get to my car, my heart was pounding as if it is beating outside my chest. I froze there, on the street. My friend whispered the breaking news as if preparing me to what I am going to hear 'there was a bomb explosion targeting worship place in Tripoli'. This place sat across the road from my parents' house. My friend continued, 'but I am sure they are fine'.

I stood there, cold, unable to move without any reaction. I remember my friends' pale faces and teary eyes. As I think back, this was the moment when my whole world exploded. Frozen, cold, the kind of cold that turned my fingers blue amid the hottest days of summer. At that moment, nothing made sense, not even my unexplained cold fingers during the summer heat. That moment stretched out for what feels like forever, with the voice in my head questioning 'How could someone put a bombed car in a

highly secured street of political figures and police surveillance around the clock? My parents live in one of what considered a 'safe zone' area in the district where many MPs, political, social and army figures live, and it was under 24/7 protection.

Driving home, a trip that usually takes half an hour through traffic jams lasted two hours, but it felt like two years. On the way, the radio broadcasted the news, and the reporter was describing the scene, the massive destruction, the countless dead bodies, the blood, the screams and the complete chaos. I arrived in my neighbourhood, where I could barely recognise anything at all: a cloud of dust and smoke, the rubble, the screams, the armed civilians, and the wounded people covered in blood and dust. I stopped my car hundreds of meters away and raced to my house - my heart carried me there. When I arrived home, the explosion had blown out the glass from balconies and windows from the entire house, injuring my nephew and niece and almost killed my father. That day many lives were lost, hundreds injured, dozens were missing. I lost dear neighbours, friends, and beloved people.

The assignment of blame and pointing fingers was refracted through sectarian neighbouring country loyalty's group a few hours after the explosion. However, the most painful reality in this horrific tragedy is that only two days later the victims were buried, with some families did not have bodies to bury, but life was somehow back to normal. Except for those who lost their loved ones who were grieving and mourning in silence. The investigation was closed, no one was held accountable, and in the public realm the bomb was just simply forgotten.

For many, life was stopped there. For others they were merely surviving. For me, part of me died there. When I close my eyes, I still remember this tragedy and the smell of the rubble and dust like others of my age remember their favourite movie, favourite memory or favourite perfume. I remember the feeling of fear, confusion,

weakness, hate, and these feelings were dangerously mixed inside my heart. As I type these words, these emotions surface, my heart racing. And, over time, I have wanted answers and justice.

In simple terms the political system of Lebanon is too complicated, too corrupt and too negligent. For the system, our life as citizen is worthless, whether alive or dead, we are just numbers. We are the voice that threat and shake its crumbling throne, yet win us over and manage to silence us every time, at any cost. Is this what normal life is for us? The older generations went through many wars, series of political assassinations and explosions, that they became accustomed to the situation. This is the only life they knew, full of terror, horror and death that normalised their understanding of life and lifestyle. After the 2013 bombing, life was too quickly back to normal, but mine stopped there. That day I decided to leave, to run, to start over, to forget the fear, the bomb.

Arriving in Australia was my new chapter, but I was not ready to forget the past. I experienced being caught in-between between living a free life, and remembering the past, my homeland. Perhaps, I was not fully prepared, but I needed to break free from the society that did not resemble me – a system that would structure my personal capabilities on an ethnic basis, and my emotions, identity, morality. A system that introduced me to death at a very young age. How did this lead to me pursuing a PhD degree? I have always had a strong dedication to understanding the structural inequality of the Lebanese system, lack of social justice of this fragmented society, and the politicisation of every aspect of life has been my fundamental resistance that was not very ‘accepted’ or welcomed. My passions, curiosity and critical thinking have greatly been influenced by a professor I met when taking a leadership class in my previous degree. Alison was the source of my inspiration. Her critical character, and fearless toned voice, triggered the fear I had buried inside. She made me question and redefine

the normality of the life I had known, question the characteristics of leaders, and what to expect from leaders. I wrote many reflective letters in my leadership class, where I put my feelings into words for the very first time that made me reconnect with myself. I felt I had a voice even when I was the only listener. Alison unknowingly helped me discover my true identity and made me reconsider that I exist, and I am capable, and I can be heard.

After doing research projects in my master's degree, I became increasingly frustrated at not being able to relate or understand many research areas such as ethics, social responsibility, social contributions. For me, sense-making was my primary challenge, there was a huge gap between my textbooks (always western) and my reality of fleeing from Lebanon. I was increasingly interested in corporations involved in the political sphere to tackle social needs. The general optimistic framing of corporations' social contributions in western societies seemed unreal or rather fictional for me. Lebanon was understudied in many research areas, and thus lacked representation.

I spent a whole year researching Political Corporate Social Responsibility, a concept and practice that I had not heard before in my country. Narrowing my areas of interest into a workable and achievable PhD study was very difficult. I thought a PhD will be a daring and new challenge. I survived a risky life in my country, not knowing if I am waking up next morning or which bomb or kind of explosion am gonna die from. So, why wouldn't I survive a PhD? I remember the first time I met with Carl, my supervisor, and we had a long discussion. Little he knew about me, but he understood what I was trying to say. I remember his words 'When you enter into the PhD program, and when you complete it, you are not the same person'. Carl was referring to academic knowledge and career, but what he meant and what I wanted to understand at that time were two different things. I thought I needed this change to reconnect with myself and

finally flip that last page. I also remember I went home very unsure. I was unsure or perhaps feeling incapable. I also felt awkwardly guilty for leaving Lebanon, guilty for surviving in Lebanon. Guilty for being fortunate to have a chance to start over; while probably hundreds of women who are the same age as mine; have the same capabilities still stuck there. Most of all, I felt angry at myself for doubting myself.

The next day, I woke up eager to bringing about the changes that I wish to see in Lebanon. The voices that must be heard, the fractured society that many do not know it exists, the neglect and the fear that is built-in inside everyone from the moment they are born, and that I feel so strongly about. A PhD seemed an obvious way to do this. I was curious to find answers, curious to understand and read my own reality in the way that actually makes sense. It took me months to find a corporation that would agree to participate in my research. It was a kind of mission impossible, but I was already prepared for this. I contacted a corporate through my network in Lebanon. A few days later, its HR department called me to understand the nature of the research, though I had sent them all the required documents in advance. I felt I was being investigated until two of their long-listed conditions stopped me 'The HR will have access to the participants' interviews responses' and 'the research must present the CEO in his best image'. So, I ended the call apologetically that their conditions conflict with the confidential nature of the research, and it was my last contact with this corporate. After many long hopeless inquiries, one corporation out of 24 corporations I had contacted in 2018, finally agreed to take part in this research, of course, with a list of terms to take into consideration. In 2018, I arrived in Lebanon for Data collection. This time I was in Lebanon as a foreign researcher, and I had a task that I was dedicated to complete. It was a challenging experience when at the beginning of every interview, I had to reassure each participant that my study is confidential, their identity will be protected,

and their names will be anonymised. However, some participants wanted different guarantees where I had to share all contact numbers in Australia, others asked me to swear by 'God' or begged me not to tell the owner of the corporate what they said. During data collection, I experienced a different type of fear this time. It was the fear of speaking out that could cost them their jobs, their ability to provide for their families and survive the terrible economy. It was the kind of fear that makes you realise how the system deprived the community of their basic rights so they would silently accept the little they are given: no objection, no resistance, no headache. Though the participants' sample was random, they all had something in common, the feeling of helplessness, the negative fatalism that is associated with feeling unimportant or unrecognised. Many interviews ended with me being interviewed by the participants who were asking of any migration information to Australia or any other country 'How can we migrate to Australia'? 'Are immigration applications currently open'? I was in no position to share any information, and they were aware of this. They wanted to run and leave everything behind like I ran away from the fear years ago. They felt like foreign strangers in their own Lebanon. I came back to Australia with a strange feeling of commitment, obligation and responsibility. There was never a moment of hesitation or escape.

Doing a PhD in social science is triggering. Years of work that result in a thesis and maybe several published papers - presents many insecurities and opportunities to fail. It is coupled with isolated dedication – a confronting self-reflexive pain. This journey was full of setback, but a beautiful escape into a different world. For me, this journey was my secret battle. A battle that starts against my old self, my fear and my helplessness. A struggle to be heard that made me resist the culture of death I lived and survived. This journey was full of mixed feelings. What kept me going is my refusal to look back, to stay trapped in my own fear. I was dedicated to moving forward.

I felt committed to reflecting on the ‘other’ reality that many do not know it exists. However, many emotions were put aside in this journey, I was looking from a different perspective where I put integrity and ethics as the top personal responsibility in this journey.

Writing my story is the most confronting experience in my entire life. Now that the journey is coming to an end, it feels like the cherry on top of a very challenging journey. I thought this story would remain untold, safely hidden in my subconscious as my life is supposedly going on normally with a cheerful smile and blurry eyes. I really wanted my book to look like another thesis of another PhD candidate journey—a candidate who is identified by name but not a story. I hesitated to write my story because it is not a pleasant one to tell. It took me a lot of strength and courage – but as I was struggling to write about my trauma that kept me captive for seven-year.

In recent days, a warehouse of stored ammonium nitrate has exploded at the Port of Beirut, in one of the most crowded areas of the capital. This explosion is the third biggest explosion in history after Hiroshima and destroyed almost a third of the capital. Two hundred died, seven thousand injured, and more than 300,000 families became homeless. These families cannot afford to rebuild, and definitely cannot afford to leave. It was 3:00 a.m. in AEST when I found out about the explosion. I close my eyes, wishing it is just a bad dream. It was not.

The negligence, corruption, greed and dehumanisation of the system’s rulers have finally exploded in the civilians. When I thought I was finally healing, all pain and anger came back to me at once. It gave me the strength to finish off my story. You will find this story here.

A PhD degree is a message before it is a career. This message reflects the reality of the vicious cycle of Lebanon, and it must be delivered.

This research involved a single qualitative interview and non-participant observation-based approach investigating political corporate social responsibility (PCSR). Qualitative research was the best method for this study because it enabled a systematic explanation of many different phenomena. A case study is an investigative method using an established set of procedures to answer research questions, collect evidence and reveal previously undiscovered evidence. Case studies are particularly useful for obtaining culturally specific information about the values, opinions, behaviour and social contexts of populations.

Existing research on the political perspective of corporate social responsibility in Lebanon is inadequate and rather non-existing. I was repeatedly asked about the motives of investigating PCSR in Lebanon and presuming that it does not fit the picture of the topic. I was fully aware of the challenges that will accompany this, particularly in the contextual complexity of the political setting in Lebanon. However, as a Lebanese I would understand the suffering, the lifestyles, challenges, threats, and fears of the communities at the centre of this study. The injustice and oppression inequality outweighs the astonishment of the study findings. This thesis was inductive in nature so that the theory was derived from the Data itself. The Gramscian theory (1970) of hegemony was the most suitable theoretical perspective that would mirror the empirical findings due to the socio-political environment and the capitalistic features of Lebanon.

I determined that a single qualitative case study was the most appropriate method for exploring, collecting and analysing data and drawing conclusions. The sample size was 24 participants, comprising employees of a private corporation contracted to deliver public services in Tripoli District, community social activists, state council members from the North Governorate in Tripoli District and an expert environmental engineer.

The population selected for this study included personnel in the employ of the company for 1–17 years at various levels of authority and degrees of involvement in decision-making. State council members selected for the study had been elected by the residents of North Governorate and were familiar with the environmental concerns of that area. The environmental engineer was a former member of council and a social activist who was aware of both the responsibilities of the council and the obligations of corporations.

All town council members, environmental experts and social activists were residents of the town. They lived there before, during and after the company's contract. Written records and audio and media devices were used to collect data in face-to-face and written correspondence interviews with employees, government representatives, social activists and environmental engineer. Together, these groups formed a balanced representation of the community.

Abstract

Political corporate social responsibility (PCSR) has been extensively researched in the past decade, with growing interest in the increased involvement of private corporations in influencing government regulations as well as providing public goods. Numerous studies have examined these phenomena from various theoretical perspectives and in many contexts. However, Middle Eastern countries have yet to be fully considered, despite the evident corporate involvement in the political sphere. The current study was motivated by the lack of current research on PCSR in Lebanon, one of the most politically unstable Middle Eastern countries and extends the research that has been typically conducted in Western or emerging economies settings.

Although PCSR researchers have started to explore the influence of culture and religion, they have not yet examined the influence of politics on the social responsibilities of corporations in settings dominated by ethnicity and religion. Lebanon's political system is characterised by a confessional government comprising democratic proportional representation of various religious and ethnic groups.

The purpose of this study was to discover and evaluate factors connecting corporate social responsibility (CSR) to politics in Lebanon, one of the most politically divided and culturally and religiously diverse countries in the region. It extends PCSR theory to account for contexts in which the political effects of CSR are subject to cultural and religious conditions.

A qualitative research interview and non-participant observation-based approach was used to conduct a single case study in Lebanon's two largest cities, Beirut and Tripoli. Through the lens of Gramscian theory of hegemony, I investigate the mechanisms underlying PCSR in Lebanon where a strong connection between social elitism, economic status, politics and religion occurs. This study examined public-

private partnerships, which involve private corporations delivering public services by means of contractual agreements with the Lebanese government. It sheds light on corporate responses to social needs and services in a failed government setting and a dynamically complex social, political and multi-sectarian setting.

This thesis provides a new perspective on the political roles and responsibilities of corporations, extending current theories on CSR. It conceptualises a more complex and dynamic picture of corporate responses to political demands than that presented in the literature, drawing on a less optimistic framework and revealing crucial insights into the darker picture of dysfunctional corporate practice and a weak political system.

Keywords: CSR, political CSR, political theory, PCSR in Lebanon, neo-Gramscian hegemony theory, confessional democracy, consociationalism, Middle East.

List of Abbreviations

CDR	Council of Development and Reconstruction
CEO	Chief executive officer
CPA	Corporate political activity
CSR	Corporate social responsibility
HR	Human resources
IT	Information technology
MENA	Middle East and North Africa
MNC	Multinational corporation
MP	Member of parliament
NGO	Non-governmental organisation
PCSR	Political corporate social responsibility
PPP	Public–private partnership
PR	Public relations
SWM	Solid waste management
SDG	Sustainable Development Goals
TEDO	Tripoli Environmental and Development Observatory
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
US	United States

Chapter 1: Introduction

1.1 Background of the Thesis

Over the last decade, corporate social responsibility (CSR) has experienced a paradigmatic shift, with increasing scholarly interest in CSR in the political domain (Mäkinen & Kasanen, 2016; Mäkinen & Kourula, 2012; Rodriguez et al., 2006; Scherer & Palazzo, 2011). As an emerging field of study, political corporate social responsibility (PCSR) focuses on the changing role of the firm in society, specifically how corporations act as political players and assume state-like roles in responding to a range of societal needs. Scholars argue that by influencing collective decisions, engaging in public discourse and providing public goods, corporations themselves become political actors (Scherer et al., 2016). Furthermore, social contribution and activities could serve as a political tool to complement the role of the state in countries where unemployment, bad governance, political instability and corruption become endemic (Akhuemonkhan et al., 2012). This literature has further explored corporate philanthropy, corporate political activities (CPAs) (Singer, 2013)

Accordingly, corporations assume greater responsibilities and maintain their legitimacy by engaging in public deliberations and providing resolutions for public concerns (Palazzo & Scherer, 2006). The scholarship pertaining to PCSR includes work on corporate citizenship (Matten & Crane, 2005), the political conception of corporate responsibility (Scherer & Palazzo, 2007) and corporate political activity (CPA) (den Hond et al., 2014; Lawton et al., 2013). The political roles of corporations include a variety of activities that have traditionally been under state authority, including the provision of community services and goods in areas such as education (Blowfield & Frynas, 2005; Boddewyn & Doh, 2011; Newell & Frynas, 2007) and public health (Maguire et al., 2004; Schrempf, 2012). Corporations may also become involved in

global governance (Kobrin, 2009; Scherer et al., 2006), censorship (Brenkert, 2009; Schrempf, 2012) and corruption (Misangyi et al., 2008). Further, scholars have highlighted corporate engagement in voluntary self-regulation to fill governance gaps at the national and global level (Aguilera & Cuervo-Cazurra, 2004; Bartley, 2007; Mena & Palazzo, 2012). Rasche et al. (2013) addressed this conduct, stating that ‘CSR is now as much about the social, governmental, and multi-actor regulation of business as about self-regulation of companies for community benefit’ (p. 654). Increasingly, PCSR initiatives are seen not only as a new form of corporate governance but as a way of governing society at large (Maclean & Crouch, 2011). Influencing governments and regulations through political means (den Hond et al., 2014) is also referred to as CPA.

On a global level, scholars have investigated the engagement of multinational corporations (MNCs) in activities typically considered domestic state activities (Margolis & Walsh, 2003; Matten & Crane, 2005; Scherer & Palazzo, 2008) when operating in situations of failed state authority (Scherer & Palazzo, 2011). These activities include education, social security and public health. Consequently, MNCs have begun to take advantage of local systems that are poorly adapted to corporate regulation, making financial investments and increasingly moving into countries where the local laws best suit their purposes (Scherer & Palazzo, 2011). Membership in consultative committees, lobby groups and other political networks enables MNCs to exercise political pressure and affect regulatory changes regarding environmental and social issues (den Hond et al., 2014; Frynas & Stephens, 2015; McWilliams et al., 2006). The regulatory vacuum around the activities of MNCs has prompted proposals to classify corporations as political actors (Matten & Crane, 2005; Palazzo & Scherer, 2007; Scherer & Palazzo, 2008).

Critically, investigations of PCSR often occur on the ends of a spectrum—most studies focus on the operations of MNCs either in developed, democratic countries, or in less democratic and marginalised economies (Banerjee, 2018). This study argues that CSR is generally proposed as a Western concept (Dartey-Baa, 2011; Zahid, 2013) and its political domain has been largely researched in Western centric context (Mäkinen & Kourula, 2012; Moon et al., 2005). Political dimension of CSR has not yet been investigated in some Middle Eastern context, particularly Lebanon, one of the most deeply-rooted social, sectarian and political division, where political involvement in the economic and social sphere is evident. It will make an interesting case study to investigate how corporations respond to societal needs in this context.

Lebanon is a country with a complex political, social and economic setting. In 2005, Lebanon witnessed a series of political assassinations, beginning with former Prime Minister Rafic Al Hariri and continuing with members of his political party and those sharing the same political vision, including politicians, journalists and activists. These assassinations reopened the wound of the civil war that Lebanon had suffered for over 15 years. The 15 years of conditional peace and power-sharing agreement among political leaders since the end of the civil war in 1990 had come to an end. This cycle of war and peace appears to be part of the country's civil and political identity. Every war has left Lebanon with various scars, including economic deprivation (Salti & Chaaban, 2010), social fragmentation (Choueiri, 2007), political marginalisation (Volk, 2009) and psychological trauma (Khamis, 2012). The series of assassinations changed the shape and structure of the country, resulting in the alliance of pre-existing politicians forming two political parties divided along ethnic and sectarian lines, promoting regional divisions rather than a unified national identity. To identify the uniqueness of the

research setting, it is equally important to frame the political and social environment of Lebanon of which affect every aspect of life.

Social fragmentation, the unequal distribution of authority, a lack of democracy and ethnic divisions are deeply rooted in Lebanese society and were factors contributing to the Lebanese Civil War (1975–1990). The government framework implemented during French colonisation (1926–1943) explicitly presumed the coexistence of minorities in a multiethnic country. The consociational system, founded by political theorist Johannes Althusius (1557–1638), was based on coexistence and cooperation between cities in post-reformation Germany. In its sectarian form—confessionalism—consociationalism did not work well in Lebanon. The government was structured in such a way that the president would always be a Christian Maronite, the prime minister a Muslim Sunni and the speaker of parliament a Muslim Shiite. Parliamentary seats were allocated to Christians and Muslims in a 6:5 ratio, elevating the president to the most powerful position. Such a power imbalance led to resistance and antagonism among ethnic groups, resulting in 15 years of civil war (1975–1990). In 1990, a reform of the confessional democratic system of Lebanon was signed in Taif, Saudi Arabia, which aimed to end the civil war and eliminate sectarianism by granting more parliamentary seats to Muslims and transferring much of the presidential power to the cabinet. However, the Taif Agreement did not eliminate sectarianism; rather, it redistributed power roughly in proportion to Lebanon's various ethnic groups (Kingston, 2013, Salloukh, 2019) and 'remains politically precarious, and its reconstruction continues to stagger' (Kisirwani, 1997)

Consequently, a ruling bourgeois oligarchy emerged, comprising sectarian families who represented and dominated the working classes within their sects, who in turn consented to the ideologies of the ruling class. U. Makdisi (2000) defined the

system as ‘a single public identity, where one’s sect defined one’s involvement in the public sphere and one’s ability to be appointed to office, to govern, to collect taxes, to punish’ (p. 162). This distribution of power and authority was established and reinforced over the years. As a result, from 1990 onwards, most Lebanese people became utterly dependent on politicians controlling resources such as jobs, education and health care. To date, the political and social bourgeoisie have remained in power in Lebanon, maintaining complete control over the unequal distribution of wealth and resources, including public services, which are ‘distributed through clientelism rather than impersonal rules’ (Baumann, 2016, p. 3). According to Ghamloush (2020),

‘the ruling-class further assert their dominance through monopolizing the right to think and reflect. This facilitates the ruling-class’s mission to keep the masses silent and obedient by depriving them the means to adopt an ideology and fight according to it which would oppose theirs’ (p. 5).

The hegemonic ideology that keeps the ruling class in power whenever its authority is challenged plays into sectarianism. Thus, ‘as long as working-class people are divided by sectarianism and policed by state authorities, failing to unite and leading their lives based on an opposing ideology, the ruling class remains in power’ (Ghamloush, 2020, p. 5).

Research studies in Lebanon have been driven by the country’s political instability and strategic location during or after the Arab Spring (Geukjian, 2016) and its social divisions contributing to corruption (Hisham, 2020; Leenders, 2012; Zgheib, 2020).

Interest in CSR has arisen from the complex relationships between businesses and society and corporate interactions between different stakeholders. The examination of the political aspects of CSR has led to its evolution to PCSR (Mäkinen & Kourula,

2012; Matten & Crane, 2005; Rodriguez et al., 2006; Scherer & Palazzo, 2008, 2011). The PCSR literature rests on the assumption that corporations become politically active to reduce the governance gaps in states that fail to provide social services. However, in the Lebanese context, the state has been failing ever since the end of the civil war, which led to the destruction of infrastructure and the fiscal resources to provide social services. If resources are found, they are privately distributed on the basis of political clientelism. Thus, governance gaps and social needs are growing in dysfunctional political systems based on sectarianism.

Given Lebanon's political instability, the hegemony of the ruling classes and clientelism, it may be naïve to imagine that corporations would engage in social activities that serve the interests of those outside of their ethnic and religious communities. Thus, sociocultural and political divisions are likely obstacles to the implementation of CSR and ethical practices in Lebanon. An examination of the cultural, political and socio-economic contradictions in the Lebanese context will extend the PCSR literature, adding a new perspective of how PCSR may be implemented.

1.2 Key Definitions

PCSR is studied in the context of corporations engaging in the provision of public goods in a state-like capacity for the purpose of social legitimacy (Scherer & Palazzo, 2007). Scherer and Palazzo (2011) define PCSR as the movement of corporations into the public sphere, contending that there are five dimensions related to the shift towards politicised CSR: the role of the law, the governance model, the scope of responsibility, the source of legitimacy and the role of democracy. There is some diversity in contemporary concepts of PCSR (Mäkinen & Kourula, 2012). However,

this thesis follows the broader view proposed by Frynas and Stephens (2015), who state that PCSR refers to

activities where CSR has an intended or unintended political impact, or where intended or unintended political impacts on CSR exist (i.e. impacts related to the functioning of the state as a sphere of activity that is distinctive from business activity). (p. 485)

Frynas and Stephens (2015) further elaborate on PCSR activities, whereby

CSR is a deliberate attempt to usurp government regulation, CSR-related activities that are geared solely towards responding to government policy and also CSR-related activities where firms recognise their impact on society and their social responsibilities in a way that has a clear impact on regulation. (pp. 485–486)

The term ‘political’ refers to the involvement of corporate actors, governments and members of civil society. The involvement of state, civil and market players is considered communicative; that is, their engagement is marked by an ongoing discourse between the three groups (Scherer et al. 2016; Young, 2010).

According to Palazzo and Scherer (2006), ‘issues are defined as political if they provoke public concern arising from power’ (p. 78). Young (2010) further elaborates on public political concerns, stating that political activities takes place when people jointly organise to regulate or transform aspects of their shared social conditions or engage in communicative activities in which they attempt to encourage and each other’s to join shared actions or decide on which direction to take.

This thesis borrows from Freeman’s (1984) definition of a stakeholder as a ‘group or individual who can affect or is affected by the achievement of the organisation’s objectives’ (p. 46). In this thesis, a stakeholder is defined as any person

or group with an interest in corporate activity, regardless of the corporation's interest in them. Further, this thesis refers to Antonio Gramsci's concept of social activists and civilians, including families and jurisdictional citizens, related to the non-state or private sphere, which mediates between the state and the economy. This concept is considered more in depth in Chapter 3. Furthermore, this thesis adopts the theory of hegemony by Antonio Gramsci (1971), hegemony in its simplest definition means the dominance of one group over another and this dominance is through coercion and concession.

1.3 PCSR Theoretical Frameworks

Increasingly, corporations are becoming significant political actors in a global society (Detomasi, 2007; Matten & Crane, 2005; Scherer & Palazzo, 2007, 2011). Empirical studies and theoretical perspectives of PCSR are diverse, and, to date, there is no explicit agreement about how to classify PCSR (Frynas & Stephens, 2015; Rasche, 2015; Scherer, 2017; Scherer & Palazzo, 2008; Scherer et al., 2016). Scholars have examined PCSR using various research methods, evaluation criteria and theoretical perspectives, including stakeholder theory (Gilbert & Rasche, 2008), legitimacy theory (Blasio, 2007; Cashore et al., 2003) and institutional theory (Detomasi, 2007; Ungericht & Hirt, 2010). PCSR has also been examined through political theories, including Habermasian theory (Mena & Palazzo, 2012; Scherer & Palazzo, 2011), Rawlsian theory (Bishop, 2008; Cohen, 2010; Mäkinen & Kourula, 2012) and Gramsci's theory of hegemony (Levy and Egan, 2011; Kourula & Delalieux, 2016).

Scherer and Palazzo (2008, 2011) adopt the Habermasian deliberative democracy approach, which focuses on the emerging political role of corporations in the provision of public goods, especially in emerging economies. Additionally, the PCSR literature has been extended and examined through Gramsci's theory (Levy & Egan, 2003) of hegemony and passive revolution (Kourula & Delalieux, 2016). Neo-

Gramscian theory was introduced to investigate hegemonic corporate action in civil society. Levy and Egan (2003) investigated corporations' strategies of building alliances with non-natural allies such as non-governmental organisations (NGOs) and insurance companies in response to climate change.

Investigations of PCSR from a political theoretical perspective have mainly been conducted in Western settings (Kourula & Delalieux, 2016; Mäkinen & Kourula, 2012), while corporate involvement in the political sphere has been examined in politically and socially failed settings (Scherer & Palazzo, 2006, 2011). To date, no research has applied political theory of PCSR in a confessional democratic setting, where culture, politics and religion interrelate in every aspect. In this context, it is important to understand and consider these factors together. This thesis draws on the less optimistic positivist approach of Scherer and Palazzo (2007, 2011) and employs the political theory of Antonio Gramsci (1971) to consider how CSR plays out in the Lebanese political system. This thesis relies on Gramsci's thought of hegemony as an endless process of power dominance and struggle that is translated into a battle between truth, consent and social structure. In particular, it adopts the neo-Gramscian approach (Gamu & Dauvergne, 2018; Levy & Egan, 2003) to PCSR, which views CSR as a form of hegemonic accommodation reflecting the dominant cultural, economic and political role of business in society (Levy & Kaplan, 2007). William (1960) describe the theory of hegemony of Gramsci (1971) as 'an order in which a certain way of life and thought is dominant, in which one concept of reality is diffused throughout society in all its institution and private manifestations', informing with [...] morality, customs, religious and political principles, and all social relations, particularly in their 'intellectual and moral connotation'. (William, 1960, p.3). As a specific form of political power, hegemony refers to the 'socio-economic and political orders reproduced by ruling elites

exercising coercive power and undergirded by the consent of those ruled' (Gamu & Dauvergne, 2018).

Gramsci's (1971) work focused primarily on European state politics, but he was also aware of the interplay of forces at international, national and regional levels:

'International relations intertwine with these internal relations of nation-states, creating new, unique and historically concrete combinations. A particular ideology, for instance, born in a highly developed country, is disseminated in less developed countries, impinging on the local interplay of combinations. This relation between international forces and national forces is further complicated by the existence within every State of several structurally diverse territorial sectors, with diverse relations of force at all levels'. (p. 182)

This thesis investigates PCSR in relation to Gramsci's (1971) theory of hegemony. It also investigates the political strategies and practices that corporations apply in their alliances with the public sector to secure a hegemonic position and maintain the status quo.

PCSR scholars who adopted the theoretical framework of hegemony by Gramsci, argue that PCSR is a hegemonic strategy by corporations that tend to build partnerships with allies who may defend them against social and environmental accusations (Kourula & Delalieux, 2016; Levy & Egan, 2003).

The thesis specifically explores how PCSR plays out in a multiethnic capitalist society through the lens of Gramsci concept of hegemony. Within this framework, this thesis makes a unique theoretical contribution to the literature by examining PCSR in a country in which religious bodies interfere in and strongly influence political, social and economic spheres. Furthermore, the close relationships between corporations and religious bodies could reinforce the political hegemony of capitalist corporation in the

allocation of social services. The post-1990 ‘historical bloc’ in Lebanon ‘exercises hegemony through the coercive and bureaucratic authority of the state, dominance in the economic realm, and the consensual legitimacy of civil society’ (Levy & Egan, 2003, p. 806).

1.4 Research Context

The study was conducted in Lebanon, which is located on the Mediterranean coast and has around 4 million inhabitants (excluding refugees). Lebanon is characterised as a country with a long history of political instability, internal religious and social conflict and a disastrous economy. Lebanon’s history is marked with political instability and recurring episodes of armed conflict, which have had significant consequences in terms of population displacement, insecurity, economic disruption and environmental degradation (Issa, 2014).

Lebanon’s confessional democracy relies on an equal distribution of power and authority in key positions. The nature of democracy and its trajectory are the subject of ongoing discourse in Lebanon. The complicated ethno-sectarian constitutional structure is considered the primary political identity, while religious affiliations organise politics and society. Lebanon witnessed the start of a civil war in 1975, which lasted 15 years and resulted in hundreds of thousands of fatalities (Salibi, 2003). In 1990, a peace treaty was signed with the aim of reshaping the political system to enable an equal share of authority between sectarian groups. The country also underwent economic and infrastructure reconstruction and rehabilitation to return power to a stable central government. Consociational democracy has also been criticised for perpetuating a weak state and institutionalising sectarian differences (Calfat, 2018). Thus, the weak state managed to increase the chance of political crises and issues. Moreover, its legal institutions ‘suffer from political interference and limited enforcement capabilities and

as such legal regulations seem vague and ill-defined' (Safieddine, 2005, p. 52).

According to Safieddine (2005),

the Lebanese economy is dominated by family-owned businesses that do not support transparent corporate culture and protocol, which in turn define the roles and responsibilities of those charged with conducting corporate decisions; such a situation presents further challenges to newly privatized enterprises as effective controls on managerial behaviour are nonexistent thereby enforcing the same problems that privatization is supposed to mitigate. (p. 51)

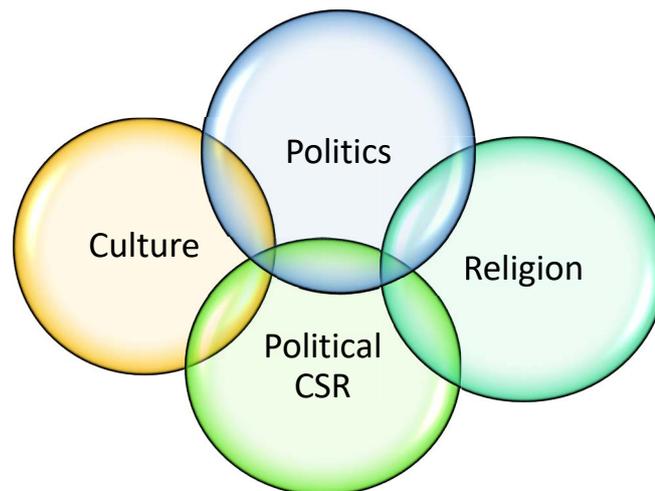
The Washington bureau chief of a Lebanese newspaper and senior analyst for a television network stated in an interview that 'Lebanese confessionalism is nothing less than "a cancer on the country's body politic" . . . [and Lebanon's] sectarian politics allows interference from outside countries, specifically Syria, Iran, Israel, and the United States' (Harb, 2006, para. 16). Lebanon is 'an amalgam of religious communities and their myriad sub-divisions, with a constitutional and political order to match' (Hirst, 2010, p. 2). It is considered a 'sectarian state par excellence' (Hirst, 2010, p. 2).

The underlying reason for political instability in Lebanon today is that political representation, authority and power are distributed according to the numerical size of each sect. Ethnic sects are the primary social organisations through which political security is maintained, thus play a dynamic role in Lebanese society (Faour, 2007). A change in the demographics of any sect could lead to a change in politics, thus the economy (Faour, 2007; Suleiman, 1967), which is influenced by political factors based on religion rather than societal division. There is a significant lack of knowledge about the social responsibility of corporations in Lebanon and a lack of awareness among Lebanese corporations about their role in the development of the country (Al Am,

2016). As previously explained, it is challenging to assess the political role and social obligations of corporations and state agencies in a country such as Lebanon without referring to its unique ethnic and cultural composition, which has led to a non-traditional constitution of ethics and principals. The strong integration of politics, culture and religion will affect the understanding, practice and applicability of PCSR concept in Lebanon as shown in figure 1.1

Figure 1.1

Relationship Between Religion, Culture and Politics in Lebanon



1.5 Research Gap and Objectives

The fundamental rationale for this research emerged from an interest in investigating the political role of corporations in meeting their social responsibilities when providing public services. Banerjee (2018) previous argued that ‘CSR does not travel well outside the Anglo-American context in which it was created and several key assumptions of CSR and stakeholder theory begin to unravel due to the very different

cultural, social and political environments in non-European regions' (p. 799). This thesis will further argue that PCSR literature and phenomenon key assumptions was created from the context where CSR already found in. PCSR does not fit in the picture beyond of the Western and Anglo-American context. The decision to study PCSR in a confessional democratic setting was informed by a dearth of research in the literature on this topic. Lebanon has a confessional democratic system of government, in which political authority and democratic representation are allocated along religious and ethnic lines. With a history of civil war and political and sectarian divisions, Lebanon is an interesting context in which to investigate how corporations address their social obligations.

A review of the PCSR literature revealed a clear gap in the research regarding PCSR in the Middle East, particularly Lebanon and the political role that corporations play in the provision of social services where political intervention is evident. Despite the strong integration between the social, economic and political spheres in the Middle East, the corporate role in social activities has been ignored. Also, this fills a gap of the role of PCSR in the context of fail(ed/ing) states where corporations, enabled by crony politicians, take over the role of the state to serve their bottom line. Furthermore, this thesis contributes to corporate irresponsibility when the provision of public services is ceded to the private sector, and corporate response to social concern.

The two primary objectives of this research were to

- examine PCSR in a confessional democratic system of government, focusing on how corporations address their social responsibilities in this type of system
- explore how the relationship between politics and religion may create challenges for corporations in terms of sustainable socio-economic development.

It was anticipated that addressing these objectives would contribute new knowledge regarding how corporations operate in unique systems of government and address social responsibility in political systems in which power is distributed along ethnic and religious lines.

To meet these objectives, this study explored PCSR as a corporate strategy to acquire political power for economic gain in a confessional democratic context. It aims to suggest models of governance that may minimise exploitation and establish limitations for the political influence of corporations. This thesis also investigates how sectarianism is reproduced in the relations between political elites and corporations and their social responsibilities.

1.6 Methodology

A case study approach, as defined by Yin (1994), was employed in this study to explore the implications of a corporation's PCSR activities in the confessional democratic system of Lebanon. Notably, Delta (pseudonyms name is randomly chosen), the corporation selected for the case study, was not purposively targeted but was the only one of 24 randomly contacted corporations that agreed to participate. Thus, no corporate speciality was intentionally targeted, and the notion of public-private partnership (PPP) was not a research criterion but rather a finding.

Various research methods were used to develop an in-depth understanding of multiple stakeholder perspectives. In line with Yin (2014), various sources of evidence were applied to maximise data quality, including in-depth semi-structured with employees of Delta and its subsidiary companies Enginco and Wasteco (pseudonyms names randomly chosen), and unstructured interviews with civil activists, government representatives and environmental experts. Secondary data were also analysed, including corporate, government and civil group documentation.

The most significant source of data was the in-depth semi-structured interviews. In total, interviews were conducted with 24 participants across the four stakeholder groups. However, there was difficulty in obtaining data from members of parliament (MPs) and ministers, who were unable or unwilling to cooperate or consent to being recorded because of the nature of the study. However, data were supplemented with online documents and local newspapers. Data saturation was reached with the interviewed stakeholders. This is further described in Chapter 4.

1.7 Thesis Outline

This thesis comprises six chapters. Chapter 1 has outlined the parameters of the study, including the theoretical framework and research objectives, aims and rationale. The research questions and methodology were also discussed. Chapter 2 reviews the body of literature on CSR and PCSR. It presents a categorisation model to understand the various approaches to the study of CSR in the management literature. Further, it discusses Gramsci's (1971) theoretical framework and its contextual application to PCSR. CSR studies in Middle Eastern countries is reviewed in some detail, forming the basis for the identification of research gaps of PCSR in Lebanon and the development of the research questions.

Prior to the discussion of the research methodologies, it is first important to examine the particular cultural, political and social settings in which the research took place. Lebanon's social divisions, sectarianism and political instability have shaped its provision of social services. These influences are the focus of Chapter 3, which presents a more detailed account of the context of the study, drawing from media reports, articles, books and other secondary sources. It details the controversial political system of Lebanon and the role of politics in the economic and social spheres.

Chapter 4 describes the methodologies adopted to answer the research questions, including the study design, paradigm, sampling methods, procedures and data analysis. It also considers design limitations and presents a detailed breakdown of the interview protocol and ethical considerations.

Chapter 5 describes the findings of the exploratory case study, including a thick description of the provision of public services by a private corporate contractor. It achieves this by providing a detailed timeline of events in the case study before reviewing the data gathered from the semi-structured and unstructured interviews. The key themes that emerged from the stakeholder groups are presented and integrated with the various themes.

Chapter 6 discusses the research findings in relation to Gramsci's (1971) theory of hegemony. This yields insights into the proposed extension of the theory into a different political setting, namely the confessional democratic system of Lebanon. The research questions are addressed, key contributions to the field are clarified and an extended PCSR framework is proposed.

Chapter 7 presents the conclusions of the study. The research problem and questions are reviewed, and the extent to which the study achieved the research aims is assessed. Contributions to the literature are outlined and the various limitations are addressed in terms of opportunities for future research on this topic.

1.8 Summary

The movement of corporations into the public sphere and their consequent PCSR is an emerging phenomenon. The work of Scherer and Palazzo (2011) was primarily used to conceptualise the definition of PCSR in this study. This thesis explores PCSR in Lebanon's confessional democratic system, in which power and authority are distributed along ethnic and sectarian lines. This thesis builds on

Gramscian (1971) theory of hegemony, drawing on primary and secondary research to examine the case of a private corporate contractor operating in partnership with the Lebanese public sector to deliver social activities in two different industries. This highly politicised case is a distinctive and vital opportunity to study the political and social implications of PCSR in the Lebanese context. This introductory chapter has defined key concepts, namely CSR, PCSR, state representatives, stakeholders and civil society, which are considered in more depth in Chapter 3.

The research concerned the interactions between a corporate contractor operating in construction and solid waste management (SWM), the state government and the community. The construction and SWM projects took place in Beirut and the North Governorate of Lebanon, respectively. The company, which was operating several large projects across two different industries in partnership with the public sector to deliver public services, regularly applied for state PPP extensions. This is described in depth in Chapter 5.

To gain an in-depth understanding of a complex situation involving multiple stakeholders, several methods were used, including semi-structured interviews with various stakeholders including private studies and content analysis of secondary data. However, the central source of data was the 16 interviews conducted with 16 employees of the company and supplemented with 8 interviews collected with other stakeholders participants. Chapter 4 provides more detail of the data collected.

The limitations of this case study were also presented. Primarily, these included a lack of broad generalisability and a small sample size. However, the methodology was designed with the purpose of maximising the potential for general application through data saturation.

Chapter 2: Framing Political Corporate Social Responsibility

Literature: How does it work in the Middle East

2.1 Introduction

Chapter 2 presents the literature review, which forms the theoretical basis of the research. The chapter identifies the research problem and demonstrates the link between the literature and the current study. Overall, CSR is an interdisciplinary field, stemming from work in accounting, ethics, management, political science, communications, marketing and other disciplines (Carroll, 1999). Some scholars have extended CSR research into the realm of politics. Detomasi (2007) investigated the political role of corporations by examining whether domestic political institutions influence whether and how corporations pursue CSR. This thesis studies the political mechanisms and processes by which CSR activities contribute to the political power of a firm.

Prior studies have investigated PCSR from various perspectives and theoretical lenses, including stakeholder, legitimacy and political theories. However, few studies have investigated PCSR through Gramsci's (1971) political theory of hegemony and counter-hegemony. More importantly, few studies have done this empirically (Kourula & Delalieux, 2016; Levy & Egan, 2003). Gramsci's (1971) theory of hegemony is framed for two different societies—social society and political society. Some scholars (Kourula & Delalieux, 2016; Levy & Egan, 2003) have critically investigated PCSR from the 'first floor' of hegemonic theory, which includes social activists, churches and organisations. However, these studies have restricted Gramsci's broad definition of civil society to social activists and NGOs. This thesis contributes to the limited PCSR literature by applying the Gramscian framework in a context where religion and ethnicity are dominant political factors. It also establishes a clear interpretation of

corporations' CSR activities when delivering public services through PPPs with the public sector in this political setting.

This chapter first provides a chronological overview of the development of CSR, identifying the main phases and categories and examining the major theoretical contributions to PCSR. This section reviews the literature on CSR that informed by a global perspective, particularly from a western-centric perspective on how large corporations and MNCs respond to different societal needs post-globalisation and tend to act as political players in emerging economies settings when responding to societal needs. It then identifies several bodies of research related to PCSR, unpacking assumptions in the existing literature and highlighting gaps, in particular a failure to account for the political dimension of CSR in the Middle East, including in Lebanon. Here politics and culture require special consideration, and it is to this area this study draws attention. Furthermore, theoretical framework of Gramsci (1971) is presented of how it was employed in the literature and the strategies that corporations tend to adopt in pursuing their CSR activities through hegemony and dominance. In summary, the key objectives of this chapter are to define CSR and PCSR and chronologically detail theoretical contributions. Second, overview and critique the literature with respect to key theoretical approaches. Third, highlight research limitation regarding PCSR investigation from 'western' concept, and draw attention to examining the concept in the Middle East, especially in the post-Arab spring movements that have changed the face and social expectations and corporations responsibility toward the society in many Arab countries. Finally, reflect on the complexity of political setting of Lebanon, which was not influenced by the social movements of its neighbouring countries, and develop a research area to understand if and how corporations respond to the societal need in a highly political unstable and multi-sectarian divided country like Lebanon.

2.2 Corporate Social Responsibility

CSR has been the subject of multiple disciplines and approaches. The World Business Council for Sustainable Development (WBCSD) has defined CSR as ‘the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large’ (Watts, Holme & Tinto, 1998, p. 3). McWilliams et al., (2006) define CSR as ‘actions that appear to further some social good, beyond the interest of the firm and that which is required by law’ (p. 1). In contrast, El Haddad and Menassa (2015) assert that CSR is a dynamic concept, which continually changes with communities’ perceptions of moral values. CSR is concerned about the relationship between a corporation and the local society in which it operates (Golob, 2008). Werther and Chandler (2011) define CSR as a ‘view of the corporation and its role in society that assumes a responsibility among firms to pursue goals in addition to profit maximisation and responsibility among a firm’s stakeholders to hold the firm accountable for its actions’ (p. 5). The key challenge in defining CSR is the lack of consensus about where its boundaries lie (Blowfield & Murray, 2008; Lockett et al., 2006). However, the CSR domain generally encompasses social philanthropy (Carroll, 1999; Smith, 2011) and extends to the alarming effects of industrial waste on the environment, sustainability, trust and the legitimacy of corporate behaviours (Windsor, 2001).

Classical theorists (Bowen, 1953; Carroll, 1991) tend to focus on the social responsibilities of businessmen (Bowen, 1953). Bowen (1953) was concerned about maximising social welfare, defining social responsibility as ‘the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society’ (p. 6).

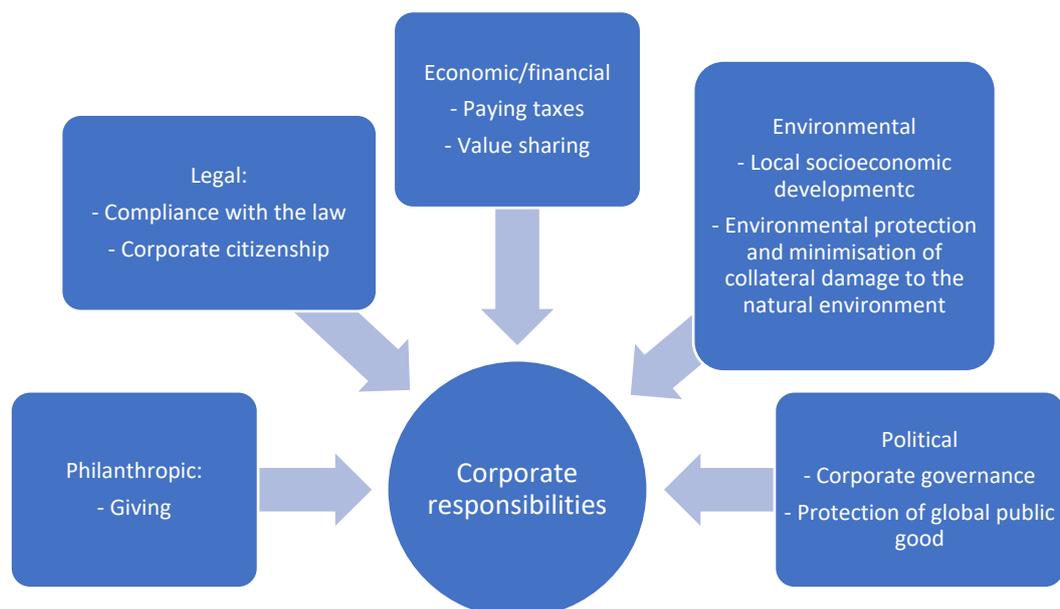
He compared CSR across different political systems, critically analysed the social responsibilities of business actors in different economies throughout history and recommended more significant government intervention in economic activities. Davis (1960) was one of the first scholars to identify the power and social influence of businesses as a crucial factor in the CSR debate, arguing that corporations were a social institution and must use their power carefully: 'In the long run, those who do not use power in a manner that society considers responsible will tend to lose it because other groups eventually will step in to assume those responsibilities' (p. 63). Walters (1977) followed Bowen's lead, linking political ideology to CSR by arguing both for and against his theory. From a conservative perspective, Walters (1977) argued that businesses were economic actors, and governments should assume responsibility for social and public services. In their analysis, Seele and Lock (2015) described the 'new rationale' for CSR of Wallich and McGowan (1970) that assigned shareholder interests in CSR to three dimensions, later it was translated by Carroll (1991) to a four-dimensional pyramid to represent the hierarchical nature of CSR. Carroll (2016) guided the research in the field with his well-known definition of CSR: 'The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time' (p. 2).

CSR has primarily been used as an umbrella term (Blowfield & Frynas, 2005; Rasche, 2015; Scherer & Palazzo, 2007) for the diverse perspectives on the social responsibilities of businesses (Scherer, 2017). Some scholars argue that CSR is complex, consisting of multiple contradictions. While it may involve structure, contradiction, domination, concealment and power, it is also an embodiment of aspirations, desires and talents (Hanlon & Fleming, 2004). CSR and its associated programs are practised differently around the globe. Matten and Moon (2008)

distinguish between explicit form of CSR in economies such as the USA and implicit forms of CSR encountered across Europe. The authors argue that CSR practices in the US are initiated by more incentive for voluntary social roles for corporations and bounded by less regulations, whereas relevant social obligations are seen in Europe as the purview of government. Explicit CSR comprises a more formalised framework, processes and styles of the CSR that have largely originated from an Anglo-American context. In contrast, implicit CSR includes perceived mandatory and/or taken for granted social obligations resulting in requirements for corporations to address relevant issues in their particular environments, (Matten and Moon 2008). For example, using Whitley's (1999) four key features of national institutional frameworks, Matten and Moon (2008) compared the differences in the CSR language used in the United States (US) and Europe, finding that 53% of corporations in the US explicitly mentioned CSR on their websites, while only 29% of French and 25% of Dutch corporations did the same.

Figure 2.1

Corporate Responsibilities to Society



Note. Adapted from *The Social Responsibilities of the Businessman*, by H. R. Bowen, 1953: Harper & Brothers.

2.3 Political Corporate Social Responsibility Theories

The boundaries of CSR have expanded to include political issues such as corporate payments, state taxation (Jenkins & Newell, 2013) and international developments (Blowfield, 2005). CSR has also extended to environmental and social challenges such as human rights and climate change (Scherer & Palazzo, 2011). The relationship between corporations and the political system has been shown to be of great importance (Boddeyn & Brewer, 1994; Scherer et al., 2016). This relationship and the political shift of corporations have been discussed in various subfields of management studies, including corporate citizenship (Matten & Crane, 2005), CPA (Hillman et al., 2004; Lawton et al., 2013) and PCSR (Scherer & Palazzo, 2008, 2011). These essential PCSR research streams have generally changed the perception of the political role of corporations (Scherer, 2017).

Various theoretical frameworks have been used to investigate PCSR, including legitimacy theory (Cashore et al., 2003), institutional theory (Ungericht & Hirt, 2010; Whelan, 2012), Habermasian theory (Mena & Palazzo, 2012; Scherer & Palazzo, 2011), Rawlsian theory (J. Cohen, 2010) and the neo-Gramscian theory of hegemony (Kourula & Delalieux, 2016; Levy & Egan, 2003). These conflicting applications of theory to the phenomenon of PCSR have led to a lack of clarity in its definition. However, scholars have defined PCSR as an umbrella term for the different perspectives of corporate responsibility towards society (Scherer & Palazzo, 2008). Frynas and Stephens (2015) define PCSR as ‘activities where CSR has an intended or unintended political impact, or where intended or unintended political impacts on CSR exist’ (p. 485). The authors explain that PCSR can constitute deliberate attempts by corporations to influence

governments and gain a competitive advantage. The unintended effects of corporate activities on an institution's development range from creating an institutional void to prompting reactive corporate strategies, which can alter the political environment (Frynas & Stephens, 2015).

The main contributions to the PCSR literature can be traced back to the studies of Scherer and Palazzo (2007, 2008, 2011), Matten and Crane (2005) and Matten and Moon (2003). Scherer et al. (2016) redefined the concept of PCSR simply by starting with the definition of the term 'political', which refers to the collective decisions, public deliberations and provision of public goods and services as key features of politics. Proponents of PCSR have built on the concept of politics that emphasise deliberations, collective decisions and concern for (global) public goods (Scherer et al., 2016; Young, 2004). By this definition, corporations become political actors when they participate in the provision of public goods, influence collective decisions and engage in public discourse (Scherer et al., 2016).

Some scholars have developed a normative theory of the responsibilities of firms based on a distinct political philosophy and theory of deliberative democracy (Matten & Moon 2005; Scherer & Palazzo, 2007). In the course of developing this theory, these scholars have explored the implications of the changing political role of firms in terms of governance, the role of the law, corporate responsibility, corporate legitimacy and democracy. Scherer and Palazzo (2011) state that PCSR

suggests an extended model of governance with business firms contributing to global regulation and providing public goods. It goes beyond the instrumental view on politics to develop a new understanding of global politics where private actors such as corporations and civil society organizations play an active role in the democratic regulation and control of market transactions. (p. 901)

This definition emphasises a critical cornerstone of the debate—that the provision of public goods by global businesses may fail to meet government regulations. Scherer et al. (2016) criticise the definition proposed by Frynas and Stephens (2015) as disregarding essential factors, including ‘CSR activities with political impacts, such as when firms proactively and deliberately shape certain public goods’ (p. 276). Drawing on a less optimistic view, the political dimension of CSR goes beyond the notion of corporate politics (Hillman et al., 2004; Lawton et al., 2013). Corporations in the process of becoming political actors may use PCSR as an instrumental strategy for influencing institutions through several means (Hillman et al., 2004). Matten (2003) describes the emerging political role of corporations as ‘symbolic politics’ because, as political actors, numerous corporations are engaged in the design and implementation of environmental regulations in their host communities or countries. Corporations not only influence politics through practices such as corruption and lobbying but also become political actors themselves, actively engaging in co-creating their institutional environments (Scherer & Palazzo, 2011). Therefore, corporations have become part of the political system (Scherer et al., 2013). The implication of this is the erosion of the traditional roles and powers of national governments, necessitating an extended model of governance that accounts for corporations influencing global regulations, providing public goods (Scherer & Palazzo, 2011) or altering existing models of governance (Driver & Thompson, 2002; Scherer et al., 2013; Thompson, 2008).

Scholars have also focused on CPA, which lies on the PCSR spectrum. The CPA literature highlights the success of the political strategies of corporations (Hillman et al., 2004; Lawton et al., 2013). Initially, the CPA literature did not consider the CSR research (Hillman et al., 2004). Scherer et al. (2016) argue that the concept of CPA presumes that corporations engage with the political system out of economic interest,

influencing public policy in ways that serve the firm's best interests. Corporations influence public policy and the regulatory environment through lobbying, bribes, relationships with government officials and corruption (Lawton et al., 2013). Scherer et al. (2016) further argue that CPA scholars are solely focused on the self-interested manipulation of regulatory authorities. In contrast, PCSR is different. It goes beyond the rudimentary nature of corporations in politics and considers their activities in various political spheres.

The next section briefly explains the history of the political theoretical efforts that have helped shape the emerging definitions of PCSR.

2.3.1 Political Theoretical Efforts at the Macro Level

Frynas and Stephens (2015) reviewed the theoretical perspective of PCSR literature and categorised them into macro, meso and micro levels of analysis. Macro-level theoretical applications include Habermasian deliberative democracy, the Rawlsian theory of justice and neo-Gramscianism, which explain the proactive influence of corporations on 'new global governance systems, most notably with reference to the posited diminished regulatory power of state institutions within the post-Westphalian order' (Frynas & Stephens, 2015, p. 491).

Mäkinen and Kourula (2012) reviewed PCSR from the Rawlsian perspective, focusing on background structure and justice. They took a pluralistic view to observe the nature of CSR in many political contexts and, in doing so, evaluated political theories from three overlapping phases of research—classic CSR, instrumental CSR and new PCSR (or the 'political turn'). The Rawlsian concept of moral labour explains how social, political and economic responsibilities are divided among political and socioeconomic organisations and actors (Mäkinen and Kourula, 2012). Rawls (1971, 2001) focused on using social justice to address the responsibilities of political actors

and authorities in various political systems. According to Freeman (2007) Rawls's central principle was to measure the level of equality and freedom in society and examine how social life is democratically ruled by investigating how moral labour is divided (Freeman, 2007). This division later became a serious political issue. Mäkinen and Kourula (2012) states that the primary political responsibility towards citizens in liberal, democratic societies is background justice. The operations of organisations are indirectly governed by the institutional structures of social cooperation, which correlate with political rules and policies (Mäkinen & Kourula, 2012).

In the process of implementing the Rawlsian approach, Mäkinen and Kourula (2012) brought a range of political principles to the PCSR discussion and highlighted the necessity of setting boundaries between corporations and the basic structure of society. They focused on Six different political systems, namely market socialism, property-owning democracy, welfare-state capitalism, liberal equality, classical liberalism and libertarian laissez-faire. The authors argue that classic CSR (explored in the 1950s and 1970s) was more pluralistic because it was based on a range of political theories and settings and included a discussion about the division of moral labour (Mäkinen & Kourula, 2012). Therefore, it is vital to examine the classical CSR literature to uncover the explicit or implicit political background theories of this period.

Scherer and Palazzo (2008, 2011) implemented the Habermasian approach, mainly referring to PCSR as a global transition or 'political turn'. Their approach to PCSR focuses on achieving a compromise between economic bargains and ethical practices. According to Scherer and Palazzo (2011) Habermas expressed concerns about the globalisation-induced erosion of state authority in terms of two main challenges for the democratic political order: (i) the pluralism of values and lifestyles and the increasing heterogeneity of national culture and (ii) the weakening of the rule of law in

democratic societies. The decline in the power of democratic political authorities has been coupled with social changes such as the migration of people from different backgrounds and the emergence of individualism and new identities (R. Cohen & Kennedy, 2000; Scherer & Palazzo, 2011). For Habermas, the main goal was to recreate a political order that tied economic organisations to economic rationality. However, under the rules of globalisation, seeking to establish a new formula for democracy that surpasses national authorities may generate many challenges. Corporate became highly engaged in self-regulation in an attempt to fill the regulatory vacuum caused by globalisation (Henderson, 2001).

Scherer and Palazzo (2007) built their analysis of PCSR using Habermas's theory of democracy, which explains the emerging political roles of MNCs in their host countries in conjunction with two stakeholders—civil society and governments. It also discusses changing features of governance in relation to global economic evolution and the elimination of trade barriers, which has affected the ability of national governments to maintain their power over four segments of the economy, namely the environment, labour conditions, production sustainability and cultural and social growth.

Critically, Adelojo et al. (2015) argue that the theoretical efforts of both Rawls and Habermas were aimed at developing an international approach to governance in the form of a 'hybrid democracy' of two dominant political traditions. This approach focused on the notion of deliberative democracy, which tends to differentiate between politics and economics. Deliberative democracy has been proposed as an alternative to conventional liberal democracy because it maintains a clear separation between the economic and political spheres (Banerjee, 2014; Gutman & Thompson, 2009). Both Habermas and Rawls argued that deliberative democracy serves as a link between civil society, the state and the market through a participatory communication system.

However, the concept of deliberative democracy has been criticised by many scholars (Banerjee, 2014; Kobrin, 2009; Mäkinen & Kourula, 2012). Kobrin (2009) points out that deliberative democracy is an unproven concept, while Banerjee (2014) questions the ability of businesses to give non-corporate actors democratic control over their actions. Banerjee (2014) further adds that such a separation is deceptive because political, economic and social spheres interrelate in multiple circuits of power, and ‘through power knowledge nexus create forms of democracy that are contingent on a particular form of authority’. Rhodes and Fleming (2020) raise their concerns of ‘deliberative democracy’ in the context of PCSR rooted in consensus politics, of which ‘assumes that corporations and citizens can alone negotiate a mutually agreeable and beneficial provision of public goods’ (p. 948). The authors critically doubts that a corporate-led initiative could result in social justice and political harmony; however, the motives of corporations to incorporate PCSR initiatives only when it is in their best financial interest. (p.948)

2.3.2 Political Corporate Social Responsibility and Globalisation

The CSR literature has increasingly conceptualised corporations as political actors (Hsieh, 2009; Matten & Crane, 2005; Néron & Norman, 2008; Palazzo & Scherer, 2006; Scherer & Palazzo, 2007, 2011). This phenomenon has been investigated from different empirical and theoretical perspectives and in various overlapping periods.

In an era of global expansion, corporations, particularly MNCs, are increasingly engaging in business regulation and the provision of public goods. The rising scholarly interest in the political aspect of CSR over the last decade has focused mainly on the social obligations of MNCs operating at the global level (Hsieh, 2009; Margolis & Walsh, 2003; Scherer & Palazzo, 2011). MNCs are often found to be operating in countries with disastrous state agencies but still manage to engage in social security,

education, the protection of human rights and public health (Matten & Crane, 2005). Many MNCs have even begun assuming the responsibilities of state agencies by functioning to enable, implement and protect their citizenship rights. This behaviour can only occur in a case of the failure or unwillingness of the state to apply these fundamental citizenship rights (Matten & Crane, 2005). The increasing assumption that corporations will assume a political role and engage in traditional government activities is highly contested because it raises questions about democratic practices and the legitimacy of corporations in a democracy.

In the last decade, corporations have become more involved in activities perceived as government responsibilities (Margolis & Walsh, 2003), surpassing their political and legal responsibilities to fill the regulatory vacuum in international governance (Scherer & Palazzo, 2011). Few corporations are expected to contribute to the social sphere in ways unrelated to their business plans (Harman & Porter, 1997). Hsieh (2009) focused on the political participation of MNCs in foreign institutions but argued that this participation should not be viewed as intervening in state sovereignty (p. 252). In weak institutional environments, MNCs should only promote institutions to ensure that their operations and practices are not harmful. Why MNCs should deploy corporate resources to help institutions monitor their behaviours and enhance legitimacy remains uncertain. Although it may improve their reputation, this is different from legitimacy (Hsieh, 2009).

Some scholars are concerned that MNCs have become the new 'leviathans' of our time (Chandler & Mazlish, 2005). Many have highlighted their engagement in scandals and the global economic, social and environmental side effects of corporate activities. For example, MNCs have been accused of violating human rights, taking advantage of local systems poorly adapted to corporate regulation, escaping local

jurisdictions, steering financial investments and moving production sites to more hospitable places (Arnold & Bowie, 2003; Banerjee, 2008; Buckley & Ghauri, 2004; Kobrin, 2009; Shamir, 2004). Rather than operating under a single economic and legal system, MNCs increasingly seek out optimal sites in terms of social standards, labour conditions and environmental standards (Scherer & Palazzo, 2008, 2011). Banerjee (2008) argues that many MNCs, including Nike, Shell and Nestlé, have become socially and economically dominant and are accountable for severe environmental disasters and negative social effects. Through mergers and acquisitions, public relations (PR) campaigns and corporate reconstruction, MNCs can gain a stronger foothold instead of losing their operating licences (Banerjee, 2008). For example, global protests against Nike's sweatshops did not affect Nike's profits—on the contrary, they continued to grow (Zadek, 2007). Political actors such as social activists and NGOs have appeared internationally to facilitate social adjustment and balance the increasing power of MNCs (Habermas, 1996; Warren, 1999, as cited in Ritcher & Dow, 2017). However, the overestimation of the capacity and authority of civil actors is a limitation of deliberative CSR, and the legitimacy and authority of civil actors and NGOs representing marginalised communities is in question. Along with their intentions and motives, this must be carefully analysed (Banerjee, 2014).

As a result of globalisation and the growing power of MNCs, many nation-states have become functionally ill, experienced eroding authority and failing to regulate their economies (Scherer & Palazzo, 2008). However, this diminishing ability of nation-state governance is somewhat compensated by the development of global governance and its role beyond the state. Businesses have become active players with significant political roles in the global spectrum (Scherer et al., 2016). Moreover, the emerging political authority of non-state agencies and political actors (e.g., MNCs and NGOs)

demonstrates the variations in international governance (Beck, 2000). The relationships between governments, firms, individuals and emerging political actors can become highly ambiguous (Walsh et al., 2003). From a global perspective, international organisations, MNCs and nation-states are unable to provide public goods or efficiently control the international economy on their own (Kaul et al., 2003). Federal state agencies tend to monopolise the regulation and governance of private actors in domestic regions, whereas the regulatory control of global activities is largely absent (Scherer & Palazzo, 2011). Global governance refers to the application of international rules in the provision of global public services. It is a multilateral and cross-cultural practice in which civil movements, global firms, governments and business organisations share resources and knowledge (Detomasi, 2007). It has been shown that corporations cannot replace governments, and, despite the neoliberal push to increase regulation, a different governing environment may be essential to address social ills in a more meaningful way (Bakan, 2004).

The new-found political role of corporations has increased the ability of MNCs to put pressure on governments to achieve their hidden political agendas (Hillman et al., 2004) and to use philanthropy as part of their business plans (Porter & Kramer, 2002). These activities do not identify them as political actors operating in the interests of the public. Corporations interact with the public sphere to promote their services and conduct activities, with the aim of redesigning government policies to serve their own interests (Hillman et al., 2004). As a result, a firm's public strategy is a tactical approach to bolstering its profits. The increasing size and importance of MNCs has allowed them to influence and work within the normative processes in societies (Habermas, 1987, as cited in Ritcher & Dow, 2017). They often participate in

international discourse and global and regional challenges such as climate change (Ritcher & Dow, 2017).

Whelan (2012) provides a political perspective of CSR, arguing that PCSR should be considered one potential form of globalisation rather than a consequence of globalisation; that both Rawlsian and Habermasian perspectives of PCSR are unsatisfactory and different from the political perspective of CSR; that Western MNCs should be assumed to engage in CSR for instrumental reasons; and that PCSR should be linked to a consistent political model of corporate governance. In their critique, Rhodes and Fleming (2020) also argue that corporate interest in PCSR is not a response to globalisation, but rather to further expansion of power imbalance that MNCs have deliberately adopted along with the consent of ‘government apropos market liberalisation’ (p.947). The authors added that these corporations tend to take on the role of the government to obtain a sense of legitimacy that is likely about a devious attempt to ‘maintain a system that thrives on inequality’ than about ‘democratic revitalisation’ (p. 5).

2.3.3 Political Theory of Neo-Gramscian Hegemony

Gramsci’s theory has recently been employed as a theoretical framework in the CSR literature to understand the social dynamics between corporations, trade unions, NGOs and other institutions (Levy, 2008; Levy & Egan, 2003; Levy & Kaplan, 2007; Levy & Scully, 2007). However, the notion of hegemony was developed by Antonio Gramsci, the leader of Italian communist party to analyse the rising power and association of ‘la bourgeoisie’ in western societies. Fascism succeeded to place Gramsci’s in prison where he wrote his famous *Prison Notebook*. For Gramsci, hegemony is the control of one party over others. This leading control was in favour of the bourgeoisie through creating and gaining ‘consent’ over other social classes.

The application of Gramsci's political theory has extended the PCSR research in recent years Kourula & Delalieux, 2016; Steffen Bohm et al., 2007; Levy & Egan, 2003). Kourula and Delalieux (2016) investigated the political role of corporations in society using Gramsci's theory of hegemony and passive revolution, focusing on the micro-level foundations of PCSR. Despite the critical evaluations of other scholars about the rise of CSR and its political implications and power struggles, the authors identified a research gap in corporate internal practices and data. Kourula and Delalieux (2016) have added to PCSR theory by expanding the idea of passive revolution far beyond the Gramscian temporal and geographic scope (e.g., in the Mexican, Canadian, Scottish and Asian contexts). They have modified it to include contemporary France, emphasised the relationship between civil society and business and considered CSR from the company perspective. The authors investigated the corporate response to social concerns allegations in their supply chain of establishing partnership with private organisations such as NGOS and auditing firms that serve the corporate best interest.

Bohm et al., (2007) states that to gain an understanding on how multinational corporations legitimacy is maintained, the "neo-Gramscian" approach must be applied. Furthermore, Bohm et al., (2007) also highlighted the importance of processes including the ones that keep it in place as well as resistance known as "counter-hegemonic" articulations to better understand the hegemonic regime.

Gramsci introduced the concept of hegemony with respect to the political and ideological leadership of two 'floors' of society, namely political society and civil society (Levy & Kaplan, 2007). In its simplest definition, hegemony means 'domination through coercion and concession'. This framework suggests that any practice in a society prevails with the help of political and ideological leadership in that society based on the fact that man is not ruled by force alone, but also by ideas (Bates, 1975).

Gramsci (1971) described two overlapping spheres in which political society rules through force, and civil society governs through consent. For Gramsci (1971), civil society includes the social activists, the school system, the church, the media and the family. Civil society is the ideological realm par excellence and potentially the source of either hegemonic or counter-hegemonic ideas (Bratton, 1994). Conversely, political society includes the army, bureaucratic representatives and politicians (Gramsci, 1971).

Marxists such as Lenin referred to hegemony to describe the political leadership of the working class in a democratic revolution. Gramsci (1971) greatly expanded this concept in his critical analysis of how the ruling capitalist class (the bourgeoisie) establishes and maintains control.

According to Gramsci, civil society of the past was different from the current standard definition, which tends to present civil society as voluntary organisations and NGOs. Ideology is at the core of Gramsci's concept of hegemony, it reflects the capabilities and abilities of the ruling bourgeois to replace the opposing view that - effectively become a common sense of particular age (Cox, 1996). As cited in Heywood (1994) Gramsci (1971) presented civil society as the public sphere, where ideas and beliefs are shaped and where bourgeois hegemony is reproduced in cultural life through universities, the media and religious institutions to manufacture consent and legitimacy (Heywood, 1994). Gramsci's concept of hegemonic relationships in social structures was presumably developed with the help of the ideological and political leadership of dominant groups (Cox, 1996). In this social structure, the hegemonic class dominates other classes by gaining their consent through a system of creating and maintaining alliances by means of political and ideological struggle (Goddard, 2002). Gramsci's (1971) fundamental theory also focused on the role of intellectuals, of whom he said, 'all men are intellectuals, but not all men in society have the function of intellectuals'.

Gramsci's notion of social intellectuals did not refer to academics; rather, he defined intellectuals by their social functions according to two types— 'traditional intellectuals' and 'organic intellectuals' (Gramsci, 1971). The latter refers to those who grow organically alongside capitalism and typically appear in management and bureaucratic positions. Gramsci further explained that these organic intellectuals were agents of the ruling class and who articulated hegemonic forces to maintain the power of the ruling class.

In their analysis of Gramsci, Levy and Egan (2003) wrote that the hegemonic social structure (or historical bloc) belongs to a precise array of societal groups, economic structures and ideological superstructures. Hegemony is implied by force authorised by the state, the supremacy of the country's economy and ideological superstructure of the civil society. Furthermore, Gramsci also defined the historical bloc as the group of coalitions and more theoretically how material, organisation and verbose formations align providing stability and reproducing productive relations. The two definition of historical bloc given by Gramsci are directly correlated since a discursive framework is required in addition to economic concessions are requirements for an active and efficient of perceptions constitutions of mutual interests (Levy and Egan (2003). For Gramsci (1971), hegemony entailed

not only a unison of economic and political aims, but also intellectual and moral unity . . . the development and expansion of the [dominant] group are conceived of, and presented, as being the motor force of a universal expansion . . . In other words, the dominant group is coordinated concretely with the general interests of the subordinate groups, and the life of the State is conceived of as a continuous process of formation and superseding of unstable equilibria between

the interests of the fundamental groups and those of the subordinate. (pp. 181–182)

Furthermore, Gramsci viewed the role of the state as instrumental by the social ruling class, and stated that during ‘normal’ times the domination of any state can be achieved through hegemony and through the dominance of the ruling class. The political economic system was accepted by people as a legit system as a result of the ruling class exerting the ideological control according to Gramsci (1971). In his critique of Gramsci, Boggs (1976, as cited in Kertzer, 1979) stated that ‘where hegemony appeared as a strong force, it fulfilled a role that guns and tanks could never perform’ (p. 324).

CSR scholars have recently employed Gramsci’s theory of hegemony to interpret complex social dynamics among companies, NGOs, trade unions and other institutions in climate change activism (Levy & Egan, 2003; Levy & Kaplan, 2007). Scholars have investigated PCSR from the ‘first floor’ perspective—civil society—which comprises private entities such as schools, churches, clubs, journals and parties, all of which contribute, in a molecular fashion, to the formation of social and political consciousness. Levy and Egan (2003) argue that ‘hegemony rests on a broad base of consent, which relies on coalitions and compromises that provide a measure of political and material accommodation with other social groups, and on ideologies that convey a mutuality of interests’ (p. 805). The hegemonic adoption of CSR primarily reflects the dominant cultural, economic and political roles of business in society (Levy & Kaplan, 2007). Thus, from the Gramscian perspective, CSR is viewed in the context of strategic competition between actors around politically charged issues (Levy & Egan, 2003). Rather than assuming the need for a broad social consensus to limit market forces, the Gramscian concept of hegemony according to Levy and Egan (2003) suggests that

constructing the consensus is a political project of building alliances, strategic negotiation, and public debates.

Levy and Egan's (2003) application of neo-Gramscian theory offers an insightful view of proactive corporate strategies. According to Levy and Egan (2003), the three pillars of hegemony (economic, organisational and ideological) offer a clear explanation of how corporations use different strategies such as community investments to obtain societal legitimacy, when, in fact, the 'war of position' concept simply indicates that politics and market strategies are closely integrated (Levy & Egan, 2003). The authors illustrate how NGOs have attempted to form systematic alliances with non-natural allies such as insurance companies, convincing them to be more active in climate change negotiations because of the potential financial impacts of global warming caused by natural disasters.

The Gramscian theory of hegemony was extended by Levy and Scully (2007) to examine corporate entrepreneurship as strategic action. The authors examined the NGOs and social activists efforts to amend failing government and corporations through promoting private structure such as certification. Features of strategic governance operate at both the political-economic and firm levels. At the political-economic level, institutional, material and discursive power dynamics determine the authority, capability and legitimacy of market, state and civil society actors. Depending on their jurisdiction and capability to participate in decision-making, civil actors can make up transnational alliances with other groups, enter into PPPs with state and market actors and participate in the development of soft governance laws, such as codes of conduct, standards and policies.

Kourula and Delalieux (2016) further extended the work of Levy and Scully (2007) by adopting the Gramscian concept of passive revolution to investigate and

interpret the corporations' relationship with civil society as a CSR practice. The authors conducted an empirical study investigating the foundations of PCSR in the context of Gramsci's theory of hegemony and passive revolution. They focused on the behaviour of corporations accused of social harm and the use of sweatshops in a particular emerging economy. The authors also focused on the corporations' responses to accusations, which illustrated alliances with social activists and NGOs that best served their economic activities. This behaviour was referred to as a 'passive revolution'.

2.4 Political Corporate Social Responsibility in the Middle East

The abovementioned theoretical efforts at the macro level in the PCSR literature have targeted corporate influences in the Westphalian order in reference to the diminished regulatory power of state institutions (Frynas & Stephens, 2015) but in a specific geographical scope (Matten & Moon, 2004 Scherer & Palazzo, 2007, 2011). The previous section provided an overview of different theoretical perspectives and frameworks in the PCSR literature, revealing the relationship between PCSR and globalist transition processes. According to Scherer and Palazzo (2006), 'the politicization of the corporation seems to be the unavoidable consequence of the emerging democratic governance in a world society without a world state' (p. 84). However, there is a notable absence of the conceptualisation of PCSR and how corporations address their social obligations in emerging economies such as the Middle East, where politics is of high importance and consideration must be given to culture in terms of ethical and legal frameworks and national governance. There have been serious calls to examine how CSR influences the political sphere (Abdelrehim et al., 2011).

The conceptualisation of CSR differs for developed and developing economies. CSR practices in developing countries vary depending on the institutional framework, social and cultural context and pressure from stakeholders (Dobers & Halme, 2009;

Jamali & Mirshak, 2007; Muthuri & Gilbert, 2011). Jamali and Mirshak (2007) argue that ‘cultural differences affect CSR dynamics with companies in different contexts’ (p. 244). The authors note that a study on the CSR practices and experiences of Portuguese companies highlighted cultural differences, indicating the need for further research on the sociocultural factors of CSR in the newly expanded European Community. Several scholars (Goby & Nickerson, 2016; Jamali & Sidani, 2012; Jamali et al., 2009) have called for more significant CSR research in the Middle East, and as have been argued by Jamali and Sidani (2012) that the concept and application of CSR in the Middle East does not fit or reflect the western analysis perspective and that the research on CSR cannot be generalised to Middle Eastern countries. The political situation and in particular the cultural and religious distinctiveness of the region require careful attention and consideration. Social contribution can generally be understood as a religious obligation and one of the five pillars of Islam, which is the most common religion in the area. As cited in Al-Abdin et al, (2017), and in alignment with Jamali and Sidani (2012) claim that the idea of philanthropy and social contribution is strongly connected to cultural and religious traditions, reflecting the general understanding and evaluation of different CSR initiatives by communities and local stakeholders.

Communities in countries at different stages of economic development perceive CSR differently (Jamali & Sidani, 2012). However, further examination of the formal and informal determinants of CSR, including culture, rules and religion, is needed (Al-Abdin et al., 2017; Jamali & Mirshak, 2007). Moreover, Scholars highlight the importance of examining the function of CSR and its influence on the political sphere.

A World Bank (2003) report highlighted that countries in the Middle East and North Africa (MENA) were far behind Western countries on the governance index. The report observed that poor performance was linked to two types of governance gaps:

inefficiency and disqualifications of administration in the public sector and weak public accountability. Both of these dimensions indicate that MENA has a low tolerance for the efficiency of the bureaucracy, the rule of law, the protection of property rights, the level of corruption, the quality of regulations, and the mechanisms of internal accountability . . . [as well as poor attitudes to] openness of political institutions and participation, respect of civil liberties, transparency of government, and freedom of the press. (World Bank, 2003, pp. 6–7)

In a globalised world, ethical business practices and sustainability are called into question when politics intersects with religion. Charbaji (2009) questions the seriousness and applicability of CSR in the Arab culture and the implementation of effective corporate governance. Arab culture continues to promote considerable disparities between men and women, even in terms of fundamental human rights such as driving cars in Saudi Arabia or citizenship in Lebanon. For example, Arab women play limited roles in the economic sphere because corporate owners and employers prioritise men for employment and promotion, even when female candidates have the same qualifications. The obstacles limiting women's roles in the economic and social spheres are sociocultural rather than legal. Charbaji (2009) states that sociocultural and economic equality must be promoted in Arab societies to advance the roles of women before any improvement in CSR and ethical corporate governance can be considered. Thus, ethical governance or CSR is viewed as not applicable to Arab corporations. It is noteworthy that if CSR were to be found in Arab corporations, it would be in its novice phase and would require further investigation. Thus, there is an urgent requirement for a shift from 'palliative' CSR to a 'viable political' CSR to help tackle issues such as poverty, unemployment, illiteracy, chronic disease, conflict, terrorism and insurgency in developing nations so that they can catch up to their developed counterparts

(Akhuemonkhan et al., 2012). Viable PCSR also promotes the growth of small and medium enterprises, protects the ecosystem and facilitates sustainable economic development (Akhuemonkhan et al., 2012; Kauffmann, 2006).

2.4.1 The Post–Arab Spring Shift in Corporate Social Responsibility

The Arab Spring uprisings gave voice to Arab citizens calling for political reform against oppression and poor social and economic conditions. The uprisings changed the social and political structure of many Arab countries and, more importantly, caused corporations to reconsider their social responsibilities and responses to social issues. ‘The Arab Spring appears to be the culmination of numerous and varied institutional failings and contradictions within the diverse states of the Arab world’ (Karam & Jamali, 2013, p. 39). This critical phase not only changed and dissolved systems of government but was also a serious wake-up call for corporations engaging in unethical political practices, directly or indirectly, for economic gain to respond to various societal needs, especially in countries with notable social issues (e.g. Tunisia and Egypt). Thus, it is important to address corporate responses to the social uprisings and the challenges regarding their social responsibilities. In capitalist countries such as Egypt, CSR principles were embraced to meet the new requirements (Alshorbagy, 2016), including human rights, labour rights, curbing corruption and preserving the environment (United Nations Global Compact, 2006). The Arab Spring has indeed affected the business environment (Avina, 2013), but, more importantly, it affected the way in which corporations were seen and the behaviours expected of them. In the wake of the Arab Spring, many corporations have been criticised for their long relationships with traditional regimes. However, these social movements have influenced societal values, affecting the futures of firms (Avina, 2013). In Egypt, the concept of CSR was mostly confused with philanthropic practices. The social involvement of corporations

was minimal, and their capabilities were used to promote the political and economic interests of their controllers (Al Shorbagy, 2016). Similarly, in the Lebanese context, CSR was mainly understood as philanthropic activities and programs, with no mention of the importance of legal compliance, ethical conduct or economic viability (Jamali & Mirshak, 2007). However, many companies began to recognise that CSR and other social activities were an even more critical part of the business model than they had been before the Arab Spring (Avina, 2013). The author lists the three general practices of CSR before the Arab Spring as theme-based CSR with a government-sanctioned partner; philanthropic and charitable giving; and traditional support to communities associated with company operations.

Many Arab countries participated in the Arab Spring as a call for government change and resistance against the inheritance of authority. This was the case in Egypt, where Egyptians revolted against the apparent attempts of President Hosni Mubarak to pass the presidency to his son (Kenner, 2013). Similarly, Syrians began their own protests to fight the rule of a second generation (Kashan, 2016). However, Lebanon, a nominally democratic Arab country (Kenner, 2013), appeared immune to the Arab Spring. Asfour (2012) wrote an article in the *New Statesman* newspaper entitled, 'Is Lebanon immune to the Arab Spring?' on the negligible effect of the revolutionary movement on Lebanon, stating 'the Lebanese are adept at living their lives normally while national and regional events simmer or rage . . . without notable crisis or conflict' (para. 1). Ironically, while its neighbouring countries were fighting against the second and third generations of leaders from powerful families, Lebanon chose not to rid itself of powerful families who had been ruling since the 1950s (Kenner, 2013), posing the question about the domination of political leaders who are often businessmen or act as businessmen. The main reasons for this were Lebanon's unusual political system, the

existence of minorities and its precarious national peace. Lebanon's position in the Arab Spring was neutral, particularly when demonstrations started in Syria, 'In March 2011 the Lebanese government of Najib Mikati assumed an official position of disassociation, declaring Lebanon too vulnerable to be partisan' (Barnes-Dacey, 2013). The internal division of the Lebanese people along ethno-sectarian and political lines created a conflict of position between the already split political alliances, who formed two blocs—the 14 March politicians and the 8 March politicians. This split also took a sectarian form when the Shiite Muslims, represented by their politicians, supported the Syrian regime, while most Sunni Muslims were anti-Syria. To maintain political stability, the Lebanese government chose not to interfere or declare a clear position. However, Lebanon could not distance itself from the social and economic effects. The influx of refugees from Syria placed additional pressure on the already poor social and economic conditions. In 2017, the United Nations High Commissioner for Refugees declared that over 1,000,000 Syrian and Palestinian refugees were spread across the country, with the highest concentrations in the north (27.44%), including the city of Tripoli, and in the south (12.25%) (European commission report on the Annual Action Programme 2017)

Lebanon, one of the most capitalist countries in the Arab region (Nasr, 1978), was not threatened by the Arab Spring uprising against political inheritance, the poor distribution of resources, the economic crisis and the lack of social services. The political structure of Lebanon based on ethno-sectarian division is considered one of the most difficult systems to challenge. Such a system is capable of dimming any social protests by creating its own chaos and threatening of another civil war. One scenario of terrible failure of social movement 'the People want to Topple the Sectarian system' attempt that arose in Lebanon between 2011 and 2012 in parallel with the Arab spring

uprisings that ‘retreated into irrelevance due to a weak organisational structure and the unrelenting pressure of sectarian politics’ (Kraidy, 2016). The reproduction of authority and the inheritance of power and social elitism have become deeply rooted into the country’s structure and an absolute right of political houses to their children. Teymour Jumblatt, a politician, remarked, ‘I don’t want to be in politics, but I have to. I owe it to my father and to my family history. They have been basically working in politics for 400 years. It’s a family business’ (Issa, 2018). 9. Rosiny (2018) study summary highlights Lebanon’s youth disappointment and scepticism in the evaluation Arab Spring events, particularly as Lebanese continue to suffer from the violent outcomes of the Syrian uprising. Interviewed sample in Rosiny (2018) report indicates that respectively 33 percent of the interviewed youths and 42 percent classify the events as foreign intervention and as anarchy (fawda).

In October 2019, a large-scale protest movement broke out all over Lebanon that was primarily driven by the 'state's failure to provide sufficient access to basic goods and services, including water, electricity, jobs, education, and garbage disposal with protestors demanding political and economic reform, leading to the resignation of the government led by Saad Hariri. The size of protestors has shrunk days later in response to sectarian political leaders, and those with apolitical and non-sectarian identities faced excessive force on several occasions from Lebanese security forces, including army personnel, internal security forces, and the parliament police. Between 2019 and 2020, the Lebanese government collapsed multiple times. In January, the former minister of education was appointed as a prime minister by the president. In August same year, Diab resigned in the wake of the August 4 explosion at the port of Beirut (Humud, 2021). Later in October 2020, the president has re-appointed Saad Hariri to form a new government, and the first rejected a proposed cabinet lineup presented. Almost two

years later, politicians are not able to form a government and overcome political rivalries. To date, Lebanon is governed in a caretaking capacity by Former Prime Minister Diab and his cabinet with limited authorities (Humud, 2021).

2.5 Summary

This chapter has provided an overview of CSR, including a broad definition and four main dimensions: ethical, legal, environmental and philanthropic (Carroll, 1991). The last decade has also seen the emergence of a political dimension, which focuses on the new role that corporations play in the provision of social services on behalf of governments, especially in developing economies.

The purpose of this chapter was to highlight the importance of conducting PCSR research beyond Anglo-American settings such as the Middle East, where the culture requires special consideration and intervention from politics is evident.

Much of the existing research has framed PCSR from theoretical political perspectives such as Habermasian theory (Scherer & Palazzo, 2008). However, over the last decade, the theoretical framework has been extended to encompass Gramsci's (1971) theory of hegemony, which examines the social dynamics between corporations and civil society, as represented by trade unions, NGOs and institutions involved in climate change activism (Levy & Egan, 2003; Levy & Kaplan, 2008).

This chapter has demonstrated how CSR is understood and practised in the Middle East and has highlighted scholarly calls for further investigations in this region, where the interference of corporations in politics is evident. It also explained the social contributions of the Arab Spring, which reshaped the relationship between corporations and society. While the Arab Spring and associated resistance movements made considerable changes to the political and social spheres and restored entire countries

such as Egypt, they have had no effect in Lebanon because of the complexity of the country, its sectarian divisions and the lack of a unified identity.

Chapter 3 provides an overview of Lebanon's history and political environment, including its weak and dysfunctional public sector, and offers a glimpse into its privatisation strategies and processes. It briefly describes the role of governments and private corporations in the provision of social services in response to societal needs.

Chapter 3: Lebanon's Confessional Democratic System, Hegemony and Dysfunctional Public Services

3.1 Introduction

This chapter clarifies Lebanon's distinctiveness in terms of its history of political instability, systematic political structure, internal struggles and ethnic imbalance, which make for an interesting investigation into the political domain of CSR. It is important to describe the political nature of Lebanon, including the history of the political system, how it was established and how it has affected the country. Further, this chapter will explain the role of the capitalist social elite in the provision of public services in a country with weak law enforcement and weak governance. Thus, in this chapter I will introduce the foundations of the political environment in Lebanon, which guided the research into corporate social activities.

3.2 Consociationalism Background, Politics and Sectarianism

'Lebanon has a heterogeneous society composed of numerous ethnic, religious, and kinship groups. Long-standing attachments and local communalism antedate the creation of the present territorial and political entity and continue to survive with remarkable tenacity. Ethnically, the Lebanese compose a mixture in which Phoenician, Greek, Armenian, and Arab elements are discernible. Within the larger Lebanese community, ethnic minorities including Armenian and Kurdish populations are also present'. (Ochsenwald, Barnett, Bugh, Maksoud, Khalaf, and Kingston, 2021). Lebanon is characterised by a confessional parliamentary system that is profoundly the religious form of consociationalism. Consociation was first developed as a political theory by the philosopher and Protestant jurist Johannes Althusius (1557–1638), who called for coexistence and cooperation among the cities of post-reformation Germany

(McCrudden & O’Leary, 2013). Although the idea of consociationalism was introduced in the seventeenth century, it was not developed until the 1960s, when the Dutch political scientist Arend Lijphart, a key theorist of consociational theory, invigorated the term. He used it to describe a political system in which parallel communities were differentiated by religion, language, culture or ethnicity but shared political power while retaining autonomy in matters of profound concern to them (Lijphart, 1969, 1980).

Since then, many political theorists have mentioned consociationalism in their work. David Apter (1961) suggested the term in his study of Uganda and outlined a similar concept of consociational democracy in his paper on proportional democracy (Apter, 1961; Lijphart, 2008). In consociational democracies, politics is treated not as a game but as a serious business (Lijphart, 1969). Lijphart (1999) defined the consociational model as a democratic regime that emphasises consensus rather than opposition and seeks the most substantial possible majority rule rather than settling for a ‘bare majority’ (p. 215). Consociational theory presumes that deeply divided societies can only remain stable through a power-sharing system of community leaders. Therefore, the task of community leaders is to foster multiple memberships to create cross-pressures that minimise the potential for intergroup conflict (Lijphart, 1980, pp. 3–4). According to Lijphart (1969), consociationalism is ‘government by elite cartel designed to turn a democracy with a fragmented political culture into a stable democracy’ (p. 216). Lijphart (1969) described the role of community elites in a consociational democratic system as follows:

- Elites should be committed to the maintenance of the system.
- Elites can bypass cleavages and coordinate with other elites representing rival subgroups.
- Elites can accommodate the interests and demands of subgroups.

- Elites should be aware of the impacts of political fragmentation. (p. 217).

Harb (2006) further identified the four key elements of consociationalism as

- communal autonomy, whereby each community is free to determine its own affairs such as personal status laws.
- proportional allocation of government and political posts among communities, based on their numerical representation in the population.
- equal veto power rights, so that any decisions deemed detrimental by any community can be voted down.
- a grand coalition between community leaders on conventional policies that serve all.

The system of consociational democracy was initially developed in Europe and later implemented in many countries around the world. Austria was characterised as a consociational democracy from 1945 to 1966, the Netherlands from 1917 to 1967 and Switzerland in 1943. Consociational democracy was considered a successful system that worked so well in European countries that it was no longer needed. However, in both Lebanon and Cyprus, the implementation of this system resulted in civil war (Saurugger, 2016). The culture of political compromise that exists in some countries such as Switzerland and the Netherlands is different from most Anglican political approaches, where there is always a winner and a loser but efforts are made to reach a consensus and include minority groups.

The four structural elements presented by Lijphart (1969) exist in the Lebanese political spectrum to the present day. In fact, this model was established in Lebanon during the French tutelage to ensure the accurate, proportional distribution of power among diverse Lebanese communities under one law. Following World War I and the dissolution of the Ottoman Empire (1861–1920), France was given command over

greater Lebanon. The Republic of Lebanon, created in 1926, was under French tutelage, which installed a consociational model of politics protected by the constitution. This structure of government later became a reason for antagonism and resistance against colonial power because of its failure on both management and authoritative levels (Canadians for Justice and Peace in the Middle East, 2015). Lewis (1965) argued that the French and British democratic systems in post-colonial Africa, which had empowered a strong single party or bloc, were proving tragic. Further, both countries supported governments of multi-party coalitions that might deliver less antagonistic and a more inclusive politics (Lewis, 1965). Today, the consociational democratic system is experiencing a resurgence in popularity as a recommended policy for post-conflict societies such as Iraq and Northern Ireland (Nelson, 2013).

3.3 How Did Consociationalism Work in Lebanon?

Within the framework of consociationalism, Lebanon is a parliamentary democratic republic (Salamey, 2008), but it is fundamentally characterised by confessionalism, the religious form of consociationalism. It is a model of government in which religion is the 'ethnic' identifier by which political power and representation are allocated. The four conditions developed by Lijphart (1969) have likely disappeared elsewhere in the world but remain deeply rooted in the Lebanese political spectrum. The confessional political system is coupled with alleged democratic features. However, confessional democracy is different from the Western concept of democracy. This study draws on Dahl's (1967) definition of democracy as requiring 'not only fair, free, and competitive election, but indeed the freedom that makes them more meaningful such as the freedom of speech, equal rights, the freedom of organization'. It is challenging to measure the democratic features in a small country when rights are restricted on a

sectarian basis. Lebanon is a country fundamentally shaped by a ‘mosaic of minorities’ (Nelson, 2013 p. 342), and the roots of sectarianism in its internal structure are deep.

The role of religion in national politics first emerged during the Mutasarrifiyya Era of the Ottoman Empire (1861–1920), the French mandate period (1920–1943) and following the National Pact of 1943 (Nelson, 2013). The National Pact of 1943 primarily served to provide ultimate authority to the Maronite president, the single most powerful position in the country. It also divided political representation and parliamentary seats between Christians and Muslims in a ratio of 6:5 in favour of the former. This power-sharing structure worked well for 30 years, but the imbalance in representation stoked tensions among various sectarian groups, leading to civil war in early 1975. The root causes of the failure of the confessional system were never tackled (Nelson, 2013). However, between 1861 and 1989, each time civilian conflict exploded in Lebanon, fighting occurred under the same set of conditions, which included ‘the absence of an adequate political formula, the emergence of a new sectarian configuration demanding representation [and] the imposition of a new settlement by outside forces, or through their mediation’ (Choueiri, 2007, p. 21). MP Nadim Gemayel of the Kataeb Party lamented,

Between the Sunnis and Shia, there is fear, between the Muslims and the Christians there is fear, between the Shia and the Christians there is fear. All this is based on the fact that no one trusts the other communities. (Issa, 2018 p. 2)

The Taif Accord, ratified in 1989, marked the end of almost 15 years of civil war and proposed a reformation of the political system and the distribution of authority to eliminate confessionalism. The accord sought to ameliorate the confessional conflicts that had plagued Lebanese politics. However, it could not eliminate confessionalism. Instead, it organised the representation of political posts according to sectarian

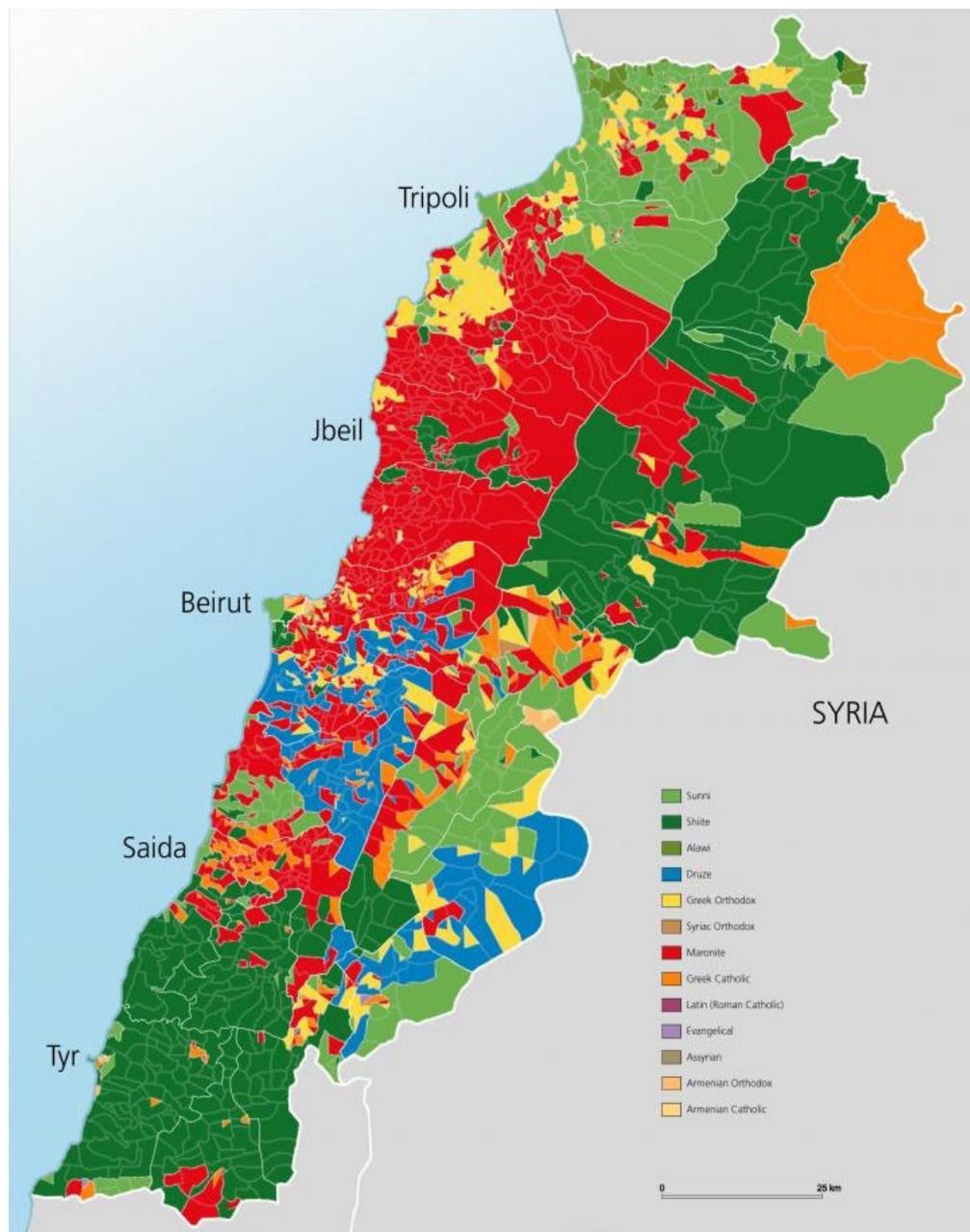
affiliations (Nelson, 2013). The accord included a simple alteration of the balance of power between Muslims and Christians to a 50:50 ratio, aligning the representation of Muslims with the population. It also reduced the ultimate authority of the president, facilitated the allocation of civil service positions based on merit, removed sectarian labels from identity cards and promoted national unity by introducing educational alterations. This principle is exemplified in the Lebanese legislative framework in which the president is always a Maronite Christian, the prime minister a Sunni Muslim and the speaker of parliament a Shiite Muslim. The Taif Accord included an ethnic ratio for the allocation of parliamentary seats. A 50:50 distribution of representation was granted in the legislature (see Figure 4.2). The agreement also included the allocation of all key positions in the country according to sectarian affiliations, including the heads of the central bank, the armed forces and the national university (Salamey, 2009, p. 83). In summary, the Lebanese state is ethnically institutionalised on a religious basis but operates more like a 'corporate consociationalism', in which the allocation of influential positions is not confined to government but includes all central institutions across the nation (Salamey, 2009). In this small country, there are 18 officially recognised sects, which makes the confessional system 'the culprit of Lebanon's instability, not the solution' (S. A. Makdisi & Marktanner, 2009, p. 1).

The post-civil war period was accompanied by years of political and social instability. Internal and national failures put Lebanon under the trusteeship of its neighbouring country Syria from early 1990 until 2005. The Syrian withdrawal from Lebanon in 2005 led to high expectations for the restoration of national independence, sovereignty and freedom. However, Lebanon was drawn into complete political instability, which was marked by a series of assassinations, a long-term vacancy of the presidential office, the dysfunction and complete paralysis of parliament and cabinet,

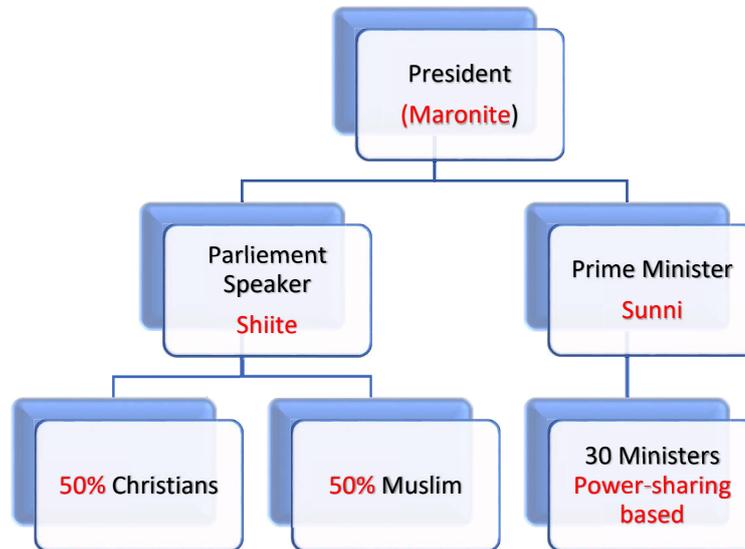
street protests, armed clashes between civilians and Sunni Islamic militant uprisings (Kota, 2012). These devastating failures were attributed to confessionalism, which was also the root cause of the civil war. Figure 4.1 shows the geographic distribution of ethno-religion grouping in Lebanon.

Figure 4.1

Confessional Geographic Distribution of Lebanon's Population



Note. From 'WordPress', 2013 (<https://wordpress.com/>). In the public domain.

Figure 4.2*Division of the Lebanese Parliament*

To the present day, confessionalism is associated with how people define themselves and form their identity in relation to others. The idea of belonging to a confession (sect) has shaped the identities of the Lebanese people, be they Muslim or Christian, and the way they situate themselves in the country. Citizenship identity is based on sectarian devotions rather than a single and unifying national identity (Salamey, 2008). Confessionalism also affects the allocation and provision of resources—according to Nelson (2013), it ‘pervades every aspect of daily life. Jobs, housing and education were not guaranteed by the state but by the ministers that represented each community, who in turn were elected through sectarian laws’ (p. 354).

Aligned with Lijphart’s (1969) notion of a ‘grand coalition of elites’, Lebanese political culture is highly stratified, with those at the top of the pyramid considered representative of their sects and communities. Dekmejian (1978, p. 253, as cited in Nelson, 2013) defined an ‘elite cartel’ as ‘a comprehensive coalition of elites, representative of the segments of society (subcultures and special interests) and

committed to the preservation of the existing system' (p. 353). The coalition of elites has its roots in the Ottoman Empire, which came to depend on communally entrenched dynasties and local elites to control the area (Najem, 2012). In Lebanon, these political elites, known as *zu'ama*, use their authority and social and political status to provide patronage and protection to their local communities or to those with the same sectarian affiliations (Najem, 2012). In the critique of Ofeish (1999) Baumann (2016) argued that 'sectarian discourse is an instrument of unaccountable Lebanese elites in order to maintain political power and enrich themselves' (p. 9). These dynasties constitute the sectarian elite of Lebanon to the present day. Initially, when the National Pact was signed in 1943, many sectarian elites took up the mantle of national leadership, and as political leaders they bargained intensely for positions and resources for their communities and sects. Michael Young (as cited in Najem, 2012) described this phase of negotiations as 'splitting the Lebanese pie'. Lebanon's 'quasi-democratic' political system is founded on authority and power shared between the country's confessional groups (Jamali & Mirshak, 2007). Jamali and Mirshak (2007) further argue that grouping of the community according to their ethnicity and religion is a key aspect in the structure of Lebanon, and its political and social life and has contributing to 'Lebanon's most persistent and bitter conflicts' (p. 250).

Today, the structure of the system has partially changed. There is no longer competition within communities for representative positions because the social elite maintain their hegemonic control over their groups by simply 'play[ing] on the fear of domination by other sects to solidify their status as defenders of their groups' (Salamey & Payne, 2008, p. 464). Sectarian leaders also play on the distrust between sectarian and ethnic groups to prevent the rise of a 'robust secular movement' that may threaten 'their oligopolistic control of the public purse' (Salamey & Payne, 2008, p. 456). These

characteristics explain the primary deterrents of Lebanon's political system and developments, which are entirely blamed on confessionalism. However, Lebanon's political structure in terms of sectarian divisions has not changed since the National Pact of 1943. The 1989 Taif Accord only strengthened the curse of confessionalism. Perhaps the confessional system is part of the hegemonic structure of sectarianism rather than a solution to it.

3.4 Lebanese Cultural Understanding of Political Corporate Social Responsibility

As discussed earlier, research on CSR has taken a political turn. Many corporations assume political roles by providing goods and services such as education and health that are traditionally the responsibility of the state (Schrempf, 2014). Corporations have also begun to participate in citizenship rights and self-regulation through new global forms of governance (Mena & Palazzo, 2012), especially in emerging economies. Many of these emerging countries have distinctions between their political, economic and social spheres, but this does not stop corporations from playing a vital role in influencing their political environments. Charbaji (2009) argue that in order to gain an adequate understanding of the development of corporate social responsibility (CSR) and ethical corporate governance in Lebanon; it is necessary to relate these concepts to the pre-existing cultural diversity of the country.

The social, political and economic spheres are intertwined in Lebanon, and the power-sharing system of government provides the ground for corporate interference in political life. Politics and authority are distributed in the country on a sectarian basis and along ethnic lines. Lebanon could be one of the most capitalist countries in the world—over 90% of small to medium-sized enterprises are family-owned businesses or state-

owned enterprises, meaning that local corporations dominate the nation's economy (Saidi, 2004).

The provision of social activities is based on programs that best serve the ruling classes. Given the political system in Lebanon and its long history of instability, it would be naïve to think that social and political leaders care about the society or to 'imagine that militants in Lebanon care about polluting the environment during a civil war' (Charbaji, 2009, p. 377). Thus, sociocultural divisions are likely to be obstacles to the proper implementation of CSR activities and corporate governance in Lebanon. Further, Lebanon's economy is characterised by 'peripheral capitalist development and weak state authority, primarily benefit[ing] the mercantile-financial bourgeoisie along with a small political-bureaucratic elite' (Gates, 1989, p. 5). Thus, Lebanese capitalism and sectarianism are deeply intertwined, with sectarianism being a product of capitalist relations in Lebanon (Haugbølle, 2016).

In alignment with (Blurtit, 2012) some of the main limitations of the general concept of CSR could be summarised in the lack of awareness of the what CSR is, the unavailability of time and financial resources to contribute to CSR, and the lack of interest and desire to respond to CSR's regulations (Blurtit, 2012, Para 1-2). In the Lebanese context, Hejase et al., (2012) explorative study's finding that was based on a sample of 150 employed respondents in different industries and sectors show that '30% of the respondents did not have an idea about CSR, 28% of them had little knowledge, 35% of them are in the stage of assessing CSR cost benefit relations, and only a minority of 7% knew it well and intend to operationalize it in their institutions' (p.13). Moreover, the authors further argue that in relating CSR activities and engagement in their corporations, the majority of respondents of 51% were not able to relate their firms' activities with social responsibility, while 28% of the respondents related social

responsibility with helping others and volunteer work, The result indicates that there is a low comprehension of CSR management system, and it clearly demonstrates that ‘respondents [...] still look at CSR as philanthropy and corporate support to non-profit institutions and other entities in the society; results show that CSR is visibly not integrated in most of Lebanese companies.’ (Hejase et al., 2012 p.13). In regard to the implementation of social responsibility action strategy, CSR Lebanon (2018) reported that many corporations failed to integrate with the Sustainable Development Goals (SDGs) adopted by the UN global agenda of sustainable growth through 2030. The goals intended to engage the private sector; however, many businesses in Lebanon are still trying to find out how should they engage with the SDGs.

In 2019, Arab NGO Network for development (2019) commented on the matter, stating that Lebanon is not fully integrated with the Sustainable Development Goals (SDG) of the UN as ‘Lebanon, like many of the Arab countries, need to revise its socio-economic policy-making and sustainably reorient its development priorities. Priority should be given to address structural problems in order to enhance transparency, eradicate corruption, fighting tax evasion and build people-centred sustainable development through supporting long-term inclusive growth in the productive sectors. Rather than sporadic project initiatives on different sectors, Lebanon needs to develop a comprehensive National Development Plan and revise its social and economic policies to address poverty eradication and ensure generation of decent work opportunities and adopt a universal right-based social protection system for all.’ (p.6)

3.5 Hegemony in the Cultural Context: Elite Hegemonic Power in Lebanon Through Sectarianism

Gramsci (1971) argued that dominant groups and coalitions between dominating groups in terms of their interests or issues exist or even form as part of a continuous

process in every society. These coalitions tend to dominate social, political and economic spheres and defend their interests by protecting the status quo. For this reason, these coalitions continually challenge any opposition to their hegemonic control: ‘When sub-ordinates challenge such a dominating view then dominating groups tend to use different strategies to maintain hegemony’ (Levy & Egan, 2003). Maintaining hegemonic dominance can be achieved through societal acceptance of practices until those practices come into question (Rahaman et al., 2004). Further, hegemonic control can be maintained proactively. According to Utting (2002),

dominant groups tend to secure their authority and position by not only accommodating oppositional values but also exercising moral, cultural and intellectual leadership. They do this partly through the institutions of civil society by building up a system of alliances through which the interests of a broader range of social groups are represented. (p. 280)

Gramsci perceived the role of the state as instrumental in nature for the benefit of the ruling class domination of society, and this domination achieved through hegemony. In alignment with Kertzer (1979), Gramsci refers here to the ideological domination of the ruling social class that manages to normalise the political economic system domination to be accepted by the society. In his critique of Gramsci, Boggs (1976, as cited in Kertzer, 1979) wrote that ‘hegemony worked in many ways to induce the oppressed to accept or ‘consent’ to their own exploitation and daily misery’ (p. 324). However, for Gramsci (1971), hegemony is achieved through a variety of social process, including churches, schools, trade unions and the family. Hegemonic control surpasses the masses acceptance and has become a part of what is believed as common sense. When successful, this dominant conception, becomes a ‘faith’ that is unconsciously articulated. It is through this ideological control that class contradictions

are kept from exploding. Further, Gramsci (1971) explained the strategic role that the ruling class in a capitalist state adopts to maintain their hegemonic dominance. Boggs (1976) added in his critique of Gramsci that the ideological power kept the ruling class in power because it simply helped them to brainwash and manipulate the rest of society. In precapitalist societies, the ruling classes govern people primarily through force and domination. However, under capitalism, the ruling class maintains its leading position through a combination of coercion and consent, primarily the latter. Thus, hegemony can be simply described as a combination of controls under which the working class and other subordinate groups are ruled by the bourgeoisie. In the Lebanese context, the social and political structure of Lebanon reinforces the role of the ruling class, which is willing to go above and beyond to maintain control and authority over its ethnic subordinates. The Lebanese ruling class first tends to secure its hegemonic power by 'consent', that is, through ideological faith and playing on the fear of other sects, which reinforces sectarianism. The second measure to secure hegemonic power is political coercion and violence, which helps the ruling class maintain law and order.

Hegemony through sectarianism was first wielded by France during its mandated occupation of Lebanon by playing sectarian and non-sectarian groups off against each other. France was used to 'exacerbate religious and ethnic tensions in order to frustrate the emergence of unified, mass-based nationalist movements' (Bill & Springborg, 1970). U. Makdisi (2000) further argued that in the Gramscian understanding, 'sectarianism became hegemonic through the construction of primordial identities and their codification in law and politics'. The politics of confessionalism are being used in an antagonistic behaviour to avoid hegemony of other sects, or at least to reduce any possible advantage as much as possible (Geadah, 2015, p. 33). However, in the big picture of Lebanese politics, the element of coercion is ultimately essential for

maintaining capitalist dominance: ‘For sectarian politics to cohere, for it to become hegemonic in a Gramscian sense, it would have to become an expression of everyday life; it would have to stamp itself indelibly on geography and history’ (U. Makdisi, 2000, p. 78).

From the Gramscian perspective, sectarianism has become hegemonic through the construction of prehistoric identities and their codification in law and politics.

Cadwell et al., (2009) explains:

In the decades leading up to and years immediately following the creation of the Lebanese state, sectarianism was transformed from an inchoate idea of ethnic antagonism to a system of political and social organization. Sectarianism informed how the Lebanese state was shaped, who shaped it, and the nature of citizenship prevailing within its borders. (p. 4)

Thus, the politicisation of sectarianism depends on citizens consenting to a sectarian vision of politics, which is sold to them by ‘ethnopolitical entrepreneurs’ (Baumann, 2019).

The hegemony of sectarianism in Lebanon has been realised through a combination of European domination, Indigenous opportunism and the momentum of legal and political acts designed to bestow legitimacy on an illegitimate state. This study explicitly rejects attributions of primordial identity to Lebanese religious communities. Article 95 of the constitution codified confessionalism, stating, ‘temporary, with the intention of assuring justice and harmony, the communities will be equitably represented in public employment and in the composition of ministries’ (Bogaards, 2019).

3.6 Social and Political Elitism in Lebanon Through the Gramscian Lens

Lebanon's consociational power-sharing democratic system and minimal state-provided public services were brought about by the inefficiency of the public sector, which itself was the result of the trusteeship era, beginning under the Ottoman Empire, followed by the French and later the Syrian occupations throughout 15 years of civil war. Lebanon demonstrated remarkable tenacity to survive 15 years of civil war, during which its economy, social fabric and physical infrastructure were severely damaged. Following the civil war, the main challenges facing the government were to redefine Lebanon's regional role, secure long-term political stability, reconstruct and rehabilitate the damaged socioeconomic infrastructure and restore state institutions. However, the Lebanese state was in an economic deficit and unable to fund the rehabilitation plan. Therefore, the government provided the private sector with the facilities to promote social development and generate economic growth. A national program for development and reconstruction was established to upgrade and rehabilitate state-owned infrastructure. The Council of Development and Reconstruction (CDR) - established in 1977 – it was revived with the aim of rebuilding the damaged infrastructure, after the institutional collapse in the late 1980s (Sherry, 2014). It is the central body responsible for managing international donors' funds for various initiatives including, and not limited to, physical infrastructures such as wastewater treatment plants, drinking water facilities, electric power generation plants, and social services (UNEP, 2009). The government also instituted a list of programs to rehabilitate national administrative and government agencies, but the top priority was to reconstruct the severely war-damaged infrastructure. This meant that the government underestimated the need to provide public services. However, to improve the provision of these basic public services, the

Lebanese state became involved in privatisation, partnering with the private sector to provide public utilities. The CDR was also the entity responsible to manage public-private partnerships and contracts for services, including infrastructure, dam construction, water services and solid waste management. Other public services such as education, jobs and health care were provided but with minimal access and not equally available to all the Lebanese, meaning that citizens relied on confessional politicians (*zu'ama*) to access these services (Baumann, 2019). The wealthy ruling class was able to avoid the problems associated with insufficient services such as water, electricity and education. In Lebanon, most of the top 10% of income earners can afford alternatives to public services that are in poor condition, including education, health and electricity (Baumann, 2019). Alternatively, 'according to Credit Suisse Global Wealth Databook 2013, at least 48% of Lebanon's privately-held wealth is concentrated in the hands of some 8,900 citizens who constitute 0.3% of the adult population' (Sherry, 2014, p. 5).

Social division and injustices enable the ruling class to maintain their position of control and power over the community. Lebanon's social disparities and internal conflict on ethnic basis are reflected by the fact that the social elite have access to the highest levels of education, while disadvantaged students depend on the patronage of confessional charities and politicians for placements in prestigious schools or reduction of fees (Baumann, 2019). In 2010, more than half of the students in Lebanon were attending private schools, one-third were attending public schools and 13% were attending private non-fee-paying schools (Baumann, 2019). In Lebanon, poverty and deprivation are associated with low educational achievement (Baumann, 2019). The *Snapshot of Poverty and Labor Market Outcomes in Lebanon Based on Household Budget Survey 2011–2012* showed that poverty was low among those who attended secondary school and quite low among those with a university education (Yaacoub et

al., 2015). In Lebanon, the quality of education depends on the ability to pay for it, so societal advantage is passed down from one generation to the next. Confessionalism is akin to a family business, in which political elites such as party leaders and ruling families are so self-contained that they give higher priority to sectarian interests than to national interests (Cammett, 2009). Lebanon's long-lasting domestic political strife is a result of a deep-rooted parochial mentality (Kato, 2012) and a mutual distrust between sectarian groups. This type of sectarianism is known as 'sectarian identity' (AbuKhaalil, 2008; Harris, 2009; U. Makdisi, 2000).

One cannot understand why so much is wrong in Lebanon without examining its political makeup, history and international affiliations. The patronage system significantly contributes to widespread corruption; thus, transparency and honest dealings can hardly be expected in a country where favours are privately dispensed. Only 10% of income earners are easily able to afford treatment in the Lebanese health system, and 90% of hospital beds are in private hospitals (Cammett, 2014). Further, health insurance lacks standard inclusions and does not cover every treatment. In 2004, only 46.2% heads of households were covered by insurance. Health coverage is tied to regular employment, often in the public sector. Because most hospitals are privately owned, it is the responsibility of the state, represented by the Ministry of Health, to cover the hospitalisation expenses of uninsured citizens. However, the weak reinforcement of rules, the lack of governance and insufficient ministry capacity have created an environment prone to corruption in which hospitals overcharge both their patients and the state (Baumann, 2019). Cammett (2014) comments that the health system in Lebanon is a form of 'bricks and mortar clientelism' (p. 1) run by politicians and confessional charities associated with politicians.

Electricity is another presumed public service. However, electricity production in Lebanon is inequitable. The government reformed the sector and increased capacity following the civil war, but demand now exceeds capacity. The state-owned power company, Electricity of Lebanon, produces insufficient electricity and suffers continuous debt, requiring support from the Ministry of Finance to maintain its current level of electricity production. Privatisation is continually suggested but has never been realised because of tussles between politicians, some 'seeking to benefit investors and others seeking to protect their clientele's interests in accessing electricity free of charge' (Baumann, 2019, p. 70). Electricity of Lebanon conducts rolling power cuts to continue operating and producing power in its current critical financial position. However, the power cuts are applied inequitably across the country. Many reasons contribute to this disproportionate electricity distribution, including politicians' power, sectarian preferences and the dominance of the social elite in each area.

The emergence of clientelism is not the only problem facing the Lebanese public sector. Political ethno-sectarian divisions and the public sector's inadequate provision of public services has led the government to establish PPPs, in which the control of goods or services currently provided by the public sector, either in whole or in part, is transferred to the private sector (Massoud & El-Fadel, 2002).

In the early 1990s, the Lebanese government privatised many sectors, including SWM, by partnering with private corporations. Public projects were proposed by the CDR and assigned by means of competitive bidding. Some public services, such as Electricity of Lebanon, remained under the control of the public sector but became part of the sectarian allocation system, in which recruitment and staffing are also assessed according to sectarian-based criteria. According to the World Bank (2016, as cited in Salloukh, 2019, p. 6),

confessionally-driven staffing of public institutions at the expense of merit-based criteria impedes the state's ability to deliver quality public services efficiently and to generate inclusive and sustainable growth . . . the need to maintain a sectarian balance of power within institutions, reflected in both staffing and a division of responsibilities for resource allocation, results in sectarian interests being prioritized over the need for equitable and adequate provision of services, and a general lack of transparency and accountability.

For example, Electricity of Lebanon's workforce expanded from 930 employees in 1993 to 2,200 in 2017, partly because of staffing interferences from the sectarian political elite on behalf of their associates (Salloukh, 2019).

3.7 Dysfunctional State and Underperforming Public Services

In considering Lebanon's political history, politicised economy, failing governance and underperforming public services, it is important to mention the corruption that has led the country to its current situation. Politicians and political leaders often enter into business, creating and co-creating corporations under their relatives' names or in partnerships with political allies. This presents the risk of these corporations seeking political favours as well as using Lebanon's internal ethnic divisions, discrimination and inadequate system of governance for economic gain. The ruling class, represented by the social elite and businesspeople, cared little for the environment during the civil war, raising questions about their preparedness to meet the social responsibilities of their corporations.

A significant responsibility of the public sector is the provision of essential public services. The collection and disposal of solid waste have always been the responsibility of local municipalities such as in Beirut and Tripoli. However, most Lebanese public enterprises have historically been run with inadequate attention to

profitability, cost control and efficiency. The municipalities, in particular, are wasteful in their use of capital and labour, leading to inefficient performance and even failure to meet goals. The underperforming public sector has been forced to privatise the collection and disposal of solid waste by means of nationwide PPP contracts. Given the political environment of Lebanon, its underperforming government, lack of governance and internal divisions along ethnic and sectarian lines, it is valuable to investigate the creation of a PPP and examine Corporate social response and contributions in the context of public services assigned to the private sector. For example, in the spring of 2015, piles of garbage began to accumulate in Beirut, accompanied by disputes between local political parties about who was responsible for an emergency plan and cleaning up the mess. The problem was aggravated because of the hot weather, which caused the rubbish to rapidly rot and smell (Kadi, 2015). This scenario led to nothing but finger-pointing at the state's dysfunction and its failure to provide public services. Social activists protested on the streets of Beirut, demanding the right to breathe fresh, unpolluted air. Rather than addressing the root causes that led to this life-threatening environmental disaster, the government quashed the protest with the excuse that such movements were shaking up the political status quo and influence change from within the system. The government called up for the Lebanese army, where coercive force was used to control the protestors.

Despite the internal political problems and local competing political interests, every parliamentary election has supported the same sectarian parties. Unfortunately, the political situation and the state's unalterable power-sharing system, dominated by sectarian dynasties, have perpetuated this problem. Nevertheless, the same sectarian houses have dominated since the 1970s. (Bray-Collins et al., 2016)

3.7.1 Health system and government response to the covid-19 global pandemic

Since October 2020, Lebanon has had an exponential increase in Covid-19 cases and related deaths. The existing public health system sector is underfunded and ill-equipped, where only 1.8 % of the Ministry of public health budget has been spent toward the development of public hospitals (El Jardali, Fadlallah, Abou Samar, Hilal, Daher, BouKarroum, Ataya, 2020)– and for years the government has owed private hospitals millions of dollars in arrears Jalabi (2020). In fact, the pandemic has exposed the negligence of the public health sector since the end of the civil war (El Jardali and Fadlallah, 2020) due to political and confessional reasons.

Lebanon's health system has buckled under the weight of both Covid-19 and the economic collapse (McCaffrey and Todman, 2021). The shortage of medical supplies accompanied by the ongoing financial crisis and the devaluation of the Lebanese pound (Lira) spread fears that subsidies on medicines will be lifted due to the government inability to import essential medications as 'the pharmaceutical sector is dominated by imported medicines and on patented brand names which constitute more than 80% of the total market' (El Jardali et al., 2020)

The Lebanese government has enacted a range of measures in an attempt to control the epidemic. However, it has failed to enforce multiple lockdowns, which have not stemmed from the rise of Covid-19 cases. Post the Beirut explosion in August 2020, thousands of people abandoned covid-19 precautions as they swarmed the devastated streets and hospitals, which had made the matter even worse as covid-19 cases surged (Jalabi, 2020). Also, the explosion has damaged 292 health facilities, as indicated by McCaffrey and Todman (2021). Also, the government has been accused of lacking a cohesive and long-term strategy to deal with the pandemic. (Human Rights Watch, 2020). The combination of challenges of a complex web of state, non-state and

the influence of international actors over daily life in Lebanon makes it the most difficult place in the world to manage impactful Covid-19 measures and vaccination response (McCaffrey and Todman, 2021). As the vaccine rollout started to take action worldwide, The Ministry of Public Health developed a robust national vaccine distribution plan to oversee vaccine distribution in Lebanon with support from the World Health Organization and the World Bank. However, in a clear violation of the national prioritisation plan, '16 members of parliament and five parliamentary staff received Covid-19 vaccinations, jumping ahead of health workers' (McCaffrey and Todman, 2021) that caused an increase in mass public outrage. This governmental behaviour and irresponsibility toward frontline health workers and the Lebanese people could reflect on the political environment and deep-rooted division.

3.8 Summary

A confessional democracy is a political system in which political power is distributed along religious and ethnic lines. In the case of Lebanon, these positions of power include parliamentary seats, main offices, the head of the Lebanese army and key decision-makers. This system promotes the proportional distribution of authority across sects rather than being based on qualifications and a unified society. This chapter presented the history and background of consociationalism, or 'government by elite cartel designed to turn a democracy with a fragmented political culture into a stable democracy' (Lijphart, 1969, p. 216). Confessionalism is the religious form of consociationalism, which has been ineffective in Lebanon, resulting in resistance, antagonism and 15 years of civil war.

This chapter presented an overview of the long-term effects of Lebanon's unstable political environment, including a civil war (1975–1990), the destruction of infrastructure and a dysfunctional public service. Following the civil war, a ruling social

elite emerged, declaring themselves leaders and protectors of their sectarian communities. The confessional system is similar to a family business, in which political elites such as ruling families and party leaders prioritise sectarian over national interests (Cammatt, 2009). Given the economic deficit in Lebanon and the government's inability to fund a reconstruction and rehabilitation plan, many public services (e.g. SWM) have been handed over to the private sector to deliver on behalf of the Lebanese state. Sectarian leaders have dispensed social services such as education and health to their communities on a clientelist basis to maintain their hegemonic power and authority.

This chapter offered insights into Lebanon's political and economic environment, which has influenced the government's social obligations. Further, it summarised the various societal services and how they are provided and provide the national response to Covid-19 pandemic in an inefficient public health sector. Chapter 4 will present detailed description of the study methodology, data collection phase and approach of analysis that is fundamentally based on thematic analysis.

Chapter 4: Methodology for Researching Political Corporate Social Responsibility in Lebanon

4.1 Introduction

This research focuses on the interpretation and exploration of PCSR in the Middle Eastern context, specifically in the confessional democratic system of Lebanon. This thesis applies a political theory because it analyses the foundations of political life and evaluates its associated principles, concepts and institutions. In so doing, this research explores the potential for corporations to exploit confessional systems of government by acquiring political power for economic gain. Further, it recommends models of governance that can minimise that exploitation and set limitations on the political role of corporations. It argues that a better understanding of the content of and participants in this conversation can be achieved through content analysis supplemented with empirical research into the attitudes of corporate employees and other stakeholders.

This chapter discusses the research methodology and is divided into three sections. The first section discusses the philosophical foundation of the research and the rationale for the research paradigm. The second section details the research design, which involved a qualitative case study. The third section presents the research methods, namely semi-structured interviews, document analysis, observational evidence and other artefacts. The fourth section describes the analytical framework guiding this research.

4.2 Research Design

This section describes the research design. First, it explains the rationale for using a case study in this research. This is followed by a description of the methods used in this research, namely qualitative interviews and content analysis. When

conducting qualitative research, various research strategies can be used, including surveys, experiments, histories, the analysis of archival information and case studies (Yin, 2003). The case study research approach is considered a systematic and in-depth investigative instrument that focuses on real-life phenomena at different levels, including the organisational, professional, project, event, geographic, community or country levels (Stake, 1995).

4.2.1 Case Study Method

Case study is defined as ‘an empirical inquiry that investigates a contemporary phenomenon [the case] in depth and within its real-world context’ (Yin, 2014 p.16). Case studies are considered the most effective approach for research that seeks to explain the who, what, where, how and why of a particular situation (Robson, 1993; Stake, 2003). Case studies provide the opportunity to embed theory within the practical realities and diversity of real life (Yin, 2009). Yin (2003) identified three types of case study: exploratory, descriptive and explanatory. According to Yin (2003), a case study design should be considered when (i) the main focus of the study is to find answers to ‘why’ and ‘how’ questions; (ii) the behaviour of those involved in the study cannot be manipulated; (iii) it is necessary to cover contextual conditions based on the researcher’s beliefs that they are relevant to the phenomenon being studied; and (iv) the boundaries between the phenomenon and the context are not clear, the investigator has little control over events or the study focuses on a contemporary phenomenon in real life (Yin, 2003). Yin (2009) further states that a ‘case study inquiry copes with the technically distinctive situation . . . [and] relies on multiple sources of evidence . . . to converge in a triangulation fashion’ (p. 18). Creswell (2002) notes that ‘a case study as an in-depth exploration of a bounded system’ (p. 485). In this study, the system was bounded by time and place and focused on one unit, that is, the case being studied.

Although multiple cases can provide for the productive development of theory through cross-case analysis (Perry, 1998), this thesis employed a single case approach to provide in-depth insights into the political perspective of CSR in a confessional democratic setting. Yin (2003) supports the use of a single case study because of its ability to elicit rich and in-depth exploratory knowledge. However, the use of a single case must be well justified. Single cases are only effective when the case is considered extreme and revelatory (Yin, 2003), contains rich information (Patton & Patton, 1990) and involves the application of two or more theories (Yin, 2003).

In this research, the case study was understood as a process of empirical inquiry involving an in-depth exploration of contemporary events in their real-life context (Yin, 2003), without losing sight of the fact that the case was embedded and interrelated with the broader system (Stake, 1988). The aim of case study research is to focus on a deep and comprehensive understanding of actors, relationships and actions (Borghini et al., 2010; Woodside & Wilson, 2003). Thus, case study research provides the opportunity to embed theory within the practical realities (Yin, 2009).

The qualitative single case study approach was appropriate to study PCSR in Lebanon for the following reasons. First, the case was considered a 'bounded system' (Stake, 1995) within which the interconnections between people, processes, objects and events were of significant interest (Stake, 2005). Second, the case study approach enabled me to serve as an instrument for data collection while conducting interviews. The purpose of this qualitative single case study was twofold. The first purpose was to explore PCSR and corporate strategy in the context of a confessional democracy in which corporations may acquire political power for economic gain. The second purpose was to explain the critical role of politics in the social contributions of corporations and recommend models of governance that may minimise exploitation and set limitations on

the political role of corporations. The aim was to develop an understanding of the phenomenon of PCSR in a confessional democratic context from every perspective to set limits on politics, businesses and the privatisation of social responsibility when the government is unable to provide public services. The research questions addressed the problem and purpose of the study. The following research objectives guided the study:

- examine PCSR in a confessional democratic system of government, focusing on how corporations address their social responsibilities in this type of system
- explore how the relationship between politics and religion challenges corporations in terms of sustainable socioeconomic development.

As previously mentioned, PCSR in Middle Eastern countries is a relatively new topic, supporting the appropriateness of the case study research approach.

Despite the recognised effectiveness of case studies for qualitative research, they are not without their challenges. Yin (2009) states that effective case studies are difficult to conduct, identifying the main challenges as a lack of rigour, a limited basis for scientific generalisation and the time they take to complete. Yin (2009) identified three criteria by which to judge the quality of empirical social research designs, namely construct validity, external validity (also called generalisation) and reliability (p. 40). The next section tackles Yin's challenges with a descriptive explanation of how access was gained and maintained for the case study.

4.2.1.1 Reliability

Triangulation is a technique used to enhance the reliability of case study research. It consists of the use of multiple sources of evidence to examine a single phenomenon. In this case study, previous investigative studies conducted by the environmental expert and social activists were retrieved, providing additional perspectives to the interview data. Further, conducting interviews on site in various

locations across the nation facilitated the observation of more aspects of the corporation and provided further perspectives for the research. For example, visiting construction and landfill sites enabled observations of the environmental and health and safety consequences of the project and the strategies implemented at the dumpsite. The case study, site observation and private studies all provided data that reinforced each other, providing triangulation to support the reliability of the research.

4.2.2 Case Selection

The selection of a corporation for this research was based on the following criteria: ideally based in Lebanon (to increase the chance of having participants who were aware of the local government system and practices), in business with the public sector (to connect with the theme of political–business relationships) and Lebanese owned and operated. The selected corporation offered a wide range of technical services in both the public and private sectors, including SWM and construction. In conjunction with management, it was agreed that the corporation would be given the pseudonym ‘Delta’ to protect its privacy and enhance confidentiality.

4.2.2.1 Overview of Delta

Delta was founded in the 1950s and at the time of this study was a national contractor in the construction and waste management industries. It had established subsidiaries and branches in Lebanon and had broadened its customer base in the Gulf region and various European and African countries. The company and its subsidiaries employed around 1,000 workers in Lebanon alone. Delta provided PPP services in construction and waste management that met public sector requirements and standards. Delta’s construction projects included infrastructure, bridges, dams and landfills, while its waste management services included the collection of solid waste, street sweeping,

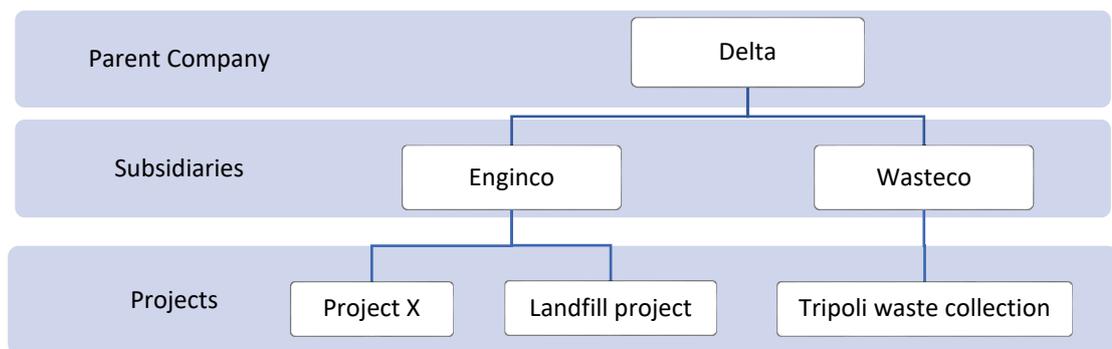
cleaning of operational areas and landfill operations and management, including gas treatment.

Wasteco was a Delta subsidiary founded in the 1990s as part of its expansion strategy in the SWM industry. It soon became a provider of environmental waste management services in a PPP with the public sector. Wasteco's headquarter was located in Lebanon, with many branches in Middle Eastern countries that engaged in PPPs, where it provided SWM services, including solid waste collection and disposal, the construction and operation of landfills and sorting and composting plants and city cleaning and sweeping. Enginco is Delta's local subsidiaries operates in Lebanon and specialised in different construction projects including infrastructure, construction of Bridges and Dams in partnership with the public sector. Delta's headquarter were located in Beirut, and its subsidiaries were located in Lebanon and other countries around the world. Both Delta through its subsidiaries Enginco and Wasteco engaged in PPPs with the public sector to deliver social services in many locations in Lebanon from the north to the east. Delta engaged in competition with other corporations via a bidding process controlled by the CDR (a private entity controlled by the Primary Ministry that managed, controlled and supervised large contracts assigned to private contractors).

Al-Abdin et al. (2017) argue that 'how CSR is practised across subsidiaries is subject to organisational structures and the country of origin and ethnocentricity of parent companies' (p. 62). Therefore, CSR initiatives were explored using an interview strategy to investigate the corporation from the bottom up and the top down, beginning with the corporate headquarters, projects and subsidiaries. Prior to starting the data collection process, the executive assistant to the chief executive officer (CEO) was contacted via voice call. Then, a formal introductory letter was sent to the CEO's office, along with an invitation to participate in the study. This included a consent form, which

highlighted the aims and objectives of the research, the sequence of data collection and the estimated time necessary for conducting interviews. After 10 days and some following up with the executive assistant, both the CEO and firm owner signed the consent form and granted research access. The names of the corporation and its subsidiary were changed to Delta and Wasteco, respectively, for confidentiality purposes.

Figure 4.3 *Delta Corporation Chart*



4.2.3 Geographical Considerations

Prior to the next chapter, it is important to reflect on the geographical setting in which the corporation and its subsidiaries operated. It is essential to draw the complete picture, which will create a better understanding of corporate behaviours, practices and social responsibilities. It will also highlight geographical disparities, including those in the provision of essential services and the role of the state, which negatively affect the socioeconomic conditions of the residents. As previously stated, the corporation was operating in different locations across the nation. The head office was in Beirut, but at the time of data collection, its construction projects (Enginco) was in Beirut and waste collection and landfill operations was based in Tripoli (see Figure 4.3).

Lebanon is divided into six administrative regions known as *mohafaza*. The *mohafaza* of the North Governorate is the second largest in the country, with an area of

2,025 km² (Nader et al., 2015). It comprises five key districts, namely Akkar, Minieh, Tripoli, Koura and Batroun, which encompass 24 villages and cities. Tripoli District has a densely populated region encompassing the city of Tripoli and three small surrounding cities. The interviews took place in three different locations in Lebanon.

4.3 Sampling Strategy

Initially, participants were identified through stakeholder mapping using secondary data sources (Yin, 2003). Representation from different stakeholders clusters provided a range of perspectives and insights. The use of multiple participants served as a form of triangulation and provided an in-depth understanding of the current state of play (Polkinghorne, 2005). However, it was not essential to ensure an equal representation of opinions and views from all stakeholders; rather, the aim was to generate insights from across the spectrum of stakeholders.

According to Mason (2010), various issues may affect the size of the sample in qualitative research. However, the most important guiding principle for this thesis was theoretical saturation, which occurs when the continued collection of data does not reveal any further information about the case being investigated (Mason, 2010). Despite the ambiguity surrounding the application of the concept, Guest et al. (2006) argue that although ‘the idea of saturation is helpful at the conceptual level, it provides little practical guidance for estimating sample sizes for robust research before data collection’ (p. 59). Despite isolated attempts to quantify an appropriate sample size for qualitative research (e.g. Ritchie et al., 2003), little guidance for qualitative methodology exists (Bowen, 2008; Mason, 2010).

The sample size for this study was 24 participants. Convenience sampling involves selecting participants in a way that is convenient (Neuman, 2003). However, constraints on the availability of employees, the hierarchical nature of the organisation,

which involved obtaining permission from every head of department, and the voluntary nature of the interviews limited the number of interviews that could be conducted. Some employees did not feel comfortable participating, and others were unavailable or busy with their workloads. An initial list of participants was provided by the head of HR, who insisted on only senior employees and heads of departments being involved. However, a random selection technique was adopted to select participants from different departments and positions. The head of HR contacted participants by interphone before the interviews to explain the study and check their availability. A private room was provided for the first few interviews, after which interviews were conducted in the participants' own offices or in a conference room.

4.3.1 Sampling Selection

To begin the research, I contacted the corporation via the telephone number listed on their website and was transferred to the CEO's office. I later sent an official letter to the corporation via its email address explaining that the research was part of a doctoral study and describing its objectives, qualitative approach, sequence of data collection, the need to conduct interviews with employees from a range of departments and the average time employees could expect to spend with the interviewer. The letter included a consent form to grant the researcher access to the study site.

Upon arriving in Lebanon, I scheduled a face-to-face meeting with the owner of the corporation. I reiterated the objective of the study and the expected time I would need to spend at the corporation interviewing employees. I emphasised the confidential nature of the study, which required interviews to take place in a private room. I also explained that interview answers were highly confidential and would not be shared with anyone else, including the CEO. The head of the human resources (HR) department suggested participants from different departments in the head office. Some of these

participants were directly contacted, while others were randomly selected based on their availability or willingness to take part in the study. Dates and times were arranged for the interviews, which took place from June to October 2018. At the subsidiary and project levels, participants were randomly selected. Interviews ranged from 30 to 50 minutes and were all conducted in Lebanon. Apart from one, all interviews were recorded. The selection criteria of the external stakeholders' participants (Council members and environmental engineers) were based on their involvement and familiarity with the environmental situation of Tripoli using secondary data sources. Social activists' participants were local community members and were selected based on their active role and involvement in various social protests in Tripoli, demanding social justice and the provision of social services to the most deprived area of Tripoli.

4.4 Data Instruments

A hallmark of case study research is the use of multiple data sources, a strategy that enhances data credibility (Patton, 1990; Yin, 2003). Both Stake (1995) and Yin (2009) highlight the importance of using multiple sources of evidence. This study considered many potential data sources, including but not limited to documents, archival records, interviews, physical artefacts and direct observations (Yin, 2003). Each data source is one piece of the puzzle, with each piece contributing to the researcher's understanding of the whole phenomenon (Baxter & Jack, 2008). Many interview techniques can be adopted, ranging from open conversations to highly structured questionnaires (Kvale, 1996). The choice depends on how in depth the interviewer wishes to go, the degree of structure in the interview and the desire for standardisation across interviews (Punch, 1998).

Data were categorised into primary and secondary data. Primary data were collected through semi-structured and unstructured face-to-face interviews, which took

place in Lebanon (Beirut and Tripoli). Secondary data were derived from newspapers, documents, archives and other studies. These data were collected in accordance with the theoretical framework.

4.4.1 Primary Data: Interviews

The primary data for this research were based on interviews. According to Yin (2003),

interviews are an essential source of case study evidence because most case studies are about human affairs. These human affairs should be reported and interpreted through the eyes of specific interviewees, and well-informed respondents can provide important insight into a specific situation.

Interviews are likely to be the most employed method in interpretive qualitative research (Bell & Bryman, 2007) and have increasingly become a standard research method in the social sciences field (Kvale & Brinkmann, 2009). In this thesis, interviews are defined as a ‘two-person conversation, initiated by the interviewer for the specific purpose of obtaining research-relevant information, and focused on content specified by research objectives of systematic prediction, description, or explanation’ (Cannell & Kahn, 1968). Semi-structured interviews allow for person-to-person interactions and alterations to the line of questioning depending on the answers.

Compared with quantitative approaches, qualitative interviews tend to be less structured and more flexible. The quantitative approach uses the same questions, topics and wording across all interviews to enable the quantification of answers (Dirani, 2012). Conversely, the qualitative approach does not use a predetermined set of structured questions; rather, it focuses on interviewees’ observations and perceptions. Thus, knowledge and information about the topic is elicited from the interactions between the

interviewer and interviewees. These interactions allow space for interviewees to adjust to pre-existing questions or elaborate on new ones. (Leech, 2002)

Primary data were collected through semi-structured and unstructured interviews with selected corporate and government stakeholders and social activists and environmental expert. These categories had the following structure and purposes.

4.4.1.1 Unstructured Interviews

Unstructured qualitative interviews are based on a general set of topics. They may comprise a single question, with follow-up topics that are worth discussing. Researchers employing this type of interview start with a general investigation of a topic, then follow up on interviewee's answers by asking for specific information. The interview follows an unplanned sequence in terms of the topics covered (Leech, 2002).

4.4.1.2 Semi-structured Interviews

Semi-structured interviews are supported by a preprepared list of questions and specific topics to cover. The interviews in this study focused on eliciting a general understanding of CSR covering specific themes, topics and the political environment. The interviews ended after presenting a range of fictional scenarios. Semi-structured interviews were used in this research because they elicit a natural conversational tone but with a clear purpose, structure and intent (Kvale, 1996). This technique also permits flexibility to further prompt participants and enables the interviewer and participants to expand on points of interest (McMurray et al., 2004). Semi-structured interviews enable the use of a range of question types, including probing questions, closed questions, open-ended questions, leading questions and neutral questions (McMurray et al., 2004). This technique is useful for exploratory and descriptive research that seeks the 'what', 'how' and 'why' of case situations (Saunders et al., 2019).

Because a single study was employed in this research, the interviews were relatively structured in terms of topics and questions (see Appendix 2). Interviews were structured to introduce the theme, focus subquestions on different aspects of the theme (to yield information and insights) and establish a cognitive clarification of the theme (Yin, 2009). This approach attempts to understand the theme and interpret its meanings from the interviewees' perspectives rather than simply describing the answers. This required the use of semi-structured interviews, which were supported by an interview guide (Bryman & Bell, 2007) that was created prior to the interviews. The design of the interview guide was informed by previous CSR articles and case studies and was consistent with the research approach. For example, I made no presumptions about the CSR program or its relationship with the political system. Additionally, questions were carefully articulated to avoid bias, facilitate a greater understanding of interviewees' opinions and allow their perceptions to emerge. For example, instead of asking what type of partnership the company had with other stakeholders, the researcher asked, 'Is the company involved in social responsibility activities in partnership with other stakeholders?' The main reason for using comprehensive language was to keep the questions open and avoid leading questions. Presuming that the corporation had a program of social activities would be an assumption of a business-political relationship. Therefore, instead of asking how politics affected the business's approach to CSR, the researcher asked,

I am interested in the relationship (if any) between Lebanon's political system and the way companies might behave and practise CSR. Lebanon has a confessional democratic political system. Do you think that this kind of system of government is more or less likely to influence the corporation's approach to CSR policies and activities? (see Appendix 2)

Thus, questions were structured so as not to elicit a specific answer. However, questions did not necessarily follow the sequence outlined in the guide because semi-structured interviews are intended to be flexible, enabling the interviewer to ask new questions and cover topics that emerge and evolve over the course of the interview (Kvale & Brinkmann, 2009).

Interviews were conducted face to face and by telephone, mostly in English but some in Arabic, and were recorded using a digital voice recorder. One potential problem was the difficulty of translating concepts into different languages. For example, the phrase ‘corporate social responsibility’ may contain nuances in Arabic that are slightly different from their English counterparts.

4.4.1.3 Scenarios

This study used four fictitious scenarios to evaluate stakeholder perceptions of the influence of politics on CSR and corporate ethical behaviours. Although they were fictitious, scenarios were based on real political scandals and unethical business behaviours. Once the scenarios had been developed, pre-study interviews were conducted based on secondary research and knowledge and familiarity with the political environment in Lebanon to ensure that the scenarios were realistic (Groza et al., 2011; Vlachos et al., 2009). The scenarios were reasonably consistent, and the perceptions of each scenario in terms of right or wrong were identified.

The first scenario involved the corporation attempting to influence employees’ voting behaviours in an upcoming parliamentary election in return for possible political gain. The second involved the corporate employee being personally affected by carrying more responsibilities at work because the recently hired colleague was chosen according to his political affiliation rather than professional qualification. This scenario tests the politics involvement in corporate and the respondent tolerance of such scandals in the

workplace. The third described the practice of promising of job vacancy from the corporate owner to a political party's supporter in return for economic services/benefits. The fourth was a clear case of bribery involving a politician asking for a sum of money in return for renewing the corporate PPPs contract of solid waste collection and management. Respondents evaluated these behaviours based on their personal perspective and ethics, socioeconomic conditions, or the familiarity of these scenarios to occur in Lebanon. Notably, the concept of business ethics is diverse and accompanying change is uncertainty as well as a variety of definitions of ethics and related concepts of corruption, justice, and fairness (or alternatively moralities)' (p.82). Thus, in alignment with Dalton and Dela Rama (2017), this study interprets ethics as based on the point of view of the participant, 'an action can be found to be morally acceptable and ethically corrupt at the same time' (Dalton and Del Rama, 2017 p.82). Appendix 2 shows the four scenarios.

4.4.1.4 Responses to Scenarios

Each interview included all four hypothetical scenarios, which interviewees' may or may not have been considered ethical. Interviewees were asked to provide their personal opinions and potential responses to each scenario. They were encouraged to imagine how they might behave as an employee in the given scenario and identify whether they believed the behaviours were right (acceptable and ethical) or wrong (unacceptable and unethical). Each scenario included the following questions:

- What do you think of this behaviour?
- What would you do in this case?

The scenarios and the abbreviated terms used to describe them are listed in Table 4.1.

Table 4.1 Scenarios questionnaire and their abbreviation

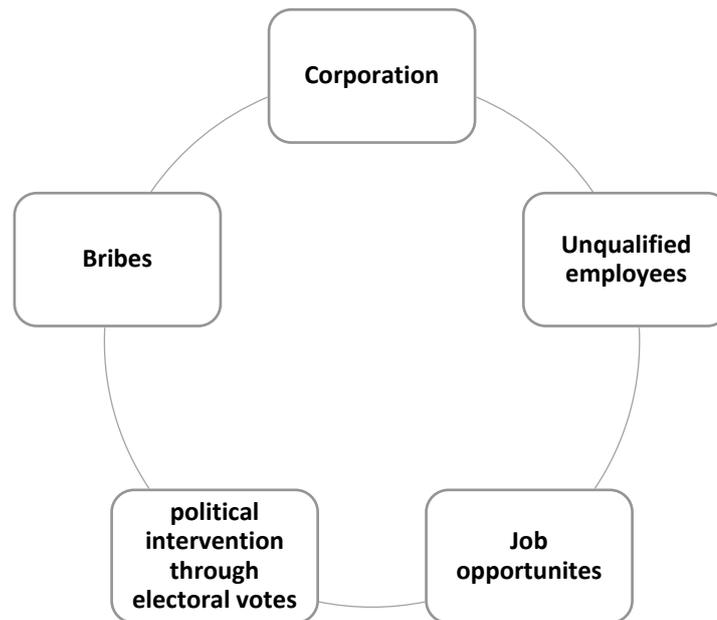
	Scenario			
	Electoral interference	Favouritism	Nepotism	Accepting bribes
Perpetrator	Firm owner	Firm owner	Firm owner	Politician
Other party	Political party	Political supporter	Political party	Firm owner
Political activity	Coalition building	Party financing	Coalition building	Party financing
Perpetrator benefits	Indirect political gain	Indirect/potential political or financial gain	Indirect financial gain	Direct personal financial gain

The scenarios varied in terms of the perpetrator (firm owner or politician), activity (electoral interference, favouritism, nepotism and bribes), benefit to the perpetrator (direct or indirect financial or political gain), frequency of the activity and the circumstances surrounding that activity. Each scenario contained one or more undesirable elements. The scenarios represented a broad spectrum of conduct, from well-defined conduct such as bribery ('contract') to poorly defined conduct such as providing job opportunities based on political affiliations ('employment') or promoting a political candidate ('parliamentary election').

The study also aimed to determine whether interviewees considered the consequences of activities when forming judgements about the scenarios. This connection has been highlighted by scholars who use the public interest definition of corrupt behaviour, which argues that acts that are harmful to the public are corrupt, even if they are legal. However, as discussed, the use of the term 'public interest' is problematic because it erroneously implies a single interpretation of the public interest. This would create measurement problems because the values that should be considered in the analysis become unclear. For this reason, the scenarios were specifically focused on two outcomes: the effect on the corporation and the effect on the political system according to respondents. Some scenarios were intentionally designed to ascertain

whether there was any correlation between acts that were considered wrong (electoral interference, nepotism, favouritism and bribery) and interviewees' perceptions and tolerance of such behaviours.

Figure 4.4 *Scenario Dynamics*



The unethical behaviours described in the scenarios included providing job opportunities ('employment'), offering bribes for contract renewal ('contract'), rewarding political allies with jobs (i.e. 'performance standards') and promoting a political party (i.e. 'election'). For example, the scenarios include situations in the firm owner promises a job to a politician's supporter in exchange for financial gain (nepotism), pays a politician in return for the continuity of operations (bribery) or hires an unqualified individual based on their political orientation (favouritism) and who will later vote in the parliamentary election. These scenarios illustrate the types of conduct seen in real scandals.

Analysing the responses to these scenarios enabled an exploration of the attitudes of employee towards activities perpetrated and justified by many members of the business and political elite but which may have negative corporate or political consequences. The comparison of responses to two of the scenarios with respect to job opportunities (favouritism and nepotism) assisted in ascertaining whether their different circumstances influenced how respondents perceived the behaviours that affect them. This part of the interviews also explored how corporate–political relationships were defined and employees’ willingness to take action. Thus, after providing their views for each scenario, respondents were asked, ‘What would you do about this behaviour?’ This open-ended question meant that respondents were not restricted in their answers or directed towards certain reactions.

The questions did not address interviewee behaviours. Therefore, it cannot be assumed that respondents were all aware of the definition of corruption and corrupt behaviours, despite their education levels and positions. Similarly, it could not be assumed that respondents’ educational backgrounds would reflect their reactions or the likelihood of them taking action in response to the behaviours described in the scenarios.

Therefore, the analysis briefly examined the decisions of respondents who said they would take action (e.g. feeling responsible or contacting the business owner or manager). However, the analysis focused on differentiating between those who would and would not act to gain insights into the factors hindering the willingness to respond to these types of behaviours and scandals. Given that it is often a combination of reasons, those who said that they would do nothing were asked to explain their reasons.

4.4.2 Secondary Data

The data collected comprised both primary data and secondary data. Secondary data were analysed to define PCSR and enhance the understanding of its practices and contributions in a unique political setting. Moreover, secondary data from other researchers are considered high quality (Bryman & Bell, 2010-2011). Yin (2009) recommends that researchers embarking on a case study gather multiple sources of data, including secondary materials, for triangulation purposes. This approach enhances the validity of the results by collecting evidence from numerous sources rather than depending on one source in the final analysis. Because this study adopted a case study method, archival materials and relevant documentation were used to triangulate the findings from the primary data.

The secondary data for this research comprised materials related to the outcomes of CSR, political economy and SWM in Lebanon. The secondary data collection phase commenced on the 18th of April, 2018 and continued throughout the study. The quality of the secondary data was chosen with great attention.

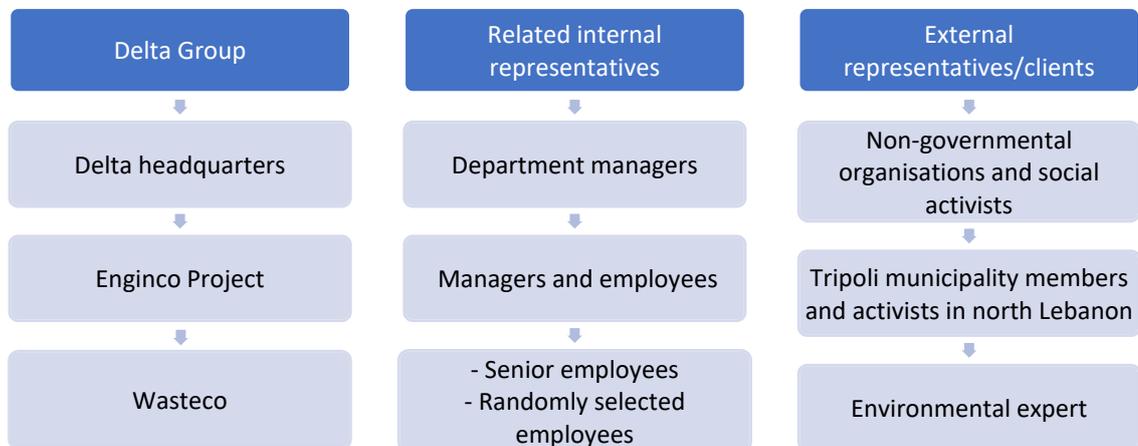
The secondary data set was subsequently coded around five key stakeholder groups, namely corporations, media, communities, government and academia. Thus, primary data were supplemented with secondary data from notes, previous interviews, newspaper articles and online information about the company and government representatives and studies conducted by social activists. Secondary data from social activists and community perspectives included commentaries and statements from local residents and social activists, which were sourced via social media such as Facebook pages and action group websites. These data were useful for understanding key issues in CSR, including the lived experience of CSR and aspects of the 'CSR space' that were being met with resistance.

Moreover, documented evidence in the form of industry data, including company fact sheets and industry-representative publications, helped to establish similarities and differences in the way that stakeholders defined and understood CSR and the policies being promoted. Table 4.2 below list the data collection instruments used in this qualitative study.

Table 4.2 *Data Collection Instruments*

Instrument	Description/Number
Philips digital recorder	MP3 recording on laptop, backed up on Google Drive
Magazines	3
Notebooks	1

Figure 4.5 *Internal and External Stakeholders respondent of Delta Group and related external stakeholders*



4.5 Data Collection

This section describes the techniques used to collect the data during the two phases of the research project from June 2018 till October 2018. A preliminary view of the data is presented here. However, a detailed discussion of the data and their analysis is provided in Chapters 4 and 5.

4.5.1 Phase 1: Semi-Structured Interviews (June–August 2018)

The semi-structured interviews were conducted in 2018. In total, 16 interviews were conducted, each lasting approximately 30–40 minutes (apart from one interview, which lasted 67 minutes). The interviewees were primarily heads of department, managers and senior and junior employees who were first contacted to confirm their interest in the research. Following the interviews, an exploratory pilot case study was conducted. Empirical data were collected from the corporation's headquarters, projects and subsidiary. Multiple interviews were conducted in person and over the phone to discuss PCSR and corporate social initiatives and responsibilities.

Follow-up discussions were conducted by telephone. Notes were taken during the interviews and transcribed immediately afterwards. Before starting each interview, participants were advised that the interview would be recorded but that they would remain anonymous and their answers would be confidential. The purpose and aim of the research and the process of the interviews were also explained. It was highlighted to interviewees that participation was voluntary and that they could withdraw from the interview at any time. A consent form was given to the participant to sign, which assured their voluntarily participation in the study. Interviews were conducted with one participant at a time. Each interview was based on a preprepared list of 15 questions, which covered different topics on CSR and the political role of the corporation. The questions began with a general question, followed by questions about issues and scenarios about which participants could express their opinions. The purpose of this was not to elicit simple yes or no answers but descriptions of episodes, explanations and linkages (Stake, 1995).

Although the list of interview questions was detailed in advance, the flexible nature of the semi-structured interview meant that follow-up questions could be asked

to gain a deeper understanding of answers and elicit more information. Therefore, the questions did not follow the exact outline on the schedule (Bryman & Bell, 2011). New questions were formulated during the interview to elicit as much information as possible, but all questions were thematically consistent with the original list of questions.

The interviews involved 16 participants from the firm Delta headquarters and its projects and subsidiaries (Enginco and Wasteco). Initially, face-to-face interviews were conducted at multiple locations at the corporation's headquarters. Next, I met with the project manager at a site in a mid-northern city and interviewed three participants from the project. I then met with Wasteco employees in the North Governorate. The Wasteco participants preferred to choose the time and location of the interviews, choosing a café at which they felt comfortable. At first, the interviewees were anxious and appeared sweaty and uncomfortable. They asked several questions about the risk of talking and whether it would be reported to the firm owner. They were assured that their identities would be kept anonymous, their answers would not identify them in any way, they could withdraw from the study at any time and interview recordings would be eventually deleted. The participants voluntarily chose to participate in this study. In fact, many chose to speak out once they felt confident that their answers would be completely confidential and would not be accessible to anybody, especially their managers and the business. For example, one employee from Wasteco stated, 'No, I want to talk. We never had the chance to speak our pain, but I have a family and I cannot afford losing my job. . . ask me and I will be honest with you'.

4.5.2 Phase 2: Unstructured Interviews with Related Stakeholders (August–December 2018)

Four members of the Tripoli District state council, three social activists and an environmental expert (engineer) were also interviewed (see Figure 4.5). Each interview took 30–40 minutes on average. The interviewees included three social activists from the North Governorate who were aware of the social and environmental responsibilities of Wasteco (the SWM subsidiary). They explained the consequences in detail and made suggestions. The interviews and information from corporate employees led to an interview of an environmental expert, which took around 40 minutes to complete. All interviews were recorded and transcribed for data analysis, as suggested by Bryman and Bell (2010). They were also translated from native Arabic to literary Arabic by a Language professional and then to English. Table 4.3 summarises the primary data collection process.

Table 4.3 *Primary Data Collection Summary*

Interviewees	Number of participants	Date	Interview type	Location	Aims
Corporate employees	16	June–August 2018	Face-to-face	Delta HQ	<ul style="list-style-type: none"> • understanding of CSR activities and program • political and sectarian effects on CSR • environmental problems in north Lebanon and who is responsible. • corporate ethics
		June–August 2018	Face-to-face	Enginco	<ul style="list-style-type: none"> • Understanding of CSR and social programs that may be implemented by construction projects. • The influence of politics on the progress of the project
		June–August 2018	Face-to-face	Wasteco	<ul style="list-style-type: none"> • understanding of CSR • the problems and proposed solutions
Government/city council representatives	4	June–August 2018	Face-to-face	North Governorate	<ul style="list-style-type: none"> • CSR activities and political influences in the city • the environmental disaster in North Governorate and who is responsible. • contract breaches and the absence of state authority • political corruption, including bribery from both sides
Environmental engineer	1	June–August 2018	Face-to-face	North Governorate	<ul style="list-style-type: none"> • the seriousness of the environmental disaster from a professional perspective • the contribution of the political system to the environmental disaster • the roles and responsibilities of the government and all involved parties • the most sustainable solution to the problem
Social activists	3	October–November 2018	Telephone	North Governorate	<ul style="list-style-type: none"> • the role of social activists and NGOs in environmental problems • CSR and social programs in Tripoli as per PPPs contract and book of conditions • the effects on community’s health and livelihood • the effects of politics on the private sector and vice versa

Note: CSR = corporate social responsibility; HQ = headquarters; NGOs = non-government organisations

4.6 Research Paradigm and Methodological considerations

This research was qualitative, which is typically more concerned with words than numbers (Bryman & Bell, 2010). The research, which was based on interactions between individuals, took inductive approach from findings to theory and focused on the outcomes (Bryman & Bell, 2010). The qualitative research tradition involves understanding social reality in its own terms and providing detailed descriptions of interactions and people in a social environment (Holstein & Gubrium, 2004). However, research on PCSR should not be limited to a descriptive and explanatory study—it should be built on a solid theoretical base (Scherer, 2017). Therefore, the nature of the research question was exploratory rather than explanatory or confirmatory, thus benefiting from a qualitative investigation.

The qualitative nature of the research facilitated a more in-depth understanding of the political influence of corporations in a confessional democratic system as well as how corporations meet their social responsibilities in a system of government where ethnicity and religion are the two dominant factors. Thus, it provided a deeper understanding and opportunity for broader knowledge and flexibility.

The reliance on interview data posed some methodological problems related to the limitations of attitudinal research generally and scenario-based questionnaires specifically. Triangulation, which involves the use of multiple sources of evidence to examine a phenomenon, is a technique used to increase the reliability of case study research. Yin (2009) argues that a ‘major strength of case study data collection is the opportunity to use many different sources of evidence’ (p. 114). In this case study, sample documents and private studies were retrieved from participating stakeholders, including the social activists and environmental expert. These documents provided additional perspectives, complementing the interview data. Further, by conducting

onsite interviews such as at the Delta project in Lebanon, it was possible to observe aspects of the organisation that provided additional perspectives.

4.6.1 Study Timing

The political environment, the role of corporations and government regulations change over time, especially in the Middle East. Unfortunately, in the case of PCSR in Lebanon, no prior empirical studies have been conducted, and this research was essentially conducted at one point in time. As a result, the findings of this case study cannot be compared with earlier data, and a clear indication of how opinions may have changed over time cannot be provided. This has important implications for the validity of the results because attitudes at one point in time may not be a reflection of the attitudes typically held by Lebanese people.

At the time of the interviews, the concern about multiple scandals may have been artificially inflated because of the results of the most recent parliamentary elections, which had left many Lebanese people disappointed and unsatisfied, especially those who were hoping for change.

4.6.2 Limitations of Scenario-Based Research

The use of a scenario-based questionnaire to investigate perceptions of direct and indirect forms of corruption, including corporate interference in parliamentary elections, nepotism, favouritism and bribery, has some limitations. There are also inherent limitations in the design of scenario-based questionnaires. In particular, phrasing and the number of scenarios may affect the way in which people respond to each scenario and the overall results.

Dolan et al. (1988) have criticised scenario-based questionnaires, arguing that the phrasing of scenarios reveals more about the views of the researcher than those of the respondents. They write, 'in each case there a priori conceptualisations are imposed

upon the respondents' reactions... if the social/public opinion definition of political subjectivity is the root issue, then it is clear that objective methods for studying subjective experience are necessary'. However, Ramirez et al. (2015) argue that despite this criticism, scenario-based research entails an accessible, transparent, testable and contestable inquiry process and provides 'a structure for an iterative inquiry process that could embrace many different perspectives and which encouraged revisiting and reformulating arguments and outcomes, leading to stimulating discovery' (p. 76).

Limitations in terms of the number of scenarios and options to respond to them also have implications for the validity of the results. Only four scenarios were included in the interviews; thus, conclusions were restricted to the nature of those four scenarios. The results may also have been affected by the nature of the subject matter. Interviewees may have been inherently reticent to speak openly about issues related to political scandals. To minimise this concern, it was emphasised to all participants that there were no right or wrong answers, that their answers would be completely confidential and that no information would be used to identify them.

4.6.3 Translation of Interview Questions

The language used in the questionnaire was made as comprehensible, clear and neutral as possible. To achieve this, the English version was edited first before being translated into Arabic. To ensure that the questions asked what they were intended to ask, did not contain leading statements and that the phrasing was natural, a native Arabic/Lebanese speaker edited this translation. To check the validity of the translation, the Arabic version was then translated back into English, and both versions were adjusted until they became two translations of the one set of interview questions.

4.6.4 Validity of Research Findings

According to Maxwell (2005), a lack of attention to the validity of research findings could be a reason for errors in fieldwork results or even the rejection of the whole research proposal. In qualitative case study design, different methods can be used to achieve validity. In this research, three methods were used: the divergence of findings from initial propositions (Yin, 2009), the convergence of multiple sources of evidence following a triangulation technique, with the case study benefiting from the inclusion of secondary data (Maxwell, 2005; Yin, 2009) and a plausible explanation (Miles & Huberman, 1994).

The second method was used following Yin's (2009) case study approach, which emphasises the importance of triangulating multiple sources of evidence to strengthen the construct validity of research that involves propositions. Triangulation was conducted on two levels: (i) triangulation of the primary interview data from diverse stakeholders (employees, managers, customers and suppliers) and (ii) triangulation between primary and secondary data (e.g. documentation). According to Yin, this approach enables a better assessment of the possible explanations of the phenomenon. The third method followed the causal network data analysis method (Miles & Huberman, 1994), which seeks plausibility for the presented explanation for the phenomenon across the sample of the study.

4.7 Data Analysis

Yin (2003) described six methods that may be used for analysis: pattern matching, linking data to propositions, explanation building, time-series analysis, logic models and cross-case synthesis. In contrast, Stake (1995) described categorical aggregation and direct interpretation as types of analysis. Yin (2012) presents five

stages of analysis: data disassembly, data reassembly, data compilation, data interpretation and conclusion.

As previously explained, this research used a case study design. According to Creswell (2002) case studies use three data analysis methods: thematic, descriptive and assertive. 'Thematic analysis is a method used for 'identifying, analysing, and reporting patterns (themes) within the data' (Braun & Clarke, 2006, p. 79). Braun and Clarke (2006) highlight the importance of primarily learning the thematic analysis method because it provides core skills that will be useful in conducting many different types of analysis.

There were two main components of analysis in this case study. First, the case context, which was generated from a range of secondary data, was developed into a historical timeline and detailed description, which was presented in Chapter 2. Second, interview data were coded and reported separately. It is important to note that several secondary data sources were used in addition to the interview data because senior corporate stakeholders are often interviewed by the media or business schools, and the questions asked were highly pertinent to this study. Therefore, these secondary data were also transcribed, coded and analysed in a similar manner to interview data. Coding of interview data from each stakeholder group was conducted to ensure a thick description of the case study as well as each stakeholder group. Key themes and the perspectives of each stakeholder group were of primary importance to the development of a thick description. Thus, a detailed explanation was given for each of the themes that emerged from the data analysis. The analysis process is explained in detail below.

Data were collected using a recording device and written notes. Creswell (2007) and Miles and Huberman (1984) describe a three-stage procedure for analysis: prepare

the data for analysis by transcribing, reduce the data through the coding process and represent the data.

4.7.1 Coding

An initial list of codes was generated through a repetitive reading of the data to identify the main elements and reduce the data to a research-specific data set (Braun & Clarke, 2006). Unlike many qualitative approaches, thematic analysis is not tied to a specific theoretical or epistemological perspective. One of the benefits of thematic analysis is its flexibility. Scholars have identified different approaches to thematic analysis (Alhojailan, 2012; Javadi & Zarea, 2016). However, this variety means that there is also some confusion about the nature of thematic analysis, including how it is distinct from content analysis (Vaismoradi et al., 2013). This study follows Braun and Clarke's (2006) six-step framework, which is arguably the most influential approach because it offers a coherent, useful and clear framework for conducting thematic analysis.

Braun and Clarke (2006) differentiate between latent and semantic approaches to thematic analysis. Semantic approaches focus on explicit meanings in the data, and the analyst does not attempt to identify anything beyond what a participant has said or what has been written. In contrast, the latent approach looks beyond the words and 'starts to identify or examine the underlying ideas, assumptions, and conceptualisations—and ideologies—that are theorised as shaping or informing the semantic content of the data' (Braun & Clarke, 2006, p. 13). Braun and Clarke also distinguish between a top-down or theoretical thematic analysis, which is driven by the researcher's focus or a specific research question, and a bottom-up or inductive analysis, which is driven by the data. This study used a bottom-up analysis driven by the data. The collected data were based on 23 audio-recorded interviews except for one interview, each of which were listened

to repeatedly to ensure the accuracy of information and transcription. All interviews were directly translated from Arabic into English. Translating the interviews as they are being transcribed is important to understand the meaning behind the words rather than their linguistic features. The collected data (interview transcripts) were then annotated and grouped into common themes for further analysis.

The coding process used in this study was based on Braun and Clarke's (2006) framework. The first step is data familiarisation, which was conducted through the transcription and translation of interviews. Other scholars argue that (Bryman & Bell, 2010) argue that Coding is the first step for most forms of qualitative data analysis (Bryman & Bell, 2010). However, an important consideration is that coding should begin as soon as possible following data collection so that researchers can avoid being overwhelmed by the data and their understanding of the data is enhanced in the early stages (Bryman & Bell, 2010). The data in this study were coded shortly after transcribing and merged into common categories to begin the thematic analysis. Further, the transcripts and audio recordings were imported into transcribing software (NVivo). The use of a database improves the reliability of the findings because it enables researchers to track and organise their data sources, including notes, documents, narratives, photographs and audio files, which can be stored in a database for easy retrieval at a later date (Baxter & Jack, 2008).

In this study, coding was undertaken using both manual and electronic means. First, transcripts were manually reviewed which helps to create a sense of the overall data.

This process was reinforced with the use of margin notes and headings and subheadings to indicate first-order codes. This manual process allows for the initial identification of emerging patterns as the researcher begins to reflect on potential

themes (Guest et al., 2011). During the manual analysis, a code log was employed to record and revise the developing codes and possible interrelationships between the data.

Following several iterations of manual analysis, electronic analysis was undertaken using a software tool that supports the organising, coding and sorting of data in qualitative analysis (Welsh, 2002). Computer-assisted qualitative data analysis can also improve the credibility of the analysis by assisting in coding (Siccama & Penna, 2008; Welsh, 2002). In this study, all interview transcripts were uploaded into NVivo and initial codes were input as 'nodes'. NVivo was employed as a cutting and sorting tool, allowing for a reflexive review of the themes identified in the manual analysis.

Appendix 1 includes an example of the coding process for stakeholder data. As depicted in Appendix 1, first-order codes were recorded for frequency. These included CSR activities and beneficiaries, environmental responsibilities and the influence of politics on CSR. Pattern coding was applied to the first-order codes, reducing them to a smaller set of second-order codes. Analytical coding allowed for the identification of whole case themes related to the features of PCSR associated with the provision of public services. The results are presented in Chapter 5.

4.8 Conclusion and Summary

This chapter provided a roadmap of the research methodology, describing (i) the philosophical foundations of the research, (ii) the research approach, (iii) the research design, data instruments and sampling strategy and (iv) data collection. The chapter concluded with a critical assessment of the methodology.

A case study was selected as the most useful design for examining a phenomenon that must be understood in a specific context (Yin, 1994). Qualitative methods were used to triangulate the data and overcome inconsistencies. The research design was described, including the interviews and thematic data analysis. This was

followed by methodological considerations and a discussion of the validity and appropriateness of the methods. First, this research was exploratory in nature, requiring a flexible and inductive approach. Second, the study was based on research questions that required in-depth insights from individuals to explore patterns related to the ‘how’ of a particular phenomenon (Yin, 1994). Third, a precedent for this approach was provided by Hennchen (2012), who employed a case study design to gain in-depth understanding of the dynamics of PCSR. Fourth, a case study allows for the reconstruction and accurate description of a particular case. This type of study is pertinent to analysing complex social phenomena because it permits a deeper analysis and multilayered ‘thick descriptions’ (Geertz, 1973).

Data collection took place in 2018. Primary data were collected from semi-structured and unstructured interviews, which involved interview questions tailored for three stakeholder groups: corporate participants, government representatives and community social activists and an environmental expert. Secondary data were collected via the internet and mail from various stakeholder groups.

The next two chapters describe, analyse and interpret the collected data. Chapter 5 presents the findings and interpretations from PCSR investigation into the confessional system of Lebanon and the interviews held at the Delta headquarters, Enginco and Wasteco.

Chapter 5: Corporate Social Irresponsibility and Ethno-Sectarian Activities

5.1 Introduction

By presenting and analysing the study findings, this chapter attempts to (i) determine the general understanding of CSR in the Lebanese context, Delta's socially responsible activities and initiatives and the possible criteria and effects of CSR; (ii) identify the corporation's environmental responsibilities; and (iii) determine the relationship between the politics and the corporation through the provision of four different scenarios. Interviews were conducted with a range of internal and external stakeholders (local state council members, social activists and an environmental expert) regarding the business-politics relationship and the environmental responsibilities and practices of Delta's subsidiary Wasteco in the North Governorate of Lebanon. A comparative analysis of interview data was done to identify the general differences in the perceptions of PCSR between internal stakeholders (corporate employees) and external stakeholders. In this way, a better understanding of how PCSR is understood and practised in such a political context and how corporations address their social responsibilities under this type of political system could be reached.

The interview questions used in this study were made up of three components:

1. First, respondents were questioned about their occupations, positions, duration of employment, understanding of CSR and CSR activities, personal involvement in CSR activities and the primary beneficiaries of these activities.
2. Second, respondents were tested on their knowledge of environmentally friendly practices and asked to provide examples of corporate environmental activities, including subsidiary operations and challenges.

3. Third, respondents were asked to consider the relationship between business and politics in the confessional democracy setting. They were then provided with four fictional scenarios reflecting different aspects of this relationship and were asked to consider what their reaction would be, what action, if any, they would take in those scenarios and the potential effect of these scenarios on the corporation or government.

This chapter analyses the interviewees' responses to these questions. The first question relates to respondents' perceptions of CSR and corporate activities, including their personal involvement in them. The second question relates to corporate engagement in voluntary environmental activities, particularly with respect to its subsidiary operations, the general understanding of environmental responsibility and corporate responsibility for the environmental crisis in northern Lebanon. The third and main question relates to the influence of politics on CSR in the Lebanese context. Respondents' attitudes and potential actions in response to scandals involving corporate political intervention, nepotism, favouritism and bribery and their perceptions of the relationship between business and politics were analysed. Thus, four main themes emerged from the interviews: CSR activities and beneficiaries, environmental responsibility, politics and political approaches.

5.2 Measuring Political Corporate Social Responsibility in the Lebanese Context

The investigation into the understanding and practices of CSR and the role of politics in corporate activities revealed many interesting findings. First, there was a common lack of understanding among employees of CSR terminology and activities. Interviewees believed that CSR activities related mainly to philanthropic donations.

Second, none of the interviewees referred to the economic, legal or ethical domains of CSR nor to corporate engagement in the provision of public goods and services.

Delta and Enginco employees consistently referred to philanthropic CSR activities; however, interestingly, Wasteco employees indicated that the firm made little or no social contributions towards the local community in the North Governorate.

External stakeholders raised social and environmental concerns and breaches as a part of corporate operations or irresponsible responses to different societal needs.

Voluntary CSR initiatives were framed as part of the corporate response to social problems. Examples of corporate responses to local social issues included school and university scholarships for students who were financially unable to continue with their education, donations to religious bodies, specifically the Maronite Church in the CEO's hometown, and sponsorship of events and sports such as a basketball team in the North Governorate. Interestingly, one senior manager indicated that some donations were considered private and discreet. However, none of the interviewees, including managers and highly educated representatives, gave examples of socially responsible activities beyond philanthropic contributions to various beneficiaries. Thus, the understanding of CSR activities was strictly limited to philanthropic contributions and ventures.

The following sections highlight the responses of employees of various positions and departments when asked about CSR domains and examples of programs and activities at Delta and its subsidiaries.

5.2.1 Understanding Corporate Social Responsibility

The understanding of CSR at Delta was restricted to its philanthropic actions, and it was taken for granted that the corporation was meeting its ethical, legal and economic responsibilities. None of the employees at Delta, Wasteco or Enginco

mentioned legal compliance, economic viability, environmental responsibility or ethical principles as domains of CSR and social intervention. CSR was manifested as numerous social activities and initiatives within the voluntary philanthropic domain. Almost all participants referred to the personal contributions of Delta's CEO towards various beneficiaries (discussed in the following sections). However, there was a notable lack of recognition of CSR by upper managers, who may underestimate its importance or consider it the duty of the HR, PR or marketing departments.

One respondent, an operations director responsible for construction projects in Lebanon, referred to the corporate initiative to rehabilitate construction sites following the completion of projects in ways that could benefit the local community. Ironically, a respondent from Enginco, who was directly responsible for construction projects and follow-up improvements, denied any knowledge of social activities at the project level. A senior employee from the operations department at Enginco commented, 'I have no idea of any social programs or activities of the company, but there are individual initiatives for employees of the company and not by a formal decision of the company's management or owners'.

In contrast, external stakeholders (state council members, social activists and the environmental experts) highlighted the corporation's lack of legal compliance, which resulted from the corporation being contracted by the government to implement projects such as infrastructure and SWM. In addition, the lack of governance of private partners and the weak legal enforcement of CSR has led to the corporation making little or no social contributions. These participants further explained the political strategies of the corporation to win projects worth millions of dollars based not on merit but on political lobbying and its strong relationships with politicians. Further, the social activists highlighted the corporation's lack of legal compliance through its failure to meet the

conditions of its subsidiary's contract, which had resulted in an environmental problem threatening the lives of more than half a million residents in Tripoli District in the North Governorate of Lebanon. This finding on environmental irresponsibility and its causes and consequences is discussed later in this chapter, where the story of the 'garbage mountain' begins.

5.2.2 Corporate Philanthropy

Employees disclosed that the corporation defined CSR as voluntary contributions to various beneficiaries in the community in which the corporation operated. Philanthropic contributions and social interventions often reflected the personal beliefs and values of the firm owner and CEO, such as donations to the CEO's local community and affiliated religious bodies. Overall, Delta and Enginco employees confirmed that philanthropic social activities took place in the following areas:

- Sports: The corporation was an exclusive sponsor of a basketball team.
- Education: The corporation provided school and university scholarships to various students.
- Religious bodies: Activities included the reconstruction of an old church, the reconstruction of a road leading to a church in the mountains and donations to a Maronite employment agency.
- Cultural activities: The company supported both religious NGOs (e.g. those offering employment opportunities for Christian/Maronite youth) and humanitarian NGOs (e.g. sharing the spirit of Christmas at orphanages and aged care facilities).
- PR: Philanthropic donations were part of the company's PR strategy; however, the beneficiaries of these donations were considered classified information.

These activities were conducted through the CEO's office only, and

beneficiaries were believed to be individuals with a strong relationship with local politicians.

In explaining CSR initiatives, a senior employee from Delta's treasury department commented,

Most of our social initiatives are more religious programs. The donations are provided on a religious basis, yet the whole community benefits from them. For example, when we renovate certain roads or streets leading to a certain church, this newly renovated road will benefit everyone who takes it.

In support of this statement, a manager from the HR department at Delta commented, 'In the last 4 years, we have been visiting orphans and the infirmary during Christmas time and providing food and gifts to them in addition to financial aid to the orphanage to buy air conditioners'.

Although the employees consistently referred to philanthropic CSR, a perceived lack of transparency regarding the beneficiaries of contributions was common. One head of department explicitly stated that financial donations were made secretly and confidentially through either the CEO's office or the treasury department as per the CEO's instructions. Another respondent from the information technology (IT) department at Delta also referred to this activity, saying, 'I have no idea if the company is doing this kind of activity; it is not within my scope of work'. A senior operations manager from Delta stated, 'Mainly it is financial contributions, but I have no more information and details about them. They are provided for charitable projects, and I have no idea about the beneficiaries'. A respondent from Delta's surveying department validated this statement:

The company is in harmony with everyone, and it offers all the facilities that make the staff comfortable, but towards the community as a whole—I do not

know what kind of contributions the company [makes] to the city, but it certainly provides financial assistance as a formal sponsor of some activities. Interestingly, some respondents confirmed that the CEO's donations were part of the firm's social contributions. However, these donations were considered classified information and only conducted by the CEO's office. Employees referred to these payments as PR activities:

Usually, all these PR works of the CEO are managed by his office. We had a PR and communication manager before. All the charity and the fundraising events were usually conducted 'under the table', and we cannot know anything about them. (HR, Delta)

Therefore, it is clear that employees and managers of Delta believed that the company's CSR activities consisted of philanthropic donations to particular communities based on geographic location and religious affiliations. Apart from donations to religious bodies, there was also a common lack of knowledge about the beneficiaries of philanthropic activities. Further, the recipients of contributions were known only by the CEO and firm owner—this was considered classified information and labelled as a 'PR payment'.

5.2.3 Categorising Beneficiaries of Corporate Social Contributions

With respect to the primary beneficiaries of social activities, most employees of Delta and its subsidiaries (Enginco and Wasteco) who had been working for the firm for less than 5 years agreed that the main CSR activity involved the sponsorship of a basketball team in the North Governorate. Six (37.5%) respondents, all of whom had been working for the firm for 0–5 years, believed that most contributions went to religious bodies and the construction of churches affiliated with the CEO's religion. This illustrates that CSR activities tend to be focused on one sect or segregated along

religious and political lines. According to a project engineer at Enginco, 'There is social assistance provided by the company, such as financial aid to churches and support for orphans'. A senior employee at Delta's HR department commented that the beneficiaries of donations were not common knowledge and that there was no access to that kind of information. Comments from other interviewees were similar. For example, an employee from Delta's HR department expressed,

We cannot know who the beneficiaries are. I think it is political as they come from certain political parties, so the contributions are made accordingly. The CEO is involved with many NGOs. [XY] is a Maronite organisation that is for Christians. It helps Christian to find jobs. Also, [XY] helps the Maronite, not the whole Christian, but the Maronites specifically to find jobs. When I became in charge of the project, he said. 'I don't want it to be over the table'. Maybe for discrimination purposes. He does not like to be accused that he prefers or support[s] an NGO or a sect over the other.

In contrast, three of the 16 participants believed that Delta made no social contributions at all. Surprisingly, these individuals had all worked for the company for 17 years. One respondent further explained that Wasteco's employees suffered poverty and deprivation from working long hours for a monthly income of only 675,000 LBP (approximately AU\$600), the minimum wage in Lebanon. These participants stated that Wasteco did not provide financial assistance or social benefits to its employees, let alone contribute to the rest of society:

There are no contributions; the company here has about 500 employees [administration, observers and labourers] and the labour force earns the minimum wage of about 675,000 Lebanese pounds. However, still, there is no

assistance or financial aid for workers themselves from the company.

(Operations Controller, Wasteco)

An operations controller at Wasteco stated that the subsidiary made no social contributions towards the local community, instead providing favours or other benefits to particular individuals in return for services as a means of maintaining corporate dominance: ‘The corporation does not have any kind of contribution toward society, and if it exists, they are few and benefiting particular people only like *shabiha*. They benefit from amounts of money as a “gift”.

Another respondent confirmed the lack of CSR, specifically the lack of social benefits or assistance for employees. The respondent provided an example of an initiative that the employees had created to help those most in need, referring to the program as a way for employees to stand up against corporate greed, social injustice, poverty and state negligence. The initiative involved each employee donating around 2000 LBP per month (less than 1% of their salaries) to employees experiencing a critical event such as the death of a loved one or a hospital admission. The respondent stressed that this was an initiative among employees only, and management did not interfere or contribute:

The branch manager [of Wasteco] has invented the idea that each employee puts an amount of money from his salary every month as a collected donation, and then this amount will be given to those who need it most or to someone who has a specific condition, such as a pregnancy or for critical illnesses. (Operations Manager, Wasteco)

5.2.4 Corporate Philanthropic Strategies: Financing Religious Bodies

Interestingly, the firm's CSR strategy was mainly based on its philanthropic contributions to religious bodies. These contributions were made to only a certain segment of the multiethnic, multireligious Lebanese community.

Delta employees consistently referred to the corporate support of religious bodies, particularly the nationwide restoration or reconstruction of churches or roads leading to churches. A project engineer at Enginco commented, 'The company provides many financial contributions to the Church of St John, and it finances the charitable works provided by the church', further adding that, 'Some NGOs benefit from these contributions. For example, in some [village], the money goes to the charity of Heaven's Blessings'. A treasury manager at Delta made a similar comment: 'The company certainly has many social activities such as building churches'.

An employee of the treasury department at Delta elaborated on his personal involvement in the reconstruction and rehabilitation of a church in Mount Lebanon that had been fully funded by the corporation. The firm owner was invited along with the head of the Catholic Church in Lebanon:

There are many churches such as the Church in Valley, the Valley of the Saints and many others [that] the corporate look after as a part of their social contribution and free of charge. Currently, I am personally involved, where I help build a church of Saint [XX], and tomorrow, on the 26th of July, we will lay the cornerstone in the presence of [the] Catholic patriarch, and the CEO is invited to the event.

Nearly all employees at Delta and Enginco of different positions (junior, senior and managerial) and from different departments confirmed the generous philanthropic contributions of the firm, represented by the CEO, to religious bodies, specifically

churches. Corporate contributions to churches were in the form of either financial donations or reconstruction and restoration projects using corporate resources and workers.

5.3 Environmental Responsibility

The stage of the interview regarding environmental responsibility comprised three questions. The first question was aimed at exploring interviewees' general understanding of the firm's environmental sustainability practices by asking them to provide examples. The second question addressed the sustainability activities implemented by the corporation and its subsidiaries. The third question specifically focused on the operations of Wasteco and its challenges as a PPP contractor in providing an environmental service on behalf of the public sector.

The findings show that the corporation engaged in limited sustainability activities. Moreover, there was poor understanding of the corporate environmental activities among employees. Rather than directly contributing to the environment, the corporation had a responsibility as a contracted partner with the public sector to deliver SWM services in the North Governorate under its subsidiary company Wasteco. The following section discusses an environmental disaster in northern Lebanon that Wasteco has been directly accused of causing. The story of the mountain of trash, including its causes and consequences, is presented in the following section.

5.3.1 Environmentally Friendly Practices

Interviewees were first asked to provide examples of environmentally friendly activities. Responses differed among respondents from different positions and departments. Some commented on their personal initiatives to reduce waste and energy consumption and promote recycling. Others focused on the firm's environmental activities, as summarised in the following comments: 'Our [firm] send[s] an email now

and then to remind . . . employee[s] to turn their office lights off before they leave home'; 'We have a small recycle bin outside for papers that we donate to an NGO'; 'We have a construction company, so probably we are the one who hurt[s] the environment the most'; 'Our company organises trips for the employees to a valley every year to show the importance of preserving the environment'; 'If you see our papers, you will think we are an environmentally friendly company, but in fact, we are not'; and 'Our projects are according to American standards, and we apply all laws and conditions in all our projects'.

In terms of the corporation's contributions to the community, one respondent commented, 'There are no contribution toward society, and anything the company does is for propaganda purposes [to] help present the company in the best image. In reality, it does not make any contributions to society whatsoever'.

5.3.2 Environmental Challenges

According to a Human Rights Watch (2017) report, Lebanon faces a waste management crisis caused by hundreds of open dumps across the country, many of which are being burned, posing a range of health risks to residents, especially children and elderly people. Open burning disproportionately affects more deprived areas of the country.

Massoud and Merhebi (2016) state that SWM in Lebanon is at a critical stage and requires immediate reform. The authors add that reasons for the current condition of the SWM sector include weak law enforcement, the absence of a clear SWM legal framework, political corruption, urban growth and the influx of Syrian refugees as reported by the United Nations Development Programme [UNDP], which has surpassed half the Lebanese population. Moreover, the existing legal and institutional frameworks

provide no clear description or allocation of the roles and responsibilities of stakeholders in the SWM sector (SWEEP-Net, 2010).

Statements from two participants from the same department at Delta headquarters illustrate contradictory perspectives. One participant from the HR department clearly stated that no environmentally friendly practices were implemented from Delta headquarters:

If you read our documents, we are environmentally friendly, but if you look attentively, we are not. Especially that the group has a subsidiary company and we should care about the environment and give it attention more than the others. Honestly, there is no awareness in our company.

In contrast, the head of the HR department clarified that Delta played a crucial role in recycling by sending its wastepaper and plastic to an NGO specialising in recycling:

We at the company do the work of recycling for everything we use daily, and there is an organisation that sells what we do in the company. But the problem in Lebanon is that there is no awareness of the importance of recycling, and we are raising social awareness on social media and television to give information about its importance. The state has to play a role in this and takes responsibility.

Notably, both participants referred to ‘awareness’, with the first reflecting on the lack of awareness about the environment at the corporate level. This illustrates the minor role played by the Lebanese government in raising awareness about the environment at the national level.

A senior operator at Wasteco gave another interesting response with respect to SWM: ‘No, even our company does not have any kind of environmentally friendly practices and initiatives; its main interest is making more money, getting more projects and maximise its profits’. Another senior operator, who had worked for Wasteco for

more than 10 years and was responsible for managing labourers reflected on the abysmal environmental conditions of the city: ‘The company work is mainly cleaning streets and collect the waste, so they are supposedly protecting the environment. Let us have a walk around the city, and I will show you that none of this happens’.

Most of the Delta employees agreed that SWM was the main environmental challenge that Wasteco faced and was attempting to resolve. The respondents confirmed that the North Governorate, particularly Tripoli District, was facing serious challenges and criticism because of the over-dumping of solid waste.

The next section highlights one of the key findings of this study—the environmental disaster unfolding in northern Lebanon. The original intention was to investigate the environmental responsibilities of Delta’s subsidiaries; however, instead the section explores a life-threatening environmental disaster that has been attributed to Wasteco, a contractor assigned to deliver environmental services on behalf of the public sector.

5.4 Environmental Irresponsibility: The Story of Garbage Mountain

While PCSR is about corporation taking over the function of the public sphere, here the finding showed a kind of political corporate irresponsibility, in that corporation has failed to take up the public responsibilities that they have committed to.

In 2018, because of its unfolding environmental disaster, the city of Tripoli declared a state of emergency, warning its 1 million residents against swimming, fishing or consuming seafood. The warning was accompanied by emerging reports of insect bites causing infectious diseases and increasing rates of choking and asthma.

The National Centre for Marine Studies reported that five locations along the coast were extremely polluted and not suitable for swimming based on World Health Organization guidelines. The report mentioned harmful streptococci and coliform

bacteria and reported that several beaches, especially in the Beirut and Tripoli areas, were unsafe. The study also revealed that

The main sources of bacterial pollution in the Lebanese sea are from organic waste and sewage; while the chemical pollution is from power plants and factories that are adjacent to the coast or near rivers into which industrial waste is dumped and much of which ends up in the sea. (Kadi, 2018).

A range of metals, including mercury, copper and zinc, have been found at alarming levels in coastal waters. If ingested, these elements can lead to poisoning, cancers or painful death as a result of organ failure (Yan, 2018).

5.4.1 Privatisation: When It All Started

In early 2000, the SWM sector in the North Governorate was reformed and privatised in the form of a partnership with the Ministry of Interior and the Ministry of Environment. It was funded and monitored by the CDR, the primary entity responsible for the management of international funding of various initiatives, including physical infrastructure such as water treatment plants, drinking water facilities and electric power plants and social services such as healthcare facilities, education and the environment. Wasteco, a subsidiary of the private corporation Delta, was contracted at a significant cost to perform this task, which included waste collection, street sweeping and wall and graffiti cleaning. At the same time, waste treatment and disposal were contracted to another subsidiary of the same corporation, Enginco, which was responsible for haulage, wrapping and landfilling (albeit with insufficient sorting) for a substantial cost. Similar to many other public services, such as health, that were privatised following the civil war, waste collection services were poorly performed because of the inadequacy of the public system or the provision of services by the social elite in a hegemonic patronage–clientele relationship. In relation to this study, weak government institutions,

poor infrastructure, corruption and dysfunctional waste disposal led the Lebanese government to privatise waste disposal by establishing a partnership with the private sector (Sherry, 2014).

In early 2000, following a bidding process conducted by the CDR in association with Tripoli District union council, a 5-year contract for solid waste collection and landfill management was awarded to Delta. The Landfill was to be limited to 25 meters in height. The agreement included specific treatment of the waste, flaring biogas and leachates under environmental criteria and standards as stated by the environmental expert interviewed in this study.

Initially, the union of the four state councils of Tripoli city and its neighbouring towns had planned to implement the landfill as an interim solution; however, it was still in use 20 years later. At present, the direct responsibility for SWM in the North Governorate lies with the CDR and, to a lesser extent, the Ministry of Environment and the Ministry of Municipal and Rural Affairs. The role of the council union of Tripoli city is restricted to overseeing the private firm contracted to collect solid waste and operate the landfill. However, in terms of monitoring the operations of both subsidiaries, it is within the responsibility and duty of the CDR in order to assign an 'independent consulting corporate to provide technical assistance to the government through the supervision of the contractor's operation including the landfills and operation of the processing plants. According to the environmental expert interviewed for this study,

The Ministry of Environment is only responsible for setting the strategies, along with the CDR. The CDR oversees all the international loans because ministries cannot get loans from any international organisation. It is the only entity in

Lebanon that is directly related to the cabinet of the prime minister. The entity was principally established to implement all the strategies in Lebanon.

The state council is responsible for paying the private firm contracted to collect waste and operate the landfill. Funds are generated from user charges and taxes paid to the Ministry of Finance. The environmental engineer who participated in this study further explained Lebanese law with respect to SWM, the relationship between the different involved entities and how the private sector is paid:

As per the Lebanese law, the role of the state council is to provide solid waste collection services, and the government is responsible for treating the waste.

Due to the inability of the state council to do the job and the lack of employment and adequate administrative skills and materials, the state council had to seek the help of the private sector and engage in private–public partnerships. However, the city is in deficit with the Ministry of Finance. The Council of Development and Reconstruction interfered and established a contract with the private sector Wasteco. It will pay on their behalf and deduct it from their part of the governmental budget. So, the relationship became between CDR and Wasteco directly.

The political ethno-sectarian division of Lebanon and its inadequate provision of public services has led the government to establish PPPs, which involve ‘the transfer and control of a good or service currently provided by the public sector, either in whole or in part, to the private sector’ (Massoud & El-Fadel, 2002, p. 621). The aim of PPPs is to deliver social programs across various industries. In a confessional democracy, PPPs are based on clientelism. The environmental expert interviewed for this study noted,

The big companies in Beirut take the big international project and give a part of it to smaller companies outside Beirut to implement it. Like giving them the leftovers. They choose the company that is part of their political orientation.

5.4.1.1 Framework of Privatised Waste Management in the North Governorate

The finding in this study revealed that the waste management in the North Governorate is overseen by the following entities:

- Wasteco: waste collection and street sweeping
- Delta: landfill and sorting plant design and operations
- Municipal councils, Ministry of Environment, Ministry of Municipal and Rural Affairs: main actors/authorities
- CDR.

In 2005, the municipal council reported that the landfill had the capacity to receive more solid waste. It had become evident that the amount of annual solid waste had increased markedly with the increase in population; however, the landfill had not increased in size. Delta conducted a landfill expansion study, and the expansion which was approved by the CDR in the same year. The CDR renewed both contracts and increased the height of the landfilled waste by extending the support wall. In 2006, the Tripoli Environment and Development Observatory (TEDO) (2006) reported that the amount of waste dumped had reached 296,520 kg per day, equivalent to 108,229,520 kg per year. It was extremely difficult to obtain the legal contract and book of conditions of the contracted corporate 'Wasteco' in order to understand the bureaucratic process of all parties involved in the PPPs and the responsibilities of each involved entity. However, Massoud and Merhebi (2016) has listed the SWM framework and the stakeholders involved and their main responsibilities. See Table 5.1

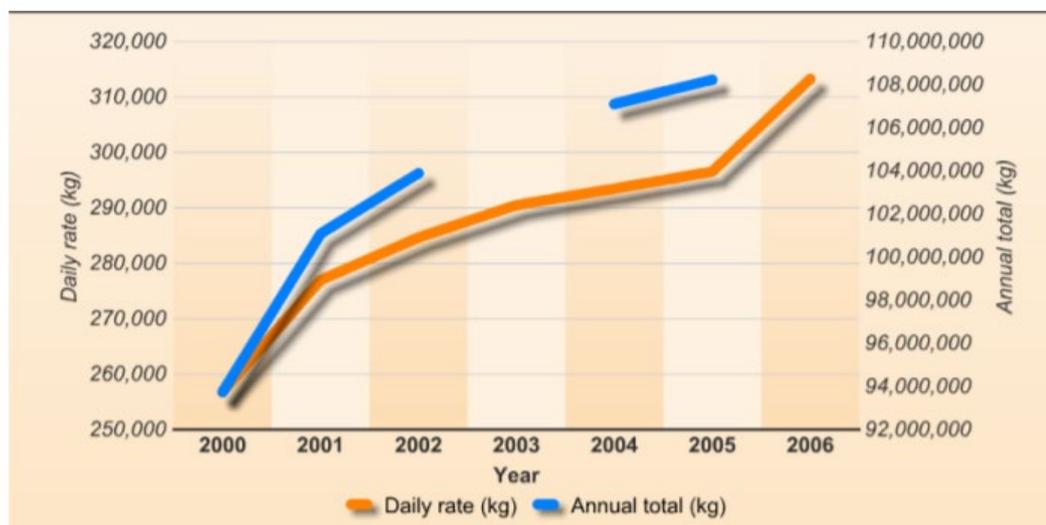
Table 5.1*Responsibilities for Waste Management in Lebanon among stakeholders*

Stakeholder	Main responsibilities
Board of Waste Management	<ul style="list-style-type: none"> • Forming a waste strategy • Authorising waste management plans
Ministry of Environment	<ul style="list-style-type: none"> • Initiating waste management standards and guidelines • Implementing waste management programs
Ministry of Interior and Municipalities	<ul style="list-style-type: none"> • Participation in the national strategy of waste management • Developing and implementing waste management programs
Municipalities	<ul style="list-style-type: none"> • Participation in the national strategy through the Waste Management Board • Proposing and implementing local waste management plans for non-hazardous municipal waste • Conducting and implementing waste management programs • Oversee and manage waste collection
Council of Development and Reconstruction	<ul style="list-style-type: none"> • Provide assistance in procurement of waste management projects • Engagement in the development of waste management plans on request
Private sector	<ul style="list-style-type: none"> • Abiding by regulations, laws, and guidelines on waste management • Prohibition of illegal dumping, littering, and burning • Involvement in the national strategy through the Waste Management Board • Involvement in the development and implementation of local waste management plans

Note. Adapted from Massoud and Merhebi (2016)

Table 5.2

Quantity of Wastes dumped in Tripoli Landfill (2001–2006)



Note. From *Rapid Environmental Assessment of The Urban Community of Al-Fayha* by UNEP (2009)

In 2013, following the migration of Syrian political asylum seekers to northern Lebanon, the corporation requested a renewed contract and updated study to ensure that the landfill could effectively serve the increased population. The contracts of both corporations were once again renewed and included a revision of cost per collected tonne of waste. This led to the increased collection of solid waste, leading to an enormous accumulation of rubbish forming what is known as the ‘garbage mountain’.

In 2013, the maximum height of the landfill reached 30 meters, which was more than the acceptable height by engineering standards. The amount of waste generated between 2000 and 2014 reached 146,270,639 kg (Tadmouri & Seif, 2019) and the landfill was causing environmental and health crises threatening the lives of more than 800,000 people and marine life. By 2018, the dump was receiving approximately 450 tonnes of trash a day, had reached a height of 40 m and covered an area of 60,000 m² along the coastline to the north of the main port of Tripoli. The total amount

of landfilled waste has exceeded 2 million tonnes. Figure 5.2 shows the location of the landfill, which is adjacent to a river emptying directly into the Mediterranean Sea.

Figure 5.2

Landfill Location Adjacent to the Mediterranean Sea



Note. Google. (n.d). [Google map of Tripoli Landfill location that is adjacent to Kadisha River that directly pours in the Mediterranean Sea].

According to the environmental expert interviewed for this study, the current environmental issues with respect to the landfill include the following:

- Gas flaring is not effective in the current situation because of the increase in waste height and inability to close the dump completely.
- Leachate treatment is not effective given its limited capacity of 36 m³ per day.
- Leachate is leaking into the sea, polluting the coast and affecting the marine lives.

The location of the landfill near the ocean is a violation of environment protection rules. It violates the *Environment Protection Law (no. 444)*, which prohibits landfilling and shore polluting on the one hand, and the recommendations of the

National Physical Master Plan of the Lebanese Territory (NPMPLT) on the other' (Bou Aoun, 2018). The mountain of rubbish is causing severe and life-threatening health issues for city dwellers, especially children and elderly people. A state council member interviewed for the study commented, 'When the direction of the wind is from the north, you would not be able to stay in the whole city; the smell is incredibly awful and causing many chest diseases, severe asthma and sometimes suffocation'.

5.4.1.2 Deadly Consequences of Corporate Environmental Irresponsibility

The mountain of rubbish is creating severe consequences for aquatic organisms and seawater of the Mediterranean. Laboratory analysis of seawater from the Lebanese coastline shows increasing levels of bacteria, and Tripoli beach is considered a highly polluted beach that is not suitable for swimming with more than 500 bacterial colonies in every 100 ml as reported by CNRS (Baaklini, 2019). The World Health Organization (WHO) standard assessment of beaches in critical condition displays bacteria pollution in the water ranging between 201 and 500 bacteria colonies per 100 ml. These high bacterial levels can cause severe damage to the human respiratory system, ear, eyes and liver. Figure 5.3 shows a photograph I took of the river filled with waste.

Figure 5.3

*Waste Accumulation on the Banks of the Main (Kadisha) River in Tripoli District
(July 2018)*



Photo was taken by me in Tripoli, Lebanon 2018

Dr Hamze, the head of the Laboratory of Microbiology of Health and the Environment at the Faculty of Public Health at the Lebanese University, stated that the current mountain of waste produces leachate that is slowly flowing towards the sea and the most important laboratories in the world cannot determine all the pollutants and toxins they contain. It immediately turns towards fish and marine organisms and deposits in their flesh, especially heavy metals such as mercury. Therefore, this is concentrated within fish that we hunt to eat, as well as contamination of groundwater and seawater. (Hamze, R., 2018)

In addition to the marine disaster caused by leachate leaking from the mountain of garbage, air pollution resulting from the emission of gases has increased dramatically, causing city residents to inhale deadly toxins,

delaying brain development in children under five years, low efficiency of the lungs, that lead to increase of chest diseases, an increase rates of different cancer as a result of inhaling air, chronic respiratory diseases and other diseases related to blood vessels, the heart and brain stroke. (Hamzeh, R., 2018).

The quality of service provided in major cities such as Tripoli is relatively lower than the quality of service provided in greater Beirut, which also has a substantially lower cost. The relatively high costs are mainly attributable to the type of contract, which is awarded on a non-competitive basis. The collection and transportation of solid waste is financed entirely from the municipal budget. The cost of collection from urban communities in Tripoli District is US\$ 3 million, 246 thousand, 587 3,246,587/year (estimated at US\$31/tonne), while landfill operations cost of US\$24.46/tonne. In 2014, a country report on the solid waste management in Lebanon shows that the cost of collection and transport in Tripoli is USD 64/tonne that is double the cost of collection in Greater Beirut of USD 32/tonne. Figure 5.4

A social activist interviewed on for this study made the following comment:

The corporation charges nearly \$900,000 a month and receives supplies and equipment from the state council in exchange for cleaning the city's roads and is also responsible for the workers. However, this corporation does not perform its duties as necessary, and we were unable to obtain its book of conditions. The price the corporation is charging is very high for the work provided. It also pays bribes to the union of state council and provides private services to those with political influence.

Figure 5.4*Costs of Solid Waste Management*

SWM Costs:
Costs of SWM vary greatly in Lebanon.

	Cost of Collection and Transport	Total Cost from Collection to Disposal with Sweeping
Greater Beirut and Mount Lebanon (Except Jbeil)	USD 32 / tonne	USD143 / tonne
Tripoli	USD 64 / tonne	USD 92 / tonne
Zahle	USD 18 / tonne	USD 37 / tonne
Some rural areas	USD 10-18 / tonne	USD 20-30 / tonne

Note. Adapted from *Country Report on the Solid Waste Management in Lebanon* by SWEEPNET, 2014.

5.4.1.3 Economic Marginalisation and Socioenvironmental Awareness

Public awareness is a critical element in SWM. A lack of public awareness of SWM is a significant problem nationwide (Abbas et al., 2017). Abbas et al. (2017) state that only a small percentage of Lebanese people know about domestic solid waste operations, where solid waste goes and the cost of waste collection and disposal. According to Abbas et al. (2017), the accumulation of solid waste in Lebanon has resulted from the inefficiency of the public sector and a lack of proper legislation, technical support and sufficient funding. Municipal councils have not conducted awareness programs or activities for SWM staff and the community, thus have failed to educate citizens about waste handling, sorting and storage in households, shops and other institutions before disposing of it at communal storage points. However, such a process involves significant challenges and barriers to raising awareness of SWM, including cultural practices, socioeconomic conditions and weak legal and regulatory frameworks.

Among the respondents, there was a common belief that corporations provided SWM services in towns, and there was confusion about the difference between PPPs framework as corporate economic activities and corporate social activities and response to societal needs or between social rights and business services. This may be attributable to socioeconomic factors, including poverty, unemployment and low education rates. The city of Tripoli has shifted from a 'regional trade centre in the 1950s to one of the poorest cities in the Middle East region' (UN Habitat, 2016).

The North Governorate, particularly Tripoli city, which is considered the second capital of Lebanon after Beirut, projects a strong sense of neglect. Tripoli's economy is characterised by weak public infrastructure, low production, demand for labour and poor governance (Kawar & Tzannatos, 2012). The International Labour Organization (2017) explains that the social and economic situation in Tripoli is different from other Lebanese regions because of its high poverty rates and deskilled labour market characteristics, which are worsening because of the influx of Syrian refugees and the security situation. According to Rahbani (2015) United Nations report indicated that '26 percent of Tripoli's citizens are highly poor, while 77 percent are facing economic difficulties, 35 percent are suffering from health problems, and 25 percent are not receiving an education' (p. 1). In some areas of Tripoli, such as Swaiqa and Bab al Two-thirds of students were in public schools (compared with one-third nationally) (Nehmeh, 2015). In addition, Tripoli had the highest dropout rate (16%) for those 13 and older. This rate rose to around 25% for high schools and has risen further since 2011. Indeed, a World Bank (2013) report, *Economic and Social Impact Assessment of the Syrian Conflict*, reported that the 2012–2014 Syrian crisis has pushed 170,000 Lebanese people into poverty, doubled unemployment to over 20% (mostly among unskilled youth), reduced gross domestic product growth rate by 2.9 percentage points

per annum and reduced government revenue collection by US\$1.5 billion. Tripoli has the highest poverty rate nationwide, with 57% of the population being poor and deprived, and this rate has further increased because of the protracted Syrian conflict.

According to Nehmeh's (2015) comments on the social and economic conditions in the North Governorate of Lebanon, surrounding the City of Tripoli based on a study on urban poverty in Tripoli conducted by the Social Affairs Ministry in cooperation with the United Nations Economic and Social Commission for Western Asia and UNDP in 2015: 'The percentage of families who live in dire poverty in Tripoli, based on national criteria, reached 51 percent in 2011, according to the national poverty income index, and 40 percent according to the cost-of-living index'. This is in contrast with the 30% calculated for the nation in 2005 (Nehmeh, 2015). In terms of this area's healthcare services and benefits, only 24% of families are covered by health insurance compared with approximately 50% nationwide.

5.4.2 Corporate Perspective

Delta representatives have given press interviews in which they have told captivating stories about the current conditions of the dump, stating their concerns for community health and safety and the life-threatening environmental crisis while taking no responsibility for it in practice. Delta has also accused the Lebanese government and municipal council of failing to provide a legitimate solution or supply an alternative landfill site. Additionally, through their political power and relationships, the owners of Delta have successfully hindered any attempts to investigate and supervise their operations and silenced any opposition from Tripoli municipal council members.

Corporations taking advantage of the political system in Lebanon have produced a climate of low trust and underline the representation of different sects over

governance (Deets, 2018). Maintaining sectarian balance is ultimately more important than government duties.

The interview questions seeking answers about the entities responsible for the environmental disaster resulted in finger pointing and blame among different stakeholders. Most respondents blamed others for damaging the environment, but none claimed personal responsibility. Corporate representatives mostly agreed that the municipality was responsible for the current status of the landfill, while employees accused the Lebanese system of negligence and lack of governance and ethics. Indeed, most respondents confirmed that local and national governments were solely responsible for the environmental crisis in northern Lebanon. A senior employee of the IT department at Delta headquarters commented, 'The state is the only entity responsible for this crisis, represented by the Minister of Environment and the local politicians of Tripoli city'. Another respondent agreed that the state was to blame for the current environmental conditions, adding that it was responsible for finding an alternative location for the dumping of solid waste. Interestingly, no alternative strategies to building a new landfill or adopting a similar strategy to that which has been in place since 2000 were proposed. An area manager from Delta headquarters stated, 'It is the state that bears the primary responsibility, and it is the state duty to find another place for dumping or dumpsite'. A senior financial treasurer at Delta headquarters commented,

The Lebanese state, in partnership with the Union of state Councils of the North governorate, is the main one responsible for this disaster and is requested to find a solution for it as well because this landfill is overfilled with solid waste, and this pollutes the sea.

An HR manager who had worked for Delta for more than 8 years held the state accountable for the current environmental conditions in Tripoli District, describing the repeated unsuccessful attempts by the corporation to alert the Ministry of Environment and Ministry of Municipal and Rural Affairs about the seriousness of the disaster:

This landfill is not a sanitary landfill and is not implemented based on environmental criteria, but this is what the state has provided. The new landfill will have better environmental and health conditions, and there will be new ways of burying and sorting, but this is a temporary solution, and a lasting solution must be found. Since 2010, the company has been contacting the state representatives to solve the landfill problem. We have not received an answer. The CDR met with the government representatives and politicians and decided to establish a new landfill next to the old one.

The respondents further explained the firm's proposition for a temporary solution to the current disastrous conditions of the mountain of waste. Respondents were categorised into three groups. The first group comprised respondents who claimed no knowledge of the current state of the dump nor possible solutions. The second group comprised respondents who proposed the transformation of the current 40 m-high mountain of solid waste into a public garden. An IT manager from Delta headquarters suggested the following:

Convert the old one to a public garden . . . like all the Western countries do by creating new walls, and treat its gases in a highly environmental protocol and then filled with soil and cultivation. The material buried beneath the earth is transformed over time into vitamins feeding the soil.

A chief surveyor from Delta headquarters made a similar comment: 'The plan is to turn the old landfill to an environmentally friendly area planted with trees'.

The third group comprised employees who proposed shutting down the dump and creating a new temporary one adjacent to it following the proposal of a study to the CDR. Nine of the 16 respondents from different departments agreed that the corporation must create a new landfill site for dumping the excessive solid waste collected daily. According to a senior treasurer from Delta headquarters, 'We took a new project to expand the landfill to avoid the collapse of the mountain'.

5.4.3 State Council Member Perspectives

The four town council representatives explained the disastrous economic, social and environmental problems in the city arising from central government's total neglect. All participants agreed that the entire North Governorate, with its high unemployment and poverty rates, had been neglected. Socioeconomic factors in Tripoli (the second biggest city in Lebanon after Beirut) have played a critical role in SWM issues. Tripoli District is considered the poorest and most deprived part of Lebanon, with dire poverty, a lack of education and a high unemployment rate. In general, this northern region, including Tripoli city, is marginalised and has been historically neglected by the Lebanese government, which is mainly focused on the capital city of Beirut and its suburbs (Volk, 2009). One state council member commented, 'There is a conspiracy against Tripoli city. They [politicians] want it to remain deprived and in dire poverty so that they continue to control it'.

When Wasteco won the tender to enter into a partnership with the public sector and take responsibility for SWM, the contract included explicit conditions that the company was legally required to maintain the cleanliness of the city, including cleaning walls and removing stickers and graffiti, and increase the number of employees, rubbish bins and trucks when required. One state council member stated,

We prepared a book of conditions a few months ago to prepare a tender to call out for a new company and a brand-new revised contract. The file was sent to the governor to undertake it and then send it to the Ministry of Interior, but we have not gotten any answer.

The respondent further added, 'The file remained forgotten in the drawers because this company pays bribes to politicians who also have intermediaries and state acquaintances and can stop the book of conditions and close the new proposed file'.

The government and the CDR pay large sums of money to Wasteco and Enginco in return for their services in and solid waste collection and landfill management. This money is deducted from the funds allocated by the government to the Tripoli District council.

All four state council members indicated that Wasteco and Enginco bore the ultimate responsibility for the current environmental crisis. One respondent said,

The state also bears a large part of the responsibility because it does not conduct public awareness campaigns about the dangers of dumping. There is also a responsibility for the companies imposed by the state. There is rampant corruption in the state, and influential people [politicians] take massive profits from these companies and thus turn their faces away from monitoring the implementation of the terms of the contract strictly.

The respondents also commented that the state council was partially responsible because half of the board members were either corrupt or worked for corrupt politicians in the city. This supports the accusation that the Lebanese government is responsible for the disaster because of its failure to perform its duties. One state council member commented,

The state council bears part of the responsibility, but the primary responsibility lies on the Lebanese government to find a sanitary and suitable land location.

Well, the problem of Lebanon is corruption, and it starts from the top of the pyramid, the president, who claim[s] to be fighting corruption.

One of the interviewed members commented on the role of the civil society and the community's perspective of the Mountain of death. Social activists have protested twice in front of the council building but in both protests, but many trouble had happened, and they were physically beaten by the local politicians' shabiha to put an end for the protest, and then no one would dare to say anything.

5.4.4 Social Activist Perspectives

Social activists from the city of Tripoli had a different perspective from that of government or corporate stakeholders. Overwhelmingly, the interviewees reflected on the decisions made by Wasteco and the state council with no opportunity for community feedback. One respondent stated, 'They are closed off completely to outside perspectives'. The respondent stressed that local community and environmental experts were not engaged at all, rather were treated as a problem that the company had to manage.

The state has failed to address Tripoli's environmental disaster or mandate the closure of a landfill piled high with an excessive amount of uncontrolled solid waste, affecting both the local community and the marine ecosystem because of its proximity to the coast. Social protests erupted in 2017 and 2018, with activists condemning the smell and the threat of the garbage mountain and demanding that the corporation cease dumping and apply the public-private contract in all its clauses, including its social responsibility. On 18 April 2018, activists protested against the landfill, which they

termed the ‘mountain of death’, and the catastrophic environmental crisis it has caused. Social activists also accused Wasteco of failing to meet all clauses in its PPP contract, which has resulted in unpleasant odours, seawater contamination, emission of carcinogens and air and soil pollution.

Social activists have repeatedly protested against the ‘mountain of death’ and have accused CDR, Delta, Wasteco and local council members of corruption. Their accusations have included the following:

- ✓ the waste of millions of dollars of local residents’ money to pay for the world’s most expensive but worst SWM service
- ✓ corporate failure and mismanagement of sorting and processing
- ✓ committing to and extending projects by mutual consent without transparent tenders and giving council members de facto authority
- ✓ the lack of transparency in the work of the council union, which has refused to implement the law on the right to access information.
- ✓ extorting citizens and threatening to leave waste under their homes by deliberately delaying tenders and contracts.
- ✓ the failure to meet contract conditions, leading to emissions of carcinogens, unpleasant odours and contamination of water, air and soil
- ✓ the total absence of accounting and oversight from the city’s former and current consultants and representatives
- ✓ attempts by some city politicians to find solutions through mutual consent with companies outside of the legal framework and the breaking of promises to seek sustainable solutions.
- ✓ the failure of the Environmental Public Prosecution in the North Governorate to force environmental polluters to take responsibility for their actions.

Although the closure of the dump was anticipated, appropriate alternative solutions have been hampered and even stalled by the lack of political consensus. The community demonstrations led by social activists were captured by local television channels and newspapers, highlighting their criticism of the total absence of governance, accountability and oversight from the town's former and current consultants, politicians and town councillors. There have been serious accusations from social activists and protestors, who took to the streets to protest against the disastrous conditions. They have raised their voices and blamed corporations for the environmental disaster and the town council for the lack of transparency, cooperation and access to information. They have also accused local MPs of corruption and working in the corporation's best interests.

A local newspaper published an article with the title 'Civil society lives only in the garments of the city's politicians (Azzi. L, 2017) to raise suspicion about the social activists' motives, accusing them of having a political agenda and aiming for political authority. Also, accused them of having political affiliations and alliances that aim to indirectly serve the local politicians of the city.

A social activist from Tripoli who was interviewed with respect to Delta's and Wasteco operations and the role of the government in supervising these privatised services stated,

There is no constructive study of the project or even supervision of it because the Council for Development and Reconstruction is carrying out suspicious deals at the expense of the city and its people, and so are concerned neither about the quality of work nor about corporate performance.

This social activist had led demonstrations and social protests against Wasteco and Delta. He confirmed that the corporation had been breaching its contract since it began

operations in 2000. The corporation was responsible for socially supporting and contributing to marginalised and impoverished communities by implementing school programs and community campaigns that raised social and environmental awareness.

The activist stated,

Social contribution is included in the . . . terms and conditions of the corporation, and it [is] also required to carry out educational courses for students in schools, and there are many conditions and clauses that not implemented by Wasteco because there is no supervision or accountability from the state.

The respondent commented that Wasteco's contract included specific conditions and clauses regarding its social and environmental responsibilities. However, these conditions were not accessible to anyone besides the mayor of the North Governorate and the president of state council:

We always request a copy of the book of conditions of the project that is included in the contract, so we know what the agreed terms are and to monitor the extent of their application, but unfortunately we have not got it yet.

The respondent went on to describe the violent attacks they had repeatedly been subject to whenever they called for a demonstration against the mountain of rubbish and its consequences for residents' health. He added that the number of protestors had started to decrease following the second protest because people were afraid for their physical safety and lives, and the corporation had gone back to business as usual: 'Everyone benefits at the cost of the city, including the politicians and local police, and everyone conspires on the city for his benefit. Our main problem is corruption, not only in our city, but all over Lebanon'.

5.4.5 Environmental Expert Perspective

The above section provided a detailed description of the garbage mountain, its consequences for the community in the North Governorate, particularly Tripoli, and the complete rejection of responsibility by the corporation and state council. Here, the solutions for the environmental disaster are investigated. Evaluating the performance of the corporation and its proposed solutions was challenging because of the scarcity of data and the denial of access to documents. It was important to obtain a professional perspective on this matter because the environmental disaster has become deadly. The environmental expert who participated in this study is an academic professor and local referee to the Ministry of Environment. He explained the story behind the mountain of landfill waste, along with its causes and consequences.

The proposed solution for the dump is to transform it into a public garden accessible to the local community. However, given that the mountain of waste has now exceeded 40 m in height, an environmental expert in the field was sought to give an insight into the proposed solution and its potential success from an environmental perspective. In his interview, the expert explained that following the closure of landfill, the treatment of flaring biogas and leachate, which is leaking into the sea, would take up to 15 years, but that the current proposed solution was to transform the site into a public garden:

When closing this dump and put the final cover, we need 10 to 15 years to treat the gas and the leachate that is going into the sea. Implementing this strategy takes between 10 or 15 years until the gas is completely treated, but we will still have a mountain of rubbish and piled solid waste that will probably be as high as 40 meters. The company wants to keep this dam in this huge capacity and height

forever. It also wants to turn it into a park. What kind of park is 40–50 meters in height?

The expert further explained the consequences of the proposed solution. The corporation and state had agreed to bury all unsorted waste (organic waste, glass, plastic, etc.) under a layer of dirt. This strategy could cause a serious disaster with far greater consequences for human health and sea life. The participant added that it had been finally decided to construct a new landfill site as an extension of the current landfill as a temporary solution of the current emergency:

The new sanitary landfill that the company has proposed as a solution for the old landfill—in this sanitary landfill, they want to bury all the solid waste together. As a matter of fact, they do not want to recycle, because if they decide to recycle, another industry will emerge and then they would lose a part of this ‘cheese’, and they want to have it all.

The expert further explained that establishing a sorting and recycling plant was never proposed in the list of solutions. From the expert’s point of view, the SWM industry is among the most profitable in the country. Thus, constructing a sorting and recycling plant would mean the corporation would lose a large amount of money and potentially its whole contract. Therefore, Delta used every strategy possible to prevent such a scenario and keep its subsidiary profitable at any cost.

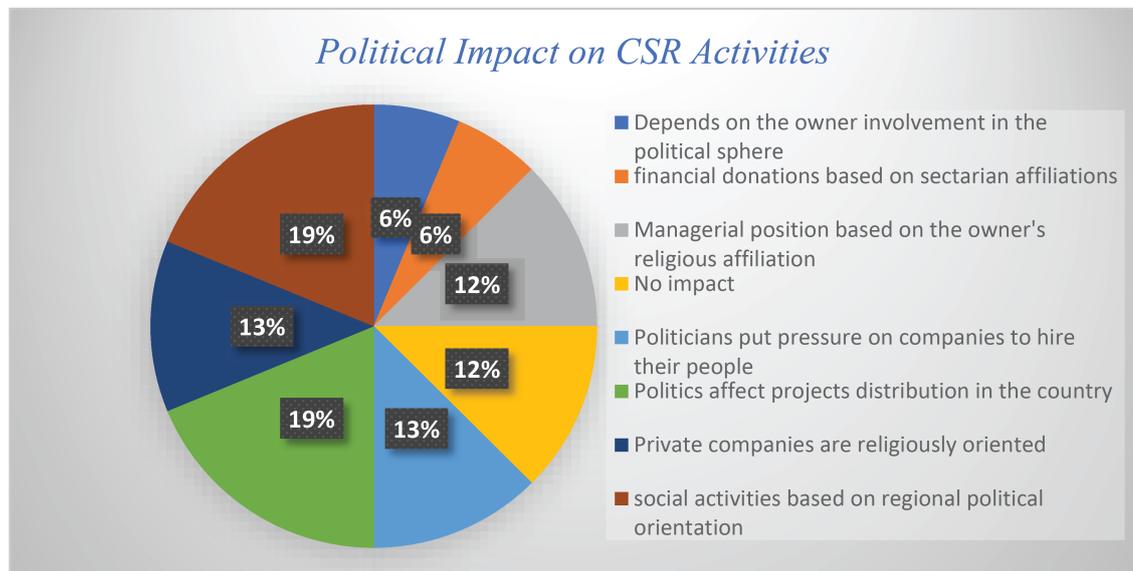
5.5 Political Influence on Corporate Social Initiatives

The relationship between politics, business and PCSR and the effect of Lebanon’s confessional democratic system on CSR initiatives and activities were investigated. When asked about the potential political influences on the corporate mission and activities regarding CSR, respondents referred to political affiliations, religious affiliations and PR. The political influence on CSR initiatives and activities

was understood differently among interviewees, who referred to three domains: philanthropic activities, employment opportunities and economic activities. However, 78% of respondents agreed that Lebanon's political system had a direct influence on CSR activities in term of financial donations, economic activities, project distribution and employment vacancies in a country with an unemployment rate of more than 6.23% in 2019 (Statista, 2020).

Figure 5.1

Possible Political Impact on Corporate Social Responsibility Activities



The head of recruitment at Delta commented on the political influence over corporate philanthropic donations, saying: 'All financial contributions are divided based on which sect of the political party they belong to'. An interviewee from the IT department at Delta referred to the political affiliation of the corporate owner: 'The sectarian system has an impact on private companies, and companies have become ethnically oriented based on their owners' background'.

5.5.1 Employees' Perspectives

5.5.1.1 *Politics affect job vacancies and corporate response to Employment.*

Interviews took a different direction when respondents referred to social responsibility in the context of providing employment opportunities. Twelve per cent of respondents confirmed that employees appointed to managerial positions were selected based not only on their qualifications but also on their shared sectarian backgrounds and affiliations with the firm owner. Thus, Lebanon's political sectarian divisions are also implemented at the corporate level. Granting more authority and power to a particular sect helps maintain the cycle of domination. A respondent from the HR department at Delta referred to the influence of the political system in the context of employment discrimination:

The CEO is Christian Maronite, so look at the manager in the company, the majority are Christian. Probably two among 20 managers are not Christian. The management claims that this is by chance, but there is no such thing as chance. Unfortunately, this is the culture in Lebanon; they tend to do so. I come across this a lot in my position, and I started raising the question why, if the person is qualified regardless of his religion. I struggle from this scenario every time. So, yes, the confessional democracy system influences the corporate a lot.

A different perspective on the influence of the political system on CSR was highlighted. Thirteen per cent of respondents agreed that politicians put pressure on the firm owner to provide employment opportunities for their political affiliates. For example, a social activist stated, 'The ruling class does not care [about] either . . . the constitution or sectarianism. But sectarianism is a weapon they use from time to time so that they distract people from their business deals'.

5.5.1.2 Influence of Politics on Corporate Economic Activities

Nineteen per cent of respondents referred to the influence of politics on corporate economic activities, operations and continuity. Delta's economic activities were determined by the government, which was Delta's main client because of its core activities—public infrastructure and SWM. The firm's projects, operations and revenue were assumed to be proportional to the level of expenditure by the public sector and dependent on government policies. However, respondents confirmed that the political setting in Lebanon affected the core economic activities of the business. Moreover, the government, which was represented by political leaders of different sects, was capable of cancelling the company's contract and operations depending on the owner's relationship with various politicians. An employee from the construction department at Enginco elaborated on this point:

This system affects the distribution of projects among companies, meaning that the projects will be given to the political party's affiliate, which has stronger power and authority. Since we are in [the] contracting business, our projects are state-owned; of course the political system will have an impact and pressure on us, so the relationship should be good permanently with the state, [which] is represented by . . . ministries such as the Ministry of Energy, so that we can complete and develop our work because it is the ministry that finance[s] this project.

A participant from the construction department of Enginco made a similar comment with respect to the corporate's tendering strategies for construction projects, its day-to-day operations in partnership with the public sector and the public sector's invoicing and payment mechanisms. He explained that politics interferes in every

corporate economic activity, including the non–merit-based allocation of projects to private contractors, offering the following example from his own experience:

Yes, let’s say if the Ministry of Public Works and Transport under the control [of a] particular political party called X, he is likely to give his allies the upcoming contractual projects. Furthermore, if the Ministry of Finance under the control of a different political party Y, they will not finance the project operating by the partners of political X.

A Delta construction site manager explained this further:

Each company has a particular political orientation, and each company carries out social activities in its region. In Lebanon, you have to have your back covered by politics and politicians, and every company takes cover from its community, and therefore, its services are directed to this community.

5.5.2 Social Activists’ Perspectives

A social activist respondent highlighted two reasons for the economic support of Delta, which had acquired a monopolistic power in the public sector in the Northern Governorate of Lebanon: ‘The corporate owner comes from a family of political background and is a relative of former and current politicians. The second reason is that this company is able to maintain the officials’ silence and/or provide them with money [bribe]’. Another respondent elaborated on the political nature of the Lebanese system and the reason behind promoting sectarianism for securing their power and protecting their benefits. ‘Politicians use ‘sectarianism’ as a coverup to distract the Lebanese from their theft and corruption. The respondent further added, ‘When I was president of the oil installations, and back to the war of the nineties I noticed an increase in oil consumption despite the ongoing war between the various sects, and after questioning into the matter, I found out that they start the exchange of gunfire in the morning, after 5

o'clock they stop to transit the oil trucks safely to their fighters and then resume the gunfire'. Thus, 'Sectarianism [in Lebanon] is a weapon that the politicians use to protect their businesses'. The respondent when commented on the potential influence that this system has on corporation CSR initiatives by providing in an example to reflect on the kind of social responsibility the corporations, and public-private contractors have in Tripoli city 'X contractor implements the projects for the lowest quality and at the most expensive price of the asphalt (thickness of 4 cm instead of 10 cm) which reflected negatively on the city and its people, all happened under the protection and the consent of politicians because they take a cut and benefit financially of project'

5.5.3 State Representative Perspectives

In researching the relationship between firms and Lebanon's political system, I investigated the role and efforts of current and previous MPs of the deprived city of Tripoli to protect the community from life-threatening diseases caused by the mountain of garbage. Unfortunately, reaching out to local politicians was difficult, and those who agreed to meet did not consent to an interview. However, I conducted interviews with different stakeholders to help explain the performance of politicians elected to represent them in parliament.

The relationship between state council members of Tripoli District, the mayor of the North Governorate and government ministers is relatively unstable. At the state council level, members are divided into two camps—one that indirectly defends Wasteco's position and operations and another that works solely for the benefit of the city and community. One state council member explained,

We in the state council of Tripoli are divided into two parties: one party that supports *Al Muhafez* [the mayor], which is mainly controlled by certain political

parties, and another party of opposition that is always trying to oppose any project that negatively affects the city.

Another respondent explained the strong relationship between Delta and local politicians, which guaranteed the continuity of its subsidiary's operations: 'I know there are politicians who are [making] demands of the company [as employment applications], and there is talk that the four mayors of the state council union of the Northern governorate get monthly allowances [from] Wasteco'. The representative described a violent attack in which two individuals had approached, threatened and physically assaulted him as a warning if he continued to insist on corporate governance. Since then, he had remained silent and stopped criticising the corporation and its environmental misconduct. The respondent explained that his first reaction was to report the incident to the local police but had little hope that anything could be done because of the general lawlessness and failure of the state to provide even the slightest sense of protection.

5.5.4 Environmental Expert Perspective

In examining the relationships and influences in Lebanon's power-sharing system, I further investigated how the corporation was able to obtain and renew its contracts in waste management collection and landfill operations. In his interview, the environmental engineer disclosed the influential relationships between politicians and the corporation:

It is like we have a cheese, and this cheese is divided among politicians. Like X company takes solid waste, Y company takes the water, Z company takes infrastructure and construction works. For example, if I am from the president's political party, and the president is from the north, he will give me the project, regardless [of] whether it is my specialty or not—it doesn't matter. I would have

to hire a subcontractor to do the job, and most importantly, I would have my percentage of this project.

In investigating the role of state and local politicians, the environmental expert, who was responsible for assessing the causes and consequences of the garbage mountain stated,

People in this city do not know what is right. They do not know that the responsibility of the state is to provide social services or social contributions or programs to rehabilitate the city. Indeed, no politician wants to solve the environmental problem here in north Lebanon, and never believe otherwise.

5.6 Corporate Political Approach: Responses to Scenarios

This thesis focuses on corporation's response to societal needs and on the relationship between politics and corporations and corporate intervention in the political sphere. While there is an acknowledgement of different forms of corruption (e.g., electoral interference, nepotism, favouritism and bribery), the likelihood of creating resistance to it is low. By analysing the interview data obtained from employees, this section attempts to identify behaviours that employees perceive as right, wrong or justified and how employees would respond to scandals that involve corporate interference in politics and vice versa. This phase of the interviews helped generate insights into how corporate employees perceive corporate involvement in politics and their perceptions of different types of corruption to better understand corporate involvement in the political sphere and how likely employees are to react.

First, participants' responses to each of the four scenarios were analysed. Respondents' attitudes towards the value of taking action against political interference, the circumstances they believe may mitigate certain conduct and how they perceive

different levels and types of corruption and Lebanon's contemporary political system and culture were explored.

Second, respondents' willingness to take action was examined. This involved questioning respondents about what they would do in response to each of the four scenarios. While all scenarios contained one or more undesirable elements, they included different features to assist in exploring what may influence respondents' evaluations and perspectives, what is and is not socially acceptable and why. The scenarios and the abbreviations by which they are referred to are listed in Table 2.1.

5.6.1 Scenario 1: Corporate Electoral Interference

Sixteen randomly selected employees from different positions and departments were given a scenario in which they were asked to vote a certain way, or particular political party in an upcoming election. Interviewees were asked about their perceptions of such behaviour and how they would act in this situation. Interviewees were categorised according to their duration of employment at the corporation (0–5 years, 6–10 years and > 10 years). Responses to this scenario differed. Eight (50%) respondents stated that they would refuse such a request because were committed to other political parties. Three respondents said they would be willing to accept the request because of their family responsibilities and the fear of losing their jobs. An employee from the treasury department at Delta stated, 'If this case would affect my job and my best interest, then I would have to obey the orders, even if this party does not represent me. I will do anything required of me to preserve my job'.

Presenting this scenario as 'fictional' had an unexpected result—many respondents confirmed that this scenario had taken place during the last parliamentary election in Lebanon and that it was a regular practice in every corporation. Owners frequently ask, and occasionally order, their employees to vote according to their

political affiliations. One respondent asserted that each corporation had its own political affiliations and was required to maintain a strong relationship with politicians to remain in business. The corporate–political relationship supported corporate economic activities, enabling the corporation to remain operative and profitable. An employee from the operations department at Wasteco commented,

This scenario has occurred in the last parliamentary election, but I did not commit to the demand. The owner asked us to vote for [X]. Some of the employees were committed and voted for him according to the CEO’s request. Others voted according to their own preferences, including myself, but we were not pressured. Table 5.3 presents the responses of interviewees at the corporate level when they were asked about their personal behaviour about voting for a particular party in the parliamentary election. The result is illustrated graphically in figure 5.5

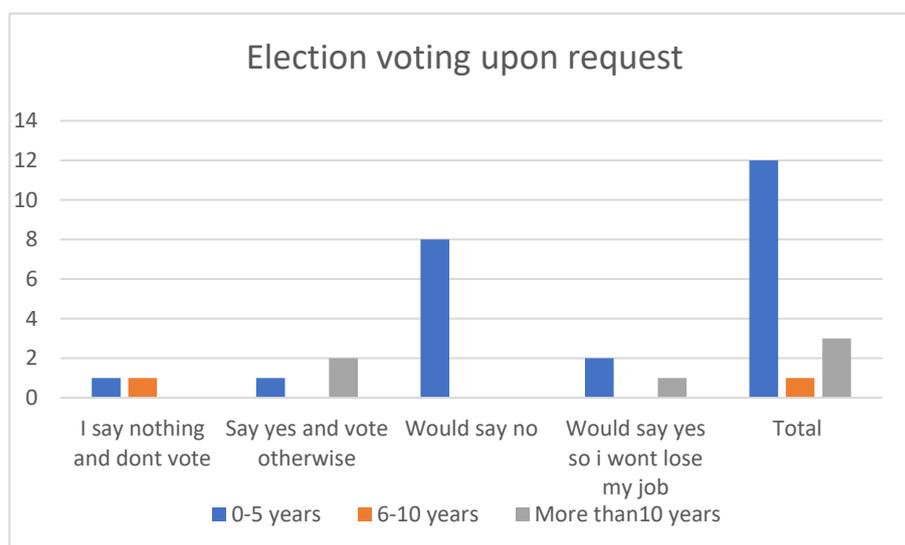
Table 5.3

Employees’ Perspectives on Voting in Line with CEO Preference

	Duration of employment		
	0–5 years	6–10 years	> 10 years
I would say nothing and not vote	1	1	0
I would say yes and vote otherwise	1	0	2
I would say no	8	0	0
I would say yes so I will not lose my job	2	0	1

Figure 5.5

Corporate employees' perspective on electoral voting demands



Political leaders in Lebanon typically depend on familial and sectarian loyalties, election rigging and other corrupt practices to secure votes in elections (Sensenig-Dabbous, 2009). According to Deets (2018), ‘electoral competition is about relative power because the current norm is that all major factions (that is, both sects and political movements) are represented in the government’ (p. 139). This practice introduces a cycle of patronage in which local citizens rely on their communal elected leaders for services and opportunities. In contrast, elsewhere in the world, these services are usually considered the responsibility of governments. Hamzeh (2001, p. 171) describes this as clientelism, which emerged following the National Pact of 1943.

The implementation of the democratic system following the signing of the Taif Accord in 1989 has meant that ruling elites must compete through electoral voting to win political and parliamentary elections. Thus, they must meet the demands of key constituents in their coalitions because elections have an independent effect on the

distribution of power. This illustrates how ruling elites tend to mobilise supporters or incorporate powerful groups based on an exchange of services and financial gain.

Entering into and staying in politics is an expensive endeavour (Hirvi & Whitfield, 2015). Thus, political candidates who spend money on their election campaigns expect to recoup it. This may be done by awarding state contracts to party members and political affiliates as well as exploiting other incentives. At the same time, party members, who are often capitalist business owners, act as patrons or party financiers and also expect to be ‘paid back’ in the form of business contracts, political appointments or other economic assistance.

5.6.2 Scenario 2: Business–Political Relationships Through Favouritism

The ‘favouritism’ scenario indirectly assessed corporate employees’ tolerance to corruption. The scenario involved offering a job to an unqualified candidate based on their political affiliation. The majority of employees (62.5%) believed that offering a job to an unqualified candidate based on their political affiliation was justifiable and acceptable. Notably, only 18% of respondents considered favouritism (*wasta* in Arabic) as wrong or unacceptable. They stated that this behaviour reflected a type of corruption that was widespread and considered acceptable in Lebanon. They further stressed that Lebanese culture was tolerant of this kind of behaviour, and this, along with a lack of governance and accountability from the state, helped increase the incidents of such corruption. Five respondents distinguished between ‘good’ and ‘bad’ *wasta* but reflected that this was the reality in Lebanon, where ‘good’ *wasta* was often viewed as the best option in a corrupt system.

The second part of the question examined interviewees’ tolerance to favouritism and what they would do in such a scenario. Almost all of the interviewees believed that there was nothing they could do because their opinions would not be taken into

consideration or lead to any change. The majority of respondents said they would remain silent, for fear of losing their jobs if they spoke out. Given the economic circumstances in the country, they could not afford to lose their jobs when they had families to look after. Three of these respondents who had been working for the corporation for more than 10 years asserted that they could not do anything about such behaviour and would rather stay silent because they were afraid to lose their jobs. These respondents were aged in their 60s, still earned basic salaries and had minimal social security benefits. A senior IT technician described *wasta* as a good thing, despite it being corrupt: 'I think this [is] necessary and justified in Lebanon', adding

there are hundreds of millions of dollars that get stopped from being paid for political reasons. So, if this gives job opportunities to unemployed people, there is no problem. People with good connections have high chances of getting job vacancies.

5.6.3 Scenario 3: Perceptions of Nepotism

The 16 employees were asked for their personal opinions about and potential reactions to the scenario concerning nepotism. The answers were classified into five categories, and interviewees were grouped according to their duration of employment at the corporation (0–5 years, 6–10 years or more than 10 years).

Six of the 16 interviewees (37.5%) believed that providing opportunities to employees based on their links to a political party is justifiable and acceptable. Almost 27% of the interviewees believed that this scenario is the reality in Lebanon. Surprisingly, less than 20% of interviewees believed the behaviour was wrong. A minority of interviewees believed that political relationships were necessary for corporate continuity and that there was a lack of political and sectarian justice. Offering a job to the supporter of a politician in return for financial gain was also perceived as

acceptable and justified. An employee from the IT department at Delta commented, 'At the moment, I find this action is justified. Usually, there are hundreds of millions of dollars that get stopped from being paid for political reasons. So, if this gives job opportunities to unemployed people, there is no problem'.

Another respondent made a similar comment, expressing that establishing relationships with politicians and offering jobs to their supporters was necessary for corporate continuity: 'I think this is justified in Lebanon, although I do not agree with it, but if this act will secure the company's operation and continuity of its projects and saves the company from bankruptcy' (Operations manager, Delta).

It was evident from their prior responses that interviewees understood corporate social activities within the scope of providing employment opportunities. It may be argued that given Lebanon's high unemployment rate and state failure, corporations were engaged in social roles such as creating job opportunities.

It was commonly acknowledged by respondents across different departments that the appointment of employees, especially to senior and managerial positions, was heavily politicised. A respondent from the operations department argued that people in Lebanon were obliged to rely on *wasta* for survival: 'It is necessary [to use *wasta*] to put your foot in... I think it has to do with surviving'. Similarly, a project engineer from Delta stated, 'This [is] natural behaviour and is necessary to establish good relationships with everyone. I would not do anything about it'. Table 5.4 presents the findings in this study of employees responses in regard to using favouritism 'Wasta' in Delta's corporate and its subsidiaries

Table 5.4*Employees' Perspectives of Wasta*

	Duration of employment		
	0–5 years	6–10 years	> 10 years
I accept the situation because I cannot lose my job	4	1	3
I would change position or department	0	1	0
It depends on who backs him up	1	0	0
I would escalate this to management	2	0	0
I would go through qualifications policy for evaluation	1	0	0
I do not see a problem	1	0	0
I would resign	2	0	0
Total	11	2	3

A respondent from the HR department referred to the Lebanese state structure that forced corporations to adopt such a strategy just to keep the business running, reflecting the influence of politics on businesses:

I was totally against this. However, when you live in this country, you can never change this. Especially in our business, politics have a huge impact on us. We get our projects from the politicians. So, it is either you accept this fact and live with it or stay against it.

Nepotism is a common phenomenon in Lebanon and involves the favouring of family or friends over those who are better suited or more qualified for a task. *Wasta* involves the exploitation of a strong family connection or friendship to appoint relatives or friends to vacant posts. Louis Hobeika, a professor of economics and finance at Notre Dame University, told The Daily Star, 'Nepotism is part of Lebanese society, and it is part of Lebanon's culture and history. Therefore, it is not possible to eliminate it'. Mohammad Shihan, one of the founders of Bala Wasta, stated, 'In Lebanon, we suffer from confessional and political nepotism, and this phenomenon cannot be eliminated unless the concept of real citizenship overshadows the current Lebanese confessional

political system, which allocates key public offices to certain confessional and sectarian groups' (Halawi, 2013. p.1)

Nepotism is linked to poor firm performance (Gomez-Mejia et al., 2001; Schulze et al., 2001), and some studies indicate that it damages the economic viability and durability of family businesses (Salvato & Melin, 2008). It is also associated with other problems, including weak institutional structures, negative employee attitudes, lack of accountability, unequal distribution of wealth and status and family interference in management (Arasli & Tumer, 2008; Kuznar & Frederick, 2007; Perez-Gonzalez, 2006). El-Safty (2004) adds that nepotism is often coupled with dysfunctional family–business connections and corrupt family value systems as well as cultural norms that limit nepotism to a particular class of relatives.

The nature of the Lebanese political system in Lebanon is coupled with limited state intervention in the economy and a suppression of social forces. Such limited regulation of economic activities often leads to the obfuscation of private and public spheres. Politicians and political leaders create and co-create corporations in their own or their relatives' names or form partnerships with political allies. In the Lebanese context, nepotism is a typical practice, and anyone who opposes is unable to do anything about it because the whole Lebanese culture needs to be reformed. Nepotism is a necessary for corporate economic survival and financial gain. In other words, corporations create political partnerships by providing employment opportunities to political supporters for mutual benefit.

5.6.4 Scenario 4: Bribery and the Willingness to Take Action

Responses to the scenario involving bribery differed among employees. The scenario assessed interviewee's perspectives of political interference and effects on the corporation, indirectly reflecting their tolerance to any form of corruption. Notably,

most respondents (almost 85%) had worked at the corporation for less than 5 years. four of 16 respondents believed that bribery was wrong but did not elaborate on actions to limit such a behaviour. Three interviewees stated that this behaviour is widespread and acceptable in the country.

The second part of the question explored interviewee's tolerance for such a behaviour and what they would do in this scenario. Almost all of the respondents believed that there was nothing they could do, either because their opinion would not be considered or because they were unwilling to speak out for fear of losing their jobs. The respondents added that given the economic circumstances in the country, they could not afford to lose their job while they had a family to look after.

The respondents considered the bribery scenario to be 'wrong'. Five respondents believed this practice arose from state corruption and was likely to happen because of the lack of accountability and governance of such corrupt behaviours, which occurred for many reasons. First, MPs may be less likely to be held publicly accountable for their actions because of the internal divisions in the country, where the sectarianism card can be played anytime. A project engineer from Enginco stated, 'This is what [is] called corruption in Lebanon, and this is the situation of Lebanon. Some sects totally control the political and economic situation of the country, and this affects the work of corporations'. Another respondent made a similar comment, holding the state accountable because of its weak law enforcement and lack of accountability and corporate governance and accusing the whole Lebanese system of corruption:

Lebanon is the country of corruption, and our problem [is] that there is no accountability and governance. Everyone is involved in corruption, and we must restructure the whole regime and change politics because the Lebanese citizen is the only one victim. (Treasury Department, Delta)

A senior operator employee at Wasteco agreed that the state had failed to provide job security or employment; in other words, the government had taken no action against the rising unemployment in northern Lebanon, and those who were lucky enough to be employed were not protected under any rights: ‘The corruption in Lebanon starts from the highest point of this pyramid. As employees, we have no rights whatsoever, and we can get fired anytime without any reason’. The respondent elaborated by giving an example of when the corporation needed to renew its Wasteco and Enginco contracts with the state council, which required the owners of Delta to reinforce their relationship with local politicians and members of the state council to guarantee they would work in the corporation’s best interests:

When the owner of this company wants to renew their contract/project with the state council, they start sending their representatives to the politicians of this city and the state council members to meet them with offers that start with coffee, a dinner invitation, unlimited checks, certain agreement so the corporate can guarantee that their contract will be renewed infinitely. (Senior Operator, Wasteco)

The institutional features of Lebanon’s political and economic systems shape and are shaped by the country’s culture. The practice of gift giving can become bribery when political influence can be purchased and used to secure substantial commercial benefits. Patron–client relationships among politicians can become networks of collusion and corruption when political parties are dominated by factions that are cultivated and maintained through the selective distribution of economic patronage. Table 5.5 presents the different responses of interviewed employees divided categorised into three duration of employment - that reflect their knowledge and familiarity of the corporate practice and their personal perspective about bribery.

Table 5.5*perspective on Bribe in return of contract renewal*

	Duration of employment		
	0–5 years	6–10 years	> 10 years
This is corruption	3	1	2
This is justified and acceptable	3	1	0
This is political exploitation	1	0	0
This is theft	1	0	0
This is a wrong behaviour	4	0	0
This is a wrong behaviour, but it can be justified	1	0	0
Total	13	2	1

5.7 Summary

This chapter is the heart of this thesis. It explored the broad understanding of the term CSR in Lebanon and analysed how PCSR plays out, including how Lebanese corporations respond to societal needs, the influence of corporations on the government and the influence of politics on corporations. This chapter provided insights into types of CSR initiatives in response to various issues as well as corporate social and environmental irresponsibility, political relations strategies and community marginalisation.

Key CSR themes in the confessional democracy system of Lebanon were identified. The chapter was divided into sections illustrating key CSR initiatives, possible beneficiaries and the personal involvement of corporate stakeholders in CSR activities. Moreover, the chapter shed light on corporate stakeholders' understanding of and involvement in environmentally friendly activities. It revealed the corporate irresponsibility that led to the garbage mountain and its deadly consequences for the residents of Tripoli. It is evident that the various stakeholders involved have claimed no responsibility for the garbage mountain, instead holding other parties liable. Wasteco

should be made aware of the impacts of the garbage mountain it has been accused of creating and should operate in a moral, ethical and, most importantly, environmental manner. However, the findings of the current research reveal that much remains to be uncovered, especially with respect to the dynamic relationships between corporations, communities and civil society.

First, an investigation into the influence of the confessional democratic system of Lebanon on CSR was conducted through a direct question about the possible effects of politics on corporations and their CSR practices. Second, a number of fictional scenarios that reflected participants' perspectives of right and wrong provided an insight into political practices in Lebanon. This was supported by direct illustrative quotes of various stakeholders involved in this study.

In Chapter 6, the findings from Chapter 5 are discussed in context with the literature presented in Chapters 2 and 3.

Chapter 6: Discussing PCSR in Confessional Democracy

System of Lebanon

6.1 Introduction

Chapter 5 presented the findings of the case study along with the prominent main themes. In Chapter 6, these findings are analysed in terms of the research questions. Based on the empirical data presented in Chapter 5, this chapter considers the PCSR processes emerging from interactions between corporate, state and civil actors and how these interactions have led to the hegemonic dominance of the corporation over social, political, environmental and community interests.

This chapter presents an analysis of the case study findings based on the research questions. The research questions were derived from the general understanding of social activities and contribution framework and Frynas and Stephens's (2015) definition of PCSR and aimed to investigate the influence of politics on corporations and the potential influence of corporations on politics. To reiterate, the research objectives were to (i) examine PCSR in a confessional democratic system of government, focusing on how corporations address their social responsibilities in this type of political system; and (ii) explore how the relationship between politics and religions challenges corporations in terms of sustainable socioeconomic development. The first objective was addressed through the examination of the understanding of the CSR phenomenon and the main beneficiaries of social activities. Both objectives aimed to reveal the motives and strategies of corporations in accommodating CSR in this political setting. The emergent model reveals a rather more complex and dynamic picture of corporate responses to political CSR demands than that presented in the literature and sheds new light on the gaps between political CSR activities, the provision of public services and the governance of PPPs.

6.2 Corporate Social Responsibility in an Ethno-sectarian Context

The findings revealed that corporate employees from different departments had little or no understanding of CSR. In general, social and environmental contributions were solely understood as corporate philanthropy, which typically takes the form of financial contributions. Indeed, Blurtit (2012) notes that the limitations of CSR include poor awareness of its definition and characteristics, a lack of financial resources and little interest in CSR rules and regulations. Some companies consider CSR an extravagant program that they cannot afford, especially in challenging economic periods. However, in this study, it was evident that the concept of social responsibility and social contribution as understood and referred to by the respondents was relatively very different to the common broad definition and what it entails.

The respondents' definition and understanding of social contribution solely from corporate philanthropic activities as financial donations to different beneficiaries. Also, the corporate was viewed as 'good' because it provides employment vacancies to candidates selected on political or ethnic basis. Jamali and Mirshak (2007) argue that 'the understanding of CSR in the Lebanese context thus seems anchored in the context of voluntary action, with the economic, legal, and ethical dimensions assumed as taken for granted' (p. 252). A study by Hejase et al. (2012) on CSR in Lebanon included 150 employees from various sectors (banking, hospitals, hospitability, insurance and education) and enterprises (small, medium and large), finding that 51% of respondents were unable to associate their companies' activities to social responsibility. Twenty-eight per cent of the respondents associated social responsibility with volunteer work or helping others, and the remaining participants associated CSR with ethical, environmental and equal opportunities activities. Thus, respondents viewed CSR as philanthropic contributions and support of NGOs, illustrating the poor understanding of

CSR. Hejase et al. (2012) conclude that ‘CSR is visibly not integrated in most . . . Lebanese companies’ (p. 13). Moreover,

CSR is a new and relatively unknown phenomenon among [small and medium-sized enterprises] in Lebanon as most respondents indicated that they have only little knowledge about the subject, and that they haven’t done much to enrich their knowledge or to participate in CSR programs or activities, though they seemed to have some idea of what CSR could mean for their companies. (p. 17)

Al Am (2012) distributed a questionnaire to 400 participants to investigate the understanding of CSR in Lebanon. Participants came from a range of educational backgrounds (high school certificates, bachelor’s degree, master’s degree and doctorates) and had different tasks and responsibilities in various sectors. The majority ($n=284$) of participants had no understanding or awareness of CSR and its importance, and only 116 were aware of the concept. These numbers demonstrate the limited implementation of CSR strategies in Lebanon, which are only undertaken by a few corporations in specific fields. Despite the rapidly growing awareness and implementation of CSR around the globe, it is still a relatively new concept in Lebanon, reflected by the lack of awareness in Lebanese society and among Lebanese companies (Al Am, 2012). This lack of national awareness has resulted in practices that do not align with the concept of CSR, such as short-term initiatives, irrelevant actions, greenwashing, fake awards and shallow or non-existent reports (Chhimi et al., 2019). Gul (2013) states that ‘though Lebanon is slowly integrating CSR into its corporate culture, the country still lags behind many of its MENA peers, particularly in regard to transparent reporting and government efforts to raise awareness’ (para. 3).

The findings of the present study reveal that social contributions and activities are associated with philanthropic contributions to the outside community, and less

emphasis is placed on the internal CSR culture and employee engagement in social activities initiated by the corporate, and more importantly corporate response to any social concerns, all social contributions were individually initiated by the corporate employees among each other to help those in need. The results show that the corporation had no strategic partnerships with NGOs to engage in social activities. Its social contributions were limited to organising Christmas events each year at orphanages and aged care homes, involvement in sporting activities and donations to religious bodies. These activities were practised within the philanthropic domain and were directed towards external communities aligned with particular religions and political affiliations, thus ignoring other domains of CSR such as economic responsibility, ethical practices and codes of conduct. In alignment with Ali Dirani's (2012) investigation of CSR in Lebanon, corporations in Lebanon are not yet showing signs of adopting a focused and strategic CSR approach. Indeed, it is uncommon to find pre-established CSR practices that are connected to the core business strategies or the disclosure of CSR reports on company websites. Ali Dirani's (2012) study on CSR practices in the banking sector in Lebanon found that only a few Lebanese banks had a developed understanding of CSR practices, explicitly shown in their websites and annuals reports. In contrast, in Western Democratic countries such as Continental European and Anglo-American political systems, many large corporations report their social activities in standalone CSR reports. For instance, according to Jones and Jonas (2011) eighty percent of the Fortune Global 250 (FG250) issued CSR reports.

Although some interest in CSR initiatives may be identified in annual reports and corporate mission and vision statements, they are not presented or addressed as forefront topics, and CSR terminology is almost unknown by corporate stakeholders. Although it may be possible to find references to social responsibility, the term CSR is

largely new or unfamiliar. CSR in Lebanon is generally understood as the philanthropic sponsorship of local community activities and charitable donations (Jamali & Sidani, 2008).

This study found that corporate responses to different societal need are referred to and described as philanthropic activities of which were directed towards groups and individuals of particular ethnic, sectarian or political affiliations. The philanthropic contributions of Delta often reflected the personal values and political and ethnic affiliations of its owner. Participants who held different positions (managerial, senior and junior levels) within the organisation and had been employed for more than 5 years consistently highlighted the influence of the firm owner's philosophy in the corporation's voluntary philanthropic activities. In other words, the corporation's CSR activities are derived from the owner's philosophy and ethnic and political affiliations. A manager in the HR department at Delta explicitly expressed the role of the firm owner and CEO in deciding on the corporation's CSR involvement that was previously referred to the strong relationship ties the owner had with NGOs that utterly contribute to the Christian community through donation and providing job vacancies.

Matten and Moon (2008) distinguish between 'implicit' and 'explicit' CSR, explaining that explicit CSR does not reflect government authority or legal framework of a formal institutions but rather rests upon corporate discretion. CSR is practised explicitly in some countries (such as the US), and corporations assume responsibility for societal interests through 'voluntary programs and strategies . . . that combine social and business value and address issues perceived as being part of the social responsibility of the company' (p. 409). It was quite challenging to analyse corporate social initiatives in the Lebanese context in relation to the current CSR literature due to the limited investigation of political dimension of CSR and corporate response to social needs in

Lebanon. It is clearly evident that the broad understanding of corporate activities and initiatives toward the society is novice and is provided based on ethno-sectarian and political clientelism calculation.

In the present study, the absence of government involvement in the relationship between business and society was a driving factor of CSR. In particular, family-owned businesses that undertake CSR initiatives select foundations for charitable donations on a political and sectarian basis, exemplified by Delta's donations to a Maronite employment agency involved in finding vacancies strictly for Maronite candidates. Cammett (2014) argues that CSR activities are not only undertaken to address pressing social needs but also to build political support. Unfortunately, regulatory laws and formal monitoring are weak (Jamali & Mirshak, 2007), explaining why the firm owner and CEO may have viewed about unemployment as social issue but rather have been concerned to target local affected community, thus taking voluntary action to tackle it on a sectarian basis. Family-owned businesses typically target to benefit a particular ethnic groups in their local communal groups in their social initiatives, and this practice shapes and restructure corporate response to social concerns in a failed, highly fragmented society. On the other hand, access to politicians and political power arises from leaders' claims about representing 'their' confessional communities. Therefore, capitalist corporate justification of providing social contribution and tackling social concerns on ethnic basis benefiting those close communal groups guarantee an access to political sphere through strong integrating power between politics, corporate and ethnic/sectarian social contribution. This relationship between the religious beliefs of corporate owners, management and executives and social contribution has received increasing attention in the academic literature (Angelidis & Ibrahim, 2004; Conroy & Emerson,

2004; Giacalone & Jurkiewicz, 2003; Ibrahim et al., 2008; Parboteeah et al., 2007; Weaver & Agle, 2002).

6.3 The Church as an Intermediary Broker of Hegemony

The findings of this study have highlighted the firm's generous philanthropic activities towards churches and religious bodies, specifically the Christian community. The reason for this can be found in the political nature of the country, where power is distributed along ethnic lines. Such philanthropic activities are undertaken strategically by corporations to gain political control and authority, in turn promoting their legitimacy, enabling their operations to continue and attracting financial returns.

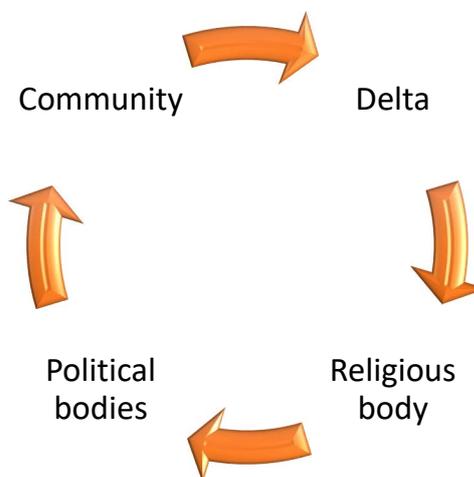
The implicit assumption in PCSR is that firms' concerns about the public good go beyond selfish economic gain (Scherer & Palazzo, 2011). The findings of this study show that CSR in the confessional democratic system of Lebanon, if it exists at all, is segregated along ethno-sectarian lines. Thus, the sectarian nature of Lebanon's cultural and political systems plays a crucial role in CSR. At the corporate level, the ethno-sectarian background of firm owners determines the selection of beneficiaries. For example, Delta's philanthropic activities included financial donations to an NGO involved in finding job vacancies for Maronite job seekers and the reconstruction and restoration of churches selected by the CEO. This generosity towards religious bodies arises from their influence in politics and on the people. Cammett (2011) argues that financial assistance and social assistance in Lebanon, if available, are only provided through confessional institutions such as churches, mosques, universities, and confessional NGOs, further explaining that 'sectarian party representatives use connections to reserve hospital beds and arrange government payment for the hospitalization costs of supporters' (p. 75). Lebanon's sectarian nature places high importance on religious bodies such as churches and mosques because of the critical

role they play in politics, the distribution of power, the sectarian balance in offices and, most importantly, influencing the masses.

This study revealed Delta's explicit philanthropic contributions to the church. The relationship between the capitalist social elite represented by Delta and religious bodies was essential for the firm's operations and continuity in the social, economic and political domains. In this study, the Maronite Church played an intermediary role between two groups of actors (politicians and the community). The church helped create a cycle of patronage between Delta and its political and community affiliates based on ethnicity and sectarianism. First, this cycle includes strategic alliances with politicians who shared the same religious or political affiliations as the firm owner and the brokerage role of the church, which guaranteed Delta's access to the economic sphere through securing its PPP contracts in both the construction and SWM industries. Second, the firm's philanthropic support of the Maronite Church helped create a bridge between the Maronite community and the firm by ensuring that the community was taken care of and the presence of Maronite Christians in Lebanon was strengthened, which, in return, helped preserve Delta's image and reputation. According to a Maronite Foundation (2018) report, Christian institutions are the backbone of Christian presence in Lebanon, and it is a duty to provide them with the necessary support. The cyclical relationship between the corporate and its social activities from one side and corporate and politics from another are sponsored by the religion institutions due to the sectarian nature of the country. Figure 6.1

Figure 6.1

Corporate Social responses to societal concerns: The Cycle of Patronage



The findings of this study have illustrated the PCSR response to societal needs, but a deeper investigation into Lebanese cultural and political structures is needed to explain the commitment towards religious bodies. The government failure to provide public services has been the driver for the political and social elite to do so, but these public services have been directed towards their own sectarian communities. Lebanon's sectarian structure and weak political system mean that religious bodies (churches and mosques) have become the primary influencers of the community. According to Geadah (2015), 'confessional institutions function best in the course of a clientelist spectrum, in which individuals share their common experience and ultimately act as linkage and network for their peers' (p. 42).

The primary reason for the integration between politics and CSR is not for economic gain via lobbying and other unethical practices; rather, it is to maintain hegemonic power over sectarian communities by providing basic social needs under the veil of religion. Indeed, corporations appear to gain hegemonic power by consent through their philanthropic donations to religious bodies that are the primary spiritual

and social reference for the Lebanese people. Moreover, churches and mosques play a crucial role in politics through their direct and indirect interference in parliamentary elections, distribution of sectarian authority and formation of government.

Religious institutions are also considered the protectors of community rights and the delegated defendants against other religions. The Church becomes the bridge between the masses and political parties to help secure the hegemonic power of a corporation. In return, the corporation finances the Church's activities. Sawchuk (1997) studied the role of the Catholic Church and the complexities of religion, class and politics and their institutional and ideological expressions during the Nicaraguan Revolution. The study conceptualised the church as an 'interclass social space' in which 'competing social classes seek religious legitimation for their respective political projects' (Sawchuk, 1997, p. 40). The study revealed the alliances between Catholic bishops and archbishops and the elite bourgeoisie of Nicaraguan society, resulting in financial benefits. When Miguel Obando y Bravo was appointed Archbishop of Managua, Nicaragua, he was gifted a luxurious car by a social elite because

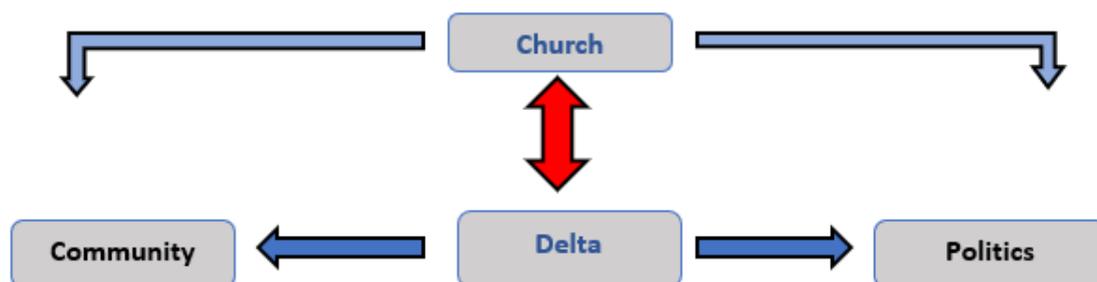
Church representatives were desperately needed to provide legitimation for a repressive anti-democratic state and so were treated accordingly: they were granted favours and given gifts of money and land [and] the church was given almost total control of the education system. (Sawchuk, 1997, p. 43)

Similarly, in Lebanon, where religion, politics and social classes are inextricably linked, Catholic and Islamic religious bodies always work in the elite bourgeoisie's best interests and reflect the stances of these capitalists. The sectarian nature of Lebanon benefits religious figures (bishops and mufti) in the form of financial gain and the right to interfere in every aspect of life, not only for legitimation but to maintain the sectarian balance and influence communities when necessary. Figure 6.2 illustrates the

intermediate role that the church tends to claim as a broker agent between corporate, politics and the community.

Figure 6.2

Intermediary Role of the Church in Maintaining Corporate Hegemonic Power



Gramsci (1971) essentially viewed religion in ‘the secular sense of a unity of faith between a conception of the world and a corresponding norm of conduct’ and questioned its name: ‘But why call this unity of faith “religion” and not “ideology” or even frankly “politics”?’ as cited in (Anidjar, 2006, p. 52). Gramsci emphasised the role of Catholicism and the Catholic Church in Italy, where the hegemony of the ruling class loomed large because of the fragility and lack of legitimacy of secular institutions in the eyes of Italian society (Boggs, 1976; Kertzer, 1979). Shortly before his arrest in 1926, Gramsci criticised the power that the Catholic Church exercised over the peasant masses and called for its destruction as a prerequisite for the victorious struggle against capitalism. Gramsci revealed the Church as the primary hegemonic apparatus of the ruling class and called for a social movement against the influential role of the church. However, Gramsci’s advice to quash the influential role of the church is highly unlikely to be heeded in Lebanon—in a country of 18 different sects fighting over authority, power and land, it is virtually impossible to break the hegemonic cycle that religious

bodies help to maintain. Fifteen years of civil war is a clear illustration that sectarianism is the strongest element in the Lebanese political structure.

In the PCSR literature, the hegemonic role of corporations is mostly viewed through a neo-Gramscian perspective focused on corporations operating in emerging economies (Kourula & Delalieux, 2016) or political settings (Levy & Egan, 2003) and were accused of serious social concerns. The Gramscian theory of hegemony has been employed by researchers to describe the strategic alliances of corporations with non-natural allies such as insurance companies, NGOs and social activists. These strategic alliances are aimed at preserving corporate image and reputations, thus maintaining their economic interests. This study has presented a new perspective of hegemonic corporate strategies in a sectarian country in alignment with Gramscian theory. Delta's approach of maintaining its hegemony was through establishing alliances with religious bodies – the church that makes a good defence shield against any social concerns under the veil of protecting its sectarian community.

6.4 Environmental Irresponsibility: Hegemonic Alliances and Coercive Domination

The PCSR literature shows that corporations have engaged in the provision of public services in response to societal needs as a result of failing economies. This study's findings present a new perspective: the failure of both the public sector to provide services and the private sector to respond to societal needs or perform satisfactorily when delivering public services through PPPs. Further, the study sheds light on the inequitable conditions favouring corporations and disadvantaging communities and the power dynamics and political strategies of corporations when in conflict with local communities.

The environmental disaster known as the ‘garbage mountain’ is the result of corporate environmental irresponsibility, corruption and a lack of accountability and governance. Lebanese laws and regulations enforced by the Ministry of Public Works and Transport and Ministry of Environment require Lebanese corporations and their employees to protect the community and environment and ensure sustainable development (Hejase et al., 2012). However, Bodil (2003) comments that these policies are not enough to ensure a high standard of living in a healthy and safe environment (p. 6). In alignment with Jay & Russel (2017) ‘Politicians deal in waste management contracts to line their own pockets for political gain, while contractors cut corners to save money at the expense of the environment’ as it was confirmed by the interviewees in this study.

Although Delta and Wasteco were entrusted to deliver a public service, they have not only failed to implement environmental standards but have directly caused an environmental disaster. In Lebanon, the waste management sector is failing because of the absence of a clear SWM legal framework, weak law enforcement, political corruption, an influx of Syrian refugees, disparities in social classes and urban growth (UNDP, 2015). Existing legal and institutional frameworks conflict with each other and provide no transparent allocation of the roles and responsibilities of the different stakeholders in the sector (SWEEP-Net, 2010). In a similar scenario, Beirut and Mount Lebanon experienced an SWM crisis in July 2015 which lasted for 8 months (Azzi, 2017). The government’s attempts to find appropriate alternative solutions have been hampered and even stalled by the lack of political agreement. As a result, a social uprising occurred ‘as a reaction to the government’s failure to find solutions to a garbage crisis following the closure of landfills’ (Geha, 2018). International media outlets showed the world the city streets flooded with garbage. For the first time in its

history, Lebanon witnessed an unsectarian, apolitical and unusual social movement calling for the elimination of the sectarian identity and social justice against the ruling class. A campaign carrying the hashtag #youstink attempted to force politicians to address the environmental crisis, an unusual move against sectarian boundaries in an attempt to enhance social services (Deets, 2018). However, all attempts and protests have failed to generate an alternate solution because of the complex nature of the sectarian power-sharing system, making it difficult for activists to challenge (Geha, 2018). Weeks of open protests against the environmental conditions led to nothing but government suppression of the social movement through orders for the army to brutally attack protestors, media manipulation, accusations of creating chaos, random arrests of protestors and other forms of violence.

Similarly, this study of the landfill crisis in northern Lebanon has revealed a similar but much worse scenario represented by the mountain of rubbish. The crisis was instigated by the closure of the county's landfill, which had initially been designated as temporary in the 1997 emergency plan. However, it had continued for approximately 20 years because of corruption and a lack of political consensus and governance and political corruption. Both Wasteco and Enginco were accused of failing to meet the conditions and the clauses of their contracts of which had serious consequences on the local community health and safety including the smell of rotten rubbish, the flaring toxic gas and the landfill leachate leaking into the sea water and affecting the marine life.

On 2 November 2017, protestors attending mass rallies in Tripoli called for an immediate solution to the mountain of garbage that was threatening the lives of residents and marine life, demanding the municipal council to cancel its contracts with Wasteco and Enginco and oversee the environmental catastrophe. However, Delta's

alliances with local politicians were enough to secure the continuity of its operations while maintaining its hegemonic and monopolistic position as a public service contractor. The social activists who participated in this study asserted that the city needed only 300–350 employees to be sufficiently clean. Somewhat ironically, Wasteco has more than 650 workers employed as operators, administrators and labourers, but the city streets are piled with uncollected solid waste and a mountain of solid waste is located within hundreds of meters of the city. Tripoli is still considered a neglected and inhabitable city.

Banerjee (2017) presents the hypothetical example of a transnational oil and gas company operating in a developing country and its violent conflict with Indigenous communities living near company's operating facilities, which have contaminated their water and land. Despite the company's well-developed CSR program, which included developmental activities such as building schools and hospitals, as well as being a key player in the country's economy through its multi-million-dollar operations, the local community continued to live in dire poverty, and their social, environmental and economic conditions continued to worsen.

Many PCSR scholars have focused on MNCs in emerging economies playing state-like political roles, developing regulations (Scherer & Palazzo, 2007) or providing public services (Scherer et al., 2009) when local governments cannot adequately respond to social needs while taking advantage of opportunities for financial gain. A recent study has shown that 'PCSR does not and cannot adequately take into account the interests of marginalized and vulnerable stakeholder groups' (Banerjee, 2017, p. 798). The study has further extended the literature by presenting a national corporation operating in a failing state (Lebanon) that was legitimately contracted to provide the public service of SWM but has failed to perform adequately and continued

to take advantage of marginalised and vulnerable stakeholders. Unlike Banerjee's (2017) hypothetical example, this study was an empirical exploration, showing the ugly truth about Tripoli District, which has some of the worst economic, social and environmental conditions in the Mediterranean. In fact, the online platform database Environmental Justice Atlas (EJOLT, 2015), which documents environmental conflicts worldwide, lists a total of 2,019 ongoing conflicts as a result of environmental and social projects such as waste management, dams, transportation, forestry and others.

Political institutions in the confessional democratic context are resistant to pressure from NGOs and activists, whose efforts are unlikely to lead to formal government interventions or governance of corporate practices. Indeed, the ability of social activists and NGOs to bring about change regarding the life-threatening mountain of rubbish is limited or possibly non-existent. Politicians and council members have continually succeeded to silence protests against the operations of the contractor.

The following section presents a detailed description of the findings on the corporate response to the accusation of social and environmental concerns taking a coercive hegemonic turn toward the local community including some state council representatives and social activists.

6.4.1 Corporate Response to Accusations

This thesis has detailed many angles of the corporate action and hegemonic response from corporate political influence on direct coercion to thwart community protests against the garbage mountain it created and its environmental and health consequences. According to Banerjee (2017), 'resistance movements reflect the agency of communities in the face of structural inequalities and corporate and state power and can provide insights on how locally-based democratic governance arrangements can emerge' (p. 805).

Delta entered into a PPP as a private contractor for the provision of public services more than 20 years ago. By securing the services of prominent entrepreneurs, the power-sharing system in the distribution of public services worked well. To protect these partnerships and ensure their continuity, corporations must adopt two different practices, benefiting from the ethno-sectarian and political divisions of the country. Amid the chaos of garbage mountain that is threatening the lives of thousands of residents, Delta responded by building relationships with local politicians and powerful people in the Tripoli District. The company was highly involved in making concessions in the form of donations and gifts to appease local politicians and their supporters with the aim of enabling their exploitative business model to stay intact.

I am aware that politicians have demanded favours from the corporation (in the form of employment opportunities) and there are rumours that the president of the municipal union received a monthly stipend from Wasteco (interview with state council member, August 2018).

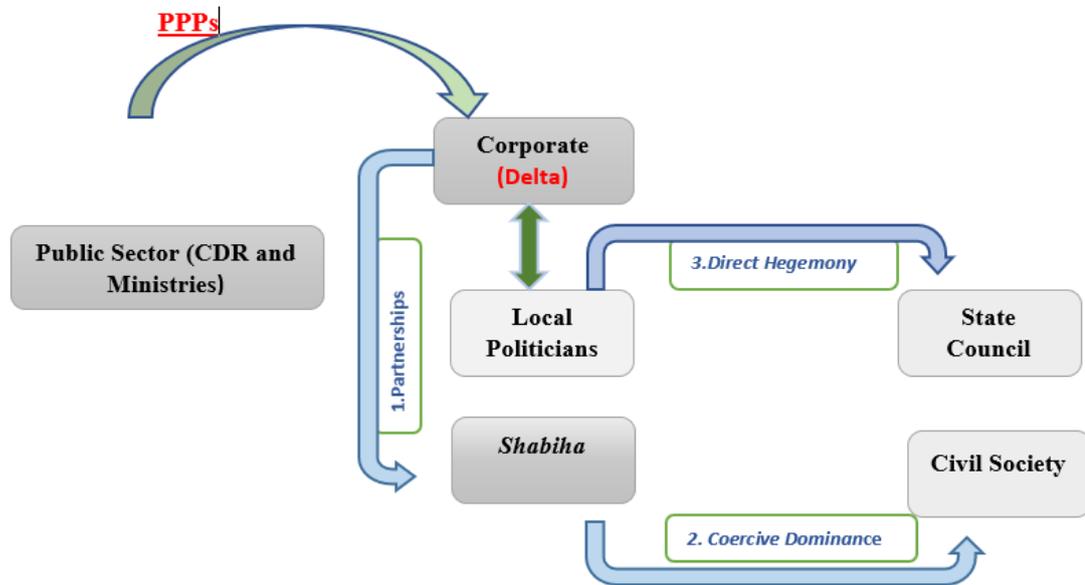
Both Wasteco and Enginco have failed to fulfil the clauses and conditions of their contracts, which extend beyond treating toxic gas flares and leachate to providing educational campaigns in schools and the community, street sweeping and graffiti removal.

First, Delta has taken advantage of its alliances with local politicians to put pressure on or silence state council members, whose legal responsibilities involve overseeing corporate operations and voting for contract extensions and renewals. Thus, through its political power and relationships, Delta has successfully diminished any attempts to investigate or supervise its operations and has silenced any opposing state council members through its political affiliations and political pressure.

Second, the cost of these alliances for the corporation involved the alleged provision of jobs for politicians' supporters and putting *shabiha* (local individuals in the service of powerful person who use the threat of violence or force to extort and terrorise people) on the corporate payroll. The advantages of such a practice are twofold. First, given Tripoli's dire social conditions and the record of poverty rate, the survival of Lebanese people is dependent on patronage controlled by politicians. Thus, people's loyalty is bound to their ability to put bread on the table, and they are ready to serve when required. Second, politicians maintain their control over the distribution of resources to the community to preserve their relationship with corporate owners for future benefits. Under the Gramscian (1971) understanding of hegemony, corporate owners use their social status to employ people in power to defend their general and corporate interests. In a country of class disparities such as Lebanon, political alliances are the perfect concealment for corporate practices while defending and promoting the corporate image. In response to being called to account for their lack of social responsibilities, corporations have used coercive dominance, including the use of *shabiha* to perpetrate violence against activists. These relationships are represented in Figure 6.3.

Figure 6.3

Hegemonic Dynamism of Corporate Operations and Socially Responsible Activities



In line with Gramsci (1971), dominant groups and coalitions who look after their own interests exist in every society. In considering the hegemonic power that elites have over their own supporters, Baumann (2016) asks, ‘Is this simply a process of elites obtaining consent, or do they also employ coercion?’ (p. 10). These coalitions dominate the social, political and economic spheres of life and maintain their interests by protecting the status quo. Corporate owners use their social status to employ people in power to defend their corporate interests. In a country of class disparities such as Lebanon, political alliances are the perfect concealment for corporate practices while promoting the corporation’s CSR image. The Gramscian theory of hegemony further highlights how the ruling class exerts power over civil society and politics using different methods. Civil society is a ‘marketplace of ideas, where intellectuals enter as “salesmen” of contending cultures’ (Bates, 1975, p. 353) and are able to succeed in creating a hegemonic environment, thereby securing the consent of the people. However,

if these intellectuals fail to create a hegemonic environment, the ruling class reinforces its power by using the coercive apparatus of the state to discipline those who do not consent. Kourula and Delalieux (2016) describe business-organised civil societies as those in which political crises are transformed into economic crises that do not challenge the existing order. The authors explain that civil society can be used to conceal business interests because they are less likely to be suspected of defending particular interests. In the present study, civil society comprises affected community members and intellectuals from lower and middle socioeconomic classes of Tripoli. In this study, civil society organisations played a minimal role in promoting state governance over corporate operations and CSR.

From the Gramscian perspective, a ‘historical bloc’ refers to the role that local politicians play in hegemonic control of the community, which rests on the arrangement of societal groups, economic structures associated ideological superstructures (Levy and Egan, 2003). A historical bloc exercises hegemony through the coercive and bureaucratic authority of the state and dominance in the economic realm.

Shamir (2004) points out that ‘capitalists and capitalist entities do not sit still when faced with threats and challenges’ (p. 670). Rather, their response is to mobilise a host of agents (e.g. state bureaucrats and NGOs) to maintain their ideological and practical supremacy. In this study, a different kind of response was explored. Social activists took to the streets in open protest against the disastrous conditions. Delta’s response to this social movement was violent. ‘Employees’ on Wasteco’s payroll, under the protection of local politicians, physically attacked protestors and forcibly ended the criticism of corporate practices and operations. The business response to being called to account for their lack of social responsibility was coercive dominance through the use of *shabiha*, who physically abused social activists, leading to injuries and hospital

admissions. In every protest, protestors were threatened and physically attacked and injured to create fear and discipline those who challenged capitalist authority and refused to consent. As a result, the 'mountain of death' continued operating as usual. In reference to State council member interviewed for this study that has declared in the finding that the board of the state council is divided into two political parties of those who are protected by the mayor and his political affiliates and the other party that is trying to work for the local community best interest. This division create obstacles in the implementation of a strategic environmental plan in order to resolve the catastrophic environmental conditions that is threatening the lives of the whole community and its surrounding villages.

Hegemony was enacted through the company's political power and relationships with others who exercise direct control over state council members. Delta was benefiting from its involvement in the political sphere and its relationships with MPs and powerful politicians, which facilitated the company's economic activities and ensured the continuation of its PPP contract. This may be described as a temporary tactical alliance to reverse the hegemonic position of a historical bloc (Gramsci, 1971, as cited in Jones, 2006). In a similar dynamic, environmental NGOs may form partnerships with insurance companies to push for climate change negotiations because of the financial costs of global warming that insurance companies will need to cover. Levy and Scully (2007) extend the analysis of Gramscian hegemony through the examination of institutional entrepreneurship as a strategic action. In their study, NGOs and activists attempted to reform failing institutions such as corporations and governments through the promotion of private mechanisms such as certification.

Through its involvement in the political sphere, Delta was able to both continue its economic activities and protect its PPP contract. Thus, it was becoming increasingly

self-regulatory while operating under the shadow of a public sector that provided no governance—an approach to regulation that has been identified as central to the practice of PCSR (Frynas & Stephens, 2015). This politicisation of institutions was further explained by the environmental expert who participated in the study, who stated that all involved parties were responsible for the mountain of waste. Given the high level of corruption in the Lebanese political and institutional setting, government officials cannot transparently govern the operations of contractors. Moreover, the inefficiency and incompetency of HR in all governmental bodies, including ministry cabinets, enabled the corporation to engage in self-regulatory practices. According to an interviewed state council member, the respondent explained that a consultant was contracted directly with the CDR to oversee and supervise the daily work of the Landfill management and reports directly to the CDR. The respondent added that none either of the consultant is not doing his work and providing a transparent report of the current condition of the landfill, or the CDR are aware of the condition but not taking any action, and the corporate wins in both cases.

6.4.2 Corporate Self-Regulation in an Unregulated System

The complex nature of the sectarian power-sharing system in Lebanon makes it difficult for activists to challenge (Geha, 2018). Thus, civil activists are highly unlikely to be effective in promoting state governance over corporate operations and CSR activities. The power dynamics occurring in the hierarchical relationships between state, corporate and community members favour the market–state nexus and ultimately disadvantage the community. Thus, communities are frequently unable to participate as equal stakeholders because the state tends to side with the market (Banerjee, 2008).

Thus, the corporation was increasingly engaging in self-regulating behaviours while operating under the shadow of a public sector that provided no governance, an

approach to regulation that has been as identified as central to the practice of PCSR (Frynas & Stephens, 2015). Unfortunately, the institutional design of Lebanon, along with its causes and effects, has produced a climate of low trust, which gives more importance to ethnic representation over governance (Deets, 2018). This design enables much flexibility in the operations and performance of all corporations. Thus, supervision and governance, if they exist at all, can easily be altered and customised to serve the best interests of corporations.

Unlike in PCSR, self-regulation practices as a defence mechanism to protect corporate image are not typically found in CSR programs. This study highlights the almost total absence of any governance and accountability of private contractors, encouraging the corporation in this study to engage in self-governance alongside other strategies to discipline those who challenged their authority or threatened their economic activities. In a country with poor political consensus and weak governance and law enforcement, when a private corporation partners with the public sector to deliver services, crises such as the garbage mountain will result.

6.5 Political–Corporate Relationships and Perceptions

‘[P]olitics revolves around the confated interests of corporations and politicians, reinforcing injustice and inequality on a global scale and resulting in poverty, torture, trafcking, imprisonment, and death’ (Rhodes et al., 2020 p. 627). This study showed not only the hegemonic measures corporations may take in a confessional democracy setting to maintain their economic activities but also participants’ perceptions of corporate involvement in the political sphere, which were elicited using fictional, but possible, scenarios of political scandals.

The four scenarios were based on corporate electoral intervention, favouritism, nepotism and bribery, respectively, which relate to direct or indirect corruption. These

scenarios were used to reveal the cultural understanding of phenomena such as promoting a particular party in an upcoming election, providing job opportunities and accepting bribes in return for economic gain. The majority of respondents believed that two of the scenarios—favouritism and nepotism—were justified and acceptable because this was the reality in Lebanon. Others believed that this behaviour was immoral but were not willing to do anything about for fear of losing their jobs if they spoke out. Of even more concern is that the majority of the respondents implied that the corporation was socially responsible because it offered jobs to the members of the local community.

The favouritism and nepotism scenarios reflected a common phenomenon in Lebanon known as *wasta*, which is defined by Egan (2012) as the use of connections to obtain scarce resources. Samih Farsoun (1970) elaborated on its occurrence in the Lebanese context:

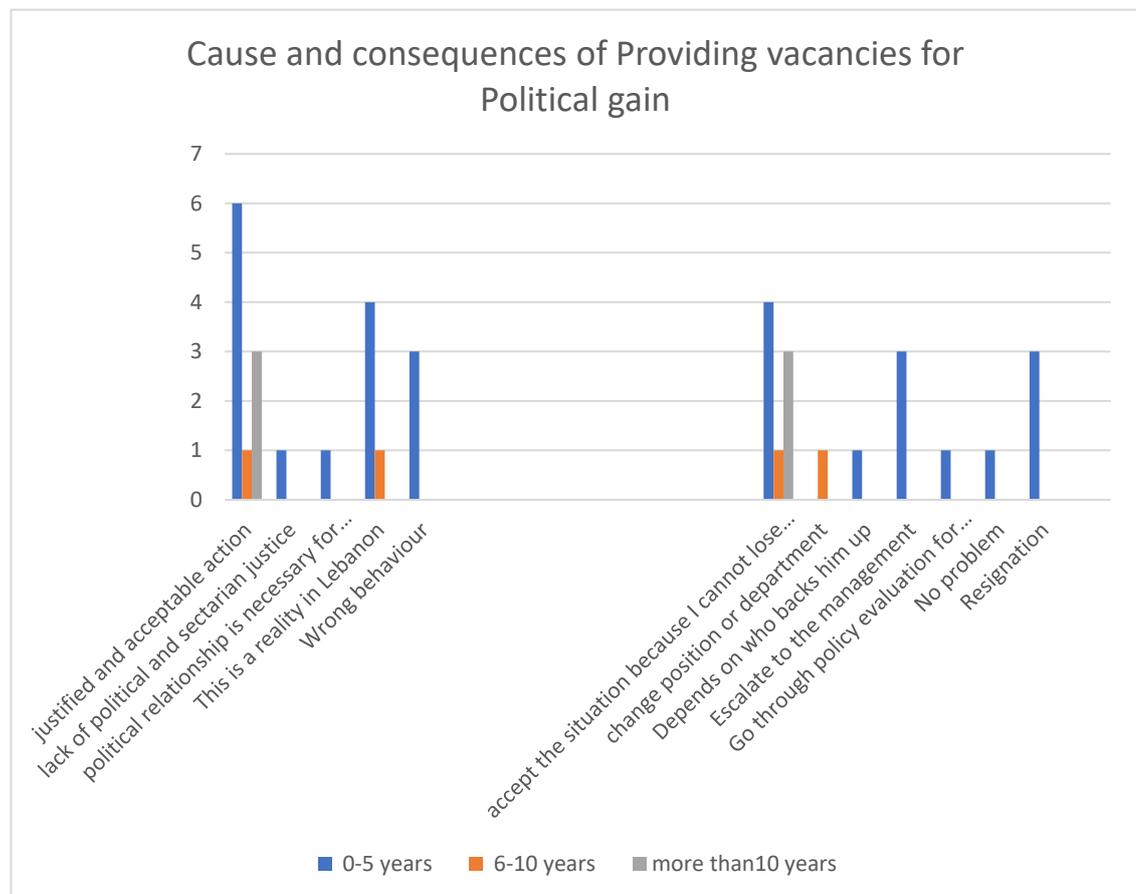
One needs a *wasta* in order not to be cheated in the marketplace, in locating and acquiring a job, in resolving conflict and legal litigation, in winning a court decision, in speeding governmental action and in establishing and maintaining political influence, bureaucratic procedures, in finding a bride. (270)

The two scenarios, which examined stakeholders' perceptions of nepotism and favouritism, reflected similar situations—in one the corporation promised a job to someone based on favouritism, while the other was presented to assess the personal effects in the workplace of such a scenario on the participants as employees of the corporation of which going to affect the quality and the time spend on the job. In regard to nepotism scenario, Six of the 16 respondents believed that it was justifiable and acceptable and quite common in a country like Lebanon. Interestingly, four of these six respondents stated they would be unwilling to do anything about it, even if they had to overwork, because they were afraid to lose their jobs. In contrast, only three respondents

viewed favouritism (Scenario 2) as wrong and unjust behaviour and if they experienced a similar scenario, they would take immediate action to resign, especially if they were affected on a personal and professional level. Corporate employees' perspectives on Scenarios 2 and 3 are illustrated in Figure 6.4.

Figure 6.4

Employees perspective on favouritism and its personal effect in their workplace



Returning to the PCSR literature, a political shift in CSR activities occurs when corporations take over the role of government or complement the efforts of the government (Scherer & Palazzo, 2008, 2011), while the developmental aspect of CSR addresses national issues such as poverty, unemployment, disease and infrastructural (Frynas, 2008; Idemudia, 2010; Sharp, 2006). In a different context, scholars have identified the developmental role that corporations play as a part of their CSR activities

in failing political settings. In this study, the findings initially imply that Delta's response approach to social concerns was developmental in nature, such as creating job vacancies to tackle the rising unemployment rate in Lebanon, which recorded 11.35% in 2018 in comparison to 6.4 in December 2009 (CeicData, 2018). However, these employment opportunities were solely provided on a sectarian basis in return for political and economic benefits. Political 'chieftains' in Lebanon offer members of their religious sects territorial protection and a measure of job security in exchange for being allowed to maintain and exercise political power (Bobbitt & Knopf, 2002). Thus, corporate social activities are rather provided on ethnic basis than to the whole society.

Lebanon represents a culture of 'crony capitalism', an economic model in which business networks involve relationships between corporate figures and government officials to ensure productive business workflow and powerful capitalists fund the government in return for key resources. Because political leaders cannot be voted out of office, the country has a culture that elevates the position of the leader and promotes power-sharing. At various times, all of the above have been characteristics of Lebanon's political system, which promotes corruption and makes it difficult to detect and control. Lebanon is known for its political elites and dysfunctional decision-making processes (Deets, 2018). The characteristics of Lebanon's political and economic systems shape and are shaped by the country's culture, and patron-client relationships among politicians can become networks of collusion and corruption because political parties are dominated by factions that are cultivated and maintained through the selective distribution of economic patronage. Assaf Kafantaris (2019) notes that 'patronage networks run by the "za'eem", as Lebanon's powerful sectarian leaders are called, protect the interests of their religious communities, doling out favours, both legal and illegal'.

Moreover, the social reality in the confessional democratic system of Lebanon is one of dense networks within communities, weak or non-existent ties between communities and significant reliance on ethno-sectarian brokers for representation and gatekeeping, which are often reproduced through clientelism (Deets, 2018).

6.6 Corporate Political Strategies: Resource Allocation Through Political Clientelism

The PCSR literature mainly focuses on corporate contributions to society and investigates the motives of corporations in filling regulatory gaps and fulfilling the state's role in responding to societal needs (Scherer et al., 2016). The previous chapters in this thesis have shed light on the main beneficiaries of CSR activities, which work in the best interests of corporations. They have further revealed corporate environmental irresponsibility when the private sector, in partnership with the public sector, is contracted to provide public services, leading to a national disaster threatening the lives of many.

This section discusses the scenarios proposed to employees participating in this study that reveal corporate interference in the political sphere. It meets the second objective of this study, which is how corporations address their social responsibilities under this type of political system.

The findings of this study have revealed the mutually beneficial relationships between business and politics. The scenarios presented in the interviews exemplified practices such as electoral intervention, favouritism, nepotism and bribery, which elicited employees' tendencies to accept these behaviours with or without conditions or questions. Wasteco respondents confirmed that corporate electoral intervention was likely to occur and had occurred in the previous parliamentary election when the firm owner had asked his employees to vote for a particular party. This behaviour is

commonly seen in Lebanon, which is describe as ‘electoral clientelism’ (Corstange, 2011, p. 6). It uses a mixture of consociational power-sharing principles to manage cleavages within its diverse polity alongside elections to allocate formal political power (Corstange, 2011).

Lebanon is governed by the power of elites who are unwilling to share their power with the rest of Lebanese society (Turkmen-Dervisoglu, 2012). Although they are required to represent their respective sects as per the conditions of the 1989 Taif Accord, they do not meet public needs, just their own. The ruling elite maintain power over their constituents by utilising sectarian discourse as an instrument for leadership and to enrich themselves (Ofeish, 1999). The elites focus on expanding their influence over the people of Lebanon while ignoring demands for accountability, economic reform and the rule of law (Salamey & Payne, 2008). Ofeish (1999) argues that elites prefer to maintain sectarianism because it keeps them in power, but what is also needed is an account of exactly how they act to reproduce sectarianism and hinder any opposition such as protests. Ruling elites in all developing economies use patron–client networks in which they tend to distribute resources to ‘accommodate both their supporters and groups in society which can threaten political stability’ (Hirvi & Whitfield, 2015, p.139).

Confessionalism in Lebanon is not limited to the division of political and social status along ethnic lines; it permeates every aspect of daily life. For example, education, housing and jobs are not guaranteed by the state but by ministers and MPs who are elected based on sectarian laws (U. Makdisi, 1996) that divide communal representation. Cammett and Issar (2010) note that ‘in Lebanon and many other developing countries where state institutions are underdeveloped or virtually absent, ethnic or sectarian organizations—including those with political aspirations—provide

much-needed social services' (p. 417). This practice emerged during the Lebanese Civil War (1975–1990), transforming Lebanon into fragmented mini-states, straining the relationship between the states and its citizens and transforming the Lebanese government into an 'agent of individual and sectarian financial interests', lacking accountability to its citizenry (Gebara, 2001, p. 11). Families that represent particular sects in the political system can effectively pass down their positions to their descendants, weakening the state and citizens' relationship with the state.

The employees' responses to the first scenario—corporate intervention in the parliamentary election—reflect the country's structural constitution and culture. Political leaders typically depend on familial and sectarian loyalties, election rigging and other corrupt practices to secure votes in the election (Sensenig-Dabbous, 2009). In return, politicians are required to fulfil the expectations of their leadership, including the provision of public goods and services to the community (e.g. health care, education and welfare) to guarantee economic benefits. According to Cammett (2011), 'sectarian party representatives use connections to reserve hospital beds and arrange government payment for the hospitalization costs of supporters' (p. 6).

This confessional power-sharing system and the minimal provision of public services means that voters must 'rely on confessional politicians (*zu'ama*) to access education, health services, and jobs' (Baumann, 2019, p. 62), thus securing the position of the social elite that provide social services to their community. This practice has introduced the patronage system, whereby local citizens rely on their elected sectarian leaders for services and opportunities, which are considered the responsibility of the government in other parts of the world. Hamzeh (2001, p. 171) describes this as clientelism, which emerged following the 1943 pact and is simply defined as the exchange of public goods and services for political favours. A clientelist system is one

in which ‘the exercise of power is significantly based on informal organisations, typically patron–client networks of different types’ (Hirvi & Whitfield, 2015, p.139). Clientelist relations constitute submission and oligarchic domination that reinforce and perpetuate the role of traditional political elites (Anciano, 2018; Auyero, 1999).

Clientelism was first seen in Lebanon in 1943, when the ruling elites were forced to strengthen their ties with their clientele to win parliamentary elections and be appointed as ministers (Hamzeh, 2001). The clientelist cycle of patronage is highly dependent on sectarian leaders in clientelist and nepotistic networks for the provision of services that are provided by the state in any other country (Hamzeh, 2001). Clientelism has become a powerful structural force in Lebanon for keeping the sectarian system in place. Today, clientelism is as popular as it was during the civil war, despite the alleged modernisation of Lebanon. However, it has been found to ‘crystallise in a variety of forms’ (Hamzeh, 2001, p. 170), which include the self-perpetuating capture of the state by a political sectarian elite that both lacks national accountability and undermines government commitment to the public good (Salamey, 2009; p. 84 see also Nelson, 2013). Clientelism is perceived to be a welfare system that meets the needs of the various sectarian communities, making the notions of clientelism and favouritism corresponding socialistic doctrines. Lebanese sectarianism is presented as a system in which ‘a small politically connected elite appropriates the bulk of economic surplus and redistributes it through sectarian clientelism’ (Baumann, 2016 p.3). The political role that corporations play in the allocation of resources to their sectarian communities leads to the sustainability of nepotistic networks, resulting in societal disintegration, social segregation and sectarian disparities.

Through clientelism, Lebanon has created a dominant cycle of patronage that helps maintain the power of capitalist businesspeople. Dawson (2014) and Benit-

Gbaffou (2011) have shown how clientelism and patronage are used at the local level to distribute state resources, from job opportunities to services and food parcels.

Clientelism manifests in various forms, and its negative connotations are being increasingly challenged. It is used as a deliberate strategy, and the clientelist relationship is frequently viewed as one of domination and inequality. According to Von Holdt (2013), 'the interaction between democratic institutions and power relations (including the process of clientelism) within the elite and between the elite and subalterns produces particular forms of violence' (p. 590). However, rather than being a reflection of a failed democracy, violence is a reflection of power relations configured 'in such a way that violent practices are integral to them' (p. 590).

Geadah (2015) argues that clientelism is a way of brainwashing and manipulating citizens by choosing their basic needs such as education, health care and employment on their behalf, making them bear the consequences of their political inclinations. Moreover, patronage networks and clientelism undermine the country's governance system (Galer, 2018). Nelson (2013) argues that the high dependency on clientelism in Lebanon has perhaps transformed the whole state into a private corporate where the citizens are loyal clienteles. Thus, the major problems with the patronage system can be largely attributed to the widespread corruption in Lebanon because transparency and honest dealings can hardly be expected in a country where favours are privately dispensed. In the 2017 Corruption Perceptions Index (Transparency International, 2017), which rates countries on how corrupt their public sectors are seen to be, Lebanon was rated 143 out of 175 countries. In 2019, it scored 28 points out of 100 on the Corruption Perceptions Index.

The scenario-based questions reflected clientelism in the corporation's tendency to maintain its social status and seek economic and political gain. However, these

activities come with political costs related to the prevailing requirements of the specific environment (Emadzadeh et al., 2012). These political costs are often in the form of environmental rehabilitation, financial support for ruling or preferred political parties, sports sponsorships, capacity-building workshops and seminars, insurance premiums, donations to parties during elections and monetary and non-monetary gifts and donations (Tehrani et al., 2011). The emergence of clientelism as a tool for political supremacy and the attainment of social and economic hegemony only reinforces sectarianism and societal entrenchment. It also reinforces the monopolistic access to public goods and services by political leaders and their nepotistic affiliates (Cammett, 2011).

Militias, a severe form of clientelism, emerged following the erosion of the Lebanese state during the civil war (Nelson, 2013). These militias, including the Maronite Lebanese Forces, Hezbollah, Murabitun and Amal, used coercion and military force to acquire government funds. Some of these militias began to assume the role of the state, even owning airports, ports and taxation systems and services (Nelson, 2013). Militia leaders 'captured' Lebanon's confessional post-war state under the veil of sectarianism (Baumann, 2019). For example, Hezbollah assumed a role as the provider of welfare services and the national border safeguard (Traboulsi, 2007). The elites deliberately prevented the establishment of a stable state, affecting their capacity to provide patronage to their communities and limiting their traditional realms of influence (Najem, 2012).

In short, the failure of the Lebanese government to provide public goods and services such as employment opportunities, education and hospitals and its weak governance system have encouraged private corporations to play a monopolistic role in providing for their sectarian communities or political affiliates. In doing so, they have

fragmented Lebanese society and created a patronage network that they can manipulate and control. This win–win situation means that capitalist corporate owners can maintain power and use the patronage network for political gain and benefits such as electoral voting.

6.7 Summary

This chapter provided an in-depth discussion of the findings from the case study presented in Chapter 5. In particular, this chapter addressed the study’s key objective—to examine PCSR in a confessional democracy with a focus on how corporations address their social responsibilities under this type of system. The chapter revealed that CSR initiatives in Lebanon are neither implicit as encountered in European economies nor explicit as found in the US economy. Rather, CSR initiatives are ethno-sectarian in nature and based on clientelism. The chapter also explored how the relationship between politics and religion creates challenges for corporations in terms of sustainable socioeconomic development. More importantly, it discussed the dynamic relationships between corporations, the social elite, the Church and politics. Each research objective was addressed through a comprehensive examination of the case study findings based on Gramsci’s (1971) theory as developed by Levy and Egan (2003) and Kourula and Delalieux (2016). Thus, this chapter served the principal aims of the study. The chapter initially reflected on the key research questions outlined in Chapter 1 before drawing the research findings together into a coherent whole.

The Lebanese political system is based on a capitalist economy, government rationality and ethno-sectarian divisions. Most importantly, through social elitism and clientelism, Lebanese corporations have long been involved in the political sphere, shaping how the government privileges economic and commercial over social, environmental and cultural interests. Specific instruments are used to this effect,

specifically the interference of religious bodies in politics, including the role they play in maintaining capitalist corporations (representing the social elite), to maintain their hegemonic power and a close relationship between government and corporations.

The outcomes of this analysis suggest an extended framework for understanding various PCSR contexts in which the integration of culture, business and politics is evident. Chapter 7 raises some pressing questions about the meaning of this added political complexity with regard to CSR praxis.

Chapter 7: Conclusion

PCSR has been investigated from numerous perspectives in this thesis. PCSR refers to corporations providing social services and acting as political players to fill regulatory gaps when governments, such as those in emerging countries, fail to respond to societal needs. PCSR scholars have mostly studied the topic from the Western perspective, in which corporations deliberately and voluntarily respond to societal needs (Scherer & Palazzo, 2008), with intended or unintended political effects (Frynas & Stephens, 2015).

This study was conducted at a time when private corporations had been contracted by the public sector under PPPs to deliver social and environmental services on behalf of the Lebanese government. The theoretical framework and empirical findings provided by this research make several contributions to the PCSR literature. With the support of all participating stakeholders, this thesis has shed light on some critically understudied aspects of PCSR, including community marginalisation, corporate–political power relationships, corporate irresponsibility and coercive hegemonic behaviours.

The thesis contributes to the limited literature investigating PCSR in the Middle Eastern context, specifically Lebanon. As previously noted, CSR in the Middle East does not align with the broad concept of CSR and cannot be generalised to Middle Eastern countries (Jamali & Sidani, 2012). Moreover, in Lebanon there is a lack of understanding of CSR and what it entails; rather, CSR is understood and framed solely as corporate philanthropic activities. Compared with Matten and Moon's (2008) description of CSR activities in the Anglo-American setting, CSR initiatives in Lebanon are neither implicit, as encountered in European economies, nor explicit, as found in the US economy. Rather, CSR initiatives in Lebanon involve ethnosectarian philanthropic

activities and are provided to small ethnic communities within Lebanese society based on their religious beliefs.

Moreover, PCSR in Lebanon, as one of the most politically unstable Middle Eastern countries, does not mirror either of the common descriptions of the term with respect to corporations responding to societal needs. This study has shown that CSR in Lebanon has an intentional influence on politics, and the power imbalances entrenched within the political economy influence and shape CSR (Banerjee, 2008; Blowfield & Frynas, 2005). Under Lebanon's confessional democratic system, corporations fail to address issues such as SWM, despite being implicated in the problem and their contractual obligations to take direct responsibility for it. Corporate irresponsibility becomes possible and takes place through self-governance and lack of government accountability.

The application of Gramsci's (1971) theory in this study was appropriate to frame Lebanon's political environment, which couples sectarianism with capitalist features to create an alleged democracy. This study adopted the neo-Gramscian framework developed by Levy and Egan (2003) and Kourula and Delalieux (2016) to examine the perspectives of different stakeholders and the complex interconnectedness between economic, political and social actors in Lebanon, where CSR practices are seen as opportunities to conceal capitalist domination while maintaining hegemonic power. The thesis considered Gramsci's (1971) various social groupings beyond those in the existing PCSR literature, which presumes that Gramsci's definition of civil society solely involves NGOs. Framed through the Gramscian lens, the study revealed that civil societies encompass more than that identified in the PCSR literature (Levy & Egan, 2003; Kourula and Delalieux, 2016) to include community activists and religious institutions. It has revealed the importance of religion and the role played by religious

institutions (represented by the Church) as an intermediary broker between corporations, communities and the government in favour of the capitalist corporate and social elite. Further, it has highlighted that corporate power is embedded in religious institutions to further reinforce their hegemony and protect their businesses under the veil of sectarian rights and proportional representation, making philanthropic donations to small ethnic sects in return.

Moreover, this thesis contributes to the limited study of PCSR, where public service provision is handed to the private sector, resulting in corporate social and environmental irresponsibility or, worse, coercive and brutal dominance when social concerns are raised. The findings reveal that a hegemonic strategy has led to the failure of corporations to practise social and environmental responsibility, resulting in the environmental disaster known as ‘garbage mountain’, and the willingness of Lebanese corporations to adopt coercive practices when under threat.

Despite the increasing environmental threat posed by the garbage mountain, the Lebanese state has failed to declare a state of emergency or an order of immediate closure to protect the local community and sea life. However, the political and social elite manage to make their own emergency calls when their authority and economic interests are challenged, showing their readiness to take reactive approaches, including coercion and violence against resistance. Corporate hegemonic behaviours are unregulated and reinforced by building alliances with local politicians and religious institutions—financial arrangements and violence are used to block any resistance. Local communities, especially in the case of the garbage mountain, have little more than their words, objections and social movements to protest their situation. The imbalances between social rights, authority, money and power are further reinforced by a political system that is not only unable to enforce corporate governance but unwilling to protect

basic human rights, including the right to fresh, unpolluted air, a clean environment and physical safety.

In Lebanon, capitalism is classical in nature—it has neither evolved nor taken a concealed form; rather, it is a clichéd political and economic system controlled by private owners for profit. Capitalism is deeply rooted in the Lebanese system. That the same ruling family has been in power since the 1970s may be the result of ethnic communities being incapable of escaping from the hegemonic control of their ethnic leaders or, perhaps, merely accepting the situation because of their fear of others. Rhodes and Fleming (2020) argue that ‘PCSR is a self-interested practice where business firms pursue a false political consensus and advance an elitist agenda’ (p. 949). Corporations must and should be held accountable to the people, not the other way around (Rhodes & Fleming, 2020). However, the de facto relationship between politics and religion, coupled with an alleged democracy, tends to overshadow the rightful consciousness of the people and their ability to change.

This study was qualitative in nature, based on a case study design and inductive approach. I maintained the highest levels of objectivity and ethics throughout the data collection process, analysis and discussion, with no presumptions or expectations about the end results, and the method used was not ethnographic. However, I reflect on the findings of this PCSR investigation in Lebanon because I am familiar with the struggle, the ugly reality of the Lebanese community’s day-to-day life. I felt overwhelmed by the stories I heard and my experiences in Lebanon, and since I fled the country, the community’s economic and social conditions have only worsened. This has reinforced my fear for all Lebanese people whose dreams intersect with mine but who are still waiting for the chance to leave. Perhaps, they never wish to leave, if the decisions are theirs, but they are compelled to go. The truth is, the system has failed and failing to

provide the basic human rights of protection and safety, but is winning in taking away our memories, beloved ones and most of all, our homeland.

The key focus of this study is the corporate social initiatives and responses to societal needs and how it influences and is influenced by politics. However, the political environment in Lebanon is the main factor in corporate breaches and social irresponsibility. The strength of the state appears to be an important factor in how corporations can influence the political process. I optimistically begin my recommendations by calling for political reform, with new political leaders who represent the dreams and ambitions of the younger generation, and the smooth transition of power and authority to the general community to practise their democratic rights and freely select a new set of nonsectarian political representatives. However, the interdependencies and interconnectedness between the social, economic and political spheres in Lebanon make it difficult to break the hegemonic cycle of the ruling class and their recycling of power and authority. It would be naïve to expect a positive and happy ending that is utterly for the sake of the Lebanese community. Perhaps, the political reform needed for Lebanon is to shift from the so-called confessional democracy to radical democracy as deployed by Rhodes et al., (2020) ‘as an ethically motivated alternative to the potent marriage of the liberal democratic state and corporate power’ that is premised on the power of dissensus where conflicting views can be expressed in a vibrant society and public sphere. The political task with radical democracy is to fight against the power, the injustices and inequalities that affect people both politically and materially (Ziarek, 2001 as cited in Rhodes et al., 2020). To realise this reform, ‘Required is a profound ethico-political engagement; a struggle that moves from critique, to resistance, to alternative realities’ that strives for a genuine respect for the value of difference and also ‘invoke a politically aware and democratic business

ethics built on the potential of dissent, alterity and critique as a means of refusing hegemony of all types' (Rhodes et al., 2020 p.626).

Further, Lebanese corporations should actively engage in recognition of the need for a social-environmental tool that positively affects corporations, employees, the economy, the community, the environment and all other stakeholders. Given that privatisation and PPPs have failed in delivering services such as SWM, the Lebanese government should nationalise the provision of services and take the lead in responding to various societal needs. In doing so, it must rehabilitate and reconstruct public institutions, develop educational standards and eliminate employment based on clientelism. The state should also enforce strict corporate governance policies and regulations in partnership with third-party CSR consultants to oversee corporate policies, ethics and CSR initiatives.

Local communities must be engaged in the protection of the environment. The contracted corporation was expected to initiate an awareness campaign, which was initially written into its contract but was never implemented. This should be accompanied by an integrated SWM framework (including institutional, legal, policy and strategic aspects) with the consent of various parties, particularly civil activists and local marginalised communities. However, corporations cannot simply be expected to implement reforms to integrate their aims with community best interests. As part of their policies and standards, corporations should aim to successfully integrate CSR by providing assistance to marginalised communities such as those in Tripoli and its surrounding area and encouraging the involvement of civilians in the supervision and implementation of sound environmental practices.

Finally, I believe that this study is an invitation to future researchers to discover whether Lebanese corporations look forward to making a difference in Lebanese society

by adopting non-discriminatory CSR practices. It is also an invitation to investigate how corporations engage in politics in the Middle East, where politics is a dominant factor and how corporations response to societal needs beyond the Islamic and the religious obligations, and how PCSR plays out beyond Anglo-American settings. This research calls for a more inclusive and nuanced analysis of the relationship between businesses, communities and governments in different sociopolitical contexts.

7.1 Limitations

While the current study makes a significant contribution to the PCSR literature, three major limitations must be acknowledged. First, being a single exploratory case study, the outcomes are not generalisable to other contexts. It will be important to investigate other industries, locations and jurisdictions to strengthen the existing results and improve generalisability. Second, only a small sample of participants from the corporation, state council and community (social activists) were selected. While data triangulation was used to mitigate issues arising from the small sample, a higher response rate from corporate and government interviewees would have allowed for more robust data. Third, this study offers only a snapshot in time, while a longitudinal study over a period of 5 years or more may enable a more in-depth examination of the evolution of stakeholder relations under PCSR.

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Appendix 1: Coding generated from NVIVO

Codes	Subtheme	Definition	Theme	
Yes	CSR familiarity	Cultural CSR awareness	CSR activities and beneficiaries	Impact (what)
No				
Aged care charities	Activities	CSR typology		
Charity events for orphans				
Sports sponsorship				
Area development for local communities				
Donations for religious bodies				
Donations for NGOs				
Reconstructions of churches				
No social activities				
CEO's hometown community	Beneficiaries	Who benefits from CSR and why		Motives (why)
No idea				
Private information				
Religious bodies				
Religious NGOS				
<i>Shabiha</i> of the city				
The general community				
The needy				
Scholarships for university students				
Reducing energy consumption and waste; training staff	Environmental awareness	Environmental irresponsibility	Environmental responsibility	
Promoting energy reduction				
Solid waste dump	Environmental challenges			
Excess of landfill capacity				
Solid waste treatments				
No idea	Environmental liabilities			
The government is responsible				
The state council				
Lack of education and awareness				
The managerial position provided based on the owner religious affiliation	Influence of political system	Political impact	Politics	Strategy (how)
Financial donations based on sectarian affiliation				
Social activities based on Regional political orientation				

Politicians put pressure on companies to hire their supporters			
Politics affect projects distribution in the country			
I would say no	Perception of the owner electoral demand	Political approach	Political scenario and scandals
I say nothing and don't vote			
Would say yes so I won't lose my job			
Say yes and vote otherwise	Favouritism		
This is the reality of Lebanon			
Lack of political and sectarian justice			
Political relationship is necessary for corporate continuity			
Justified and acceptable			
Wrong behaviour			
Accept the situation because I cannot lose my job	Nepotism		
Change position and department			
Depends on who is behind him			
Escalate to the management			
Theft, corruption, wrong but it can be justified	Bribery		
Wrong behaviour			
Political exploitation			
Justified and acceptable			

Appendix 2: Interview Questions

1. In which department do you work? (e.g. HR? Procurement? Sales?)
2. What is your position in that department? (e.g. Manager, Administrative Assistant, etc.)
3. How long have you been working for this company?
4. Are you familiar with the term Corporate Social Responsibility? Can you give an example of a company-initiated CSR program or activity? (possible prompts: e.g. fundraising for a local church; fundraising for a local sports team; corporate volunteering e.g. employees make meals for disadvantaged).
5. Does your company engage in any of these activities? Can you give me an example? Have you personally been involved in any of these activities?
6. Specifically, what kinds of contributions does the company make to society? (list any specific programs you might know of and the main beneficiaries)
7. Is the company involved in social responsibility activities in partnership with other stakeholders, e.g. with other companies and/ or non-governmental organisations to deliver a social project? Are there any challenges involved in carrying out social responsibility activities in partnership with other stakeholders?

Questions about the environment

8. Now turning to the environment, from your experience, can you give us some examples of how businesses can become more environmentally friendly?
9. Does the company have any environmentally friendly practices/initiatives?
10. As you know, one of the company's subsidiaries specialises in environmental waste management. What, if any, are the environmental issues that this subsidiary is focusing and on and trying to resolve?

Questions about political influence

11. I am interested in the relationship (if any) between Lebanon's political system and the way companies might behave and practise CSR. Lebanon has a confessional democratic political system. Do you think that this kind of governmental system is more or less likely to influence the companies approach to CSR policies/activities?

To stimulate your thinking around this issue, can we discuss some fictional scenarios and get your opinion about each of the scenarios? For example, one scenario might be:

12. During the parliamentary election, your boss asks you to vote for a certain political party. You believe this party does not represent your political views and opinions. What would you do in this case?
13. Your boss hires an employee primarily based on their political orientation; however, this person is not suitable for the job and unable to adequately meet the required performance standards. You are now working with this person and you are carrying this person's whole job. What would you do in this case?
14. The company owner promises to provide employment's opportunities to supporters of a particular political party in return for economic services and benefits from this political party. What do you think of this behaviour? What would you do about it?
15. A politician asks for a large amount of money in return for renewing the company's waste management and rubbish collection contract with the client (i.e. the municipality). What do you think of this behaviour? What would you do about it?

Appendix 3: Interview Questions in Arabic

1- في اي قسم تعمل في الشركة ؟

2- ما هو دورك في هذا القسم؟

3- هل أنت على دراية بمصطلح المسؤولية الاجتماعية للشركات؟ هل يمكنك إعطاء مثال على برنامج أو تم إطلاقه؟ (من الممكن أن يكون ذلك ممكناً: على سبيل المثال ، جمع التبرعات لكنيسة محلية نشاط شركة ؛ جمع التبرعات لفريق رياضي محلي ؛ الشركات التطوعية مثل الموظفين يقومون بتقديم وجبات الطعام للمحرومين)

4- هل تشارك شركتك في أي من هذه الأنشطة؟ هل تستطيع أن تعطيني مثالاً؟ وهل شاركت شخصياً في أي من هذه الأنشطة؟

5- على وجه التحديد ما هي أنواع المساهمات التي تقدمها الشركة للمجتمع؟ (اذكر أي برامج محددة قد تعرفها والمستفيدين الرئيسيين)

6- هل تشارك الشراة في أنشطة المسؤولية الاجتماعية بالشراة مع أصحاب المصلحة الآخرين مثلاً مع شراة أخرى و / او منظمات غير حكومية لتقديم مشروع اجتماعي؟

7- هل هناك أي تحديات في تنفيذ أنشطة المسؤولية الاجتماعية في شراكة مع أصحاب المصلحة الآخرين
أسئلة حول البيئة

- من خبرتك ، هل يمكن أن تعطينا بعض الأمثلة عن كيف يمكن للشركات أن تصبح أكثر ملاءمة للبيئة؟
- هل لدى الشركة أي ممارسات / مبادرات صديقة للبيئة؟

كما تعلم ، إحدى الشركات التابعة للشركة متخصصة في إدارة النفايات البيئية. ما هي ، إن وجدت ، القضايا البيئية التي تركز عليها هذه الشركة الفرعية وتحاول حلها؟

أسئلة حول التأثير السياسي

11- أنا مهتم بالعلاقة (إن وجدت) بين النظام السياسي في لبنان والطريقة التي قد تتصرف بها الشركات وممارسة المسؤولية الاجتماعية للشركات. يوجد في لبنان نظام سياسي ديمقراطي طائفي- هل تعتقد أن هذا

النوع من النظام الحكومي من المرجح أن يؤثر على نهج الشركات في سياسات / أنشطة المسؤولية الاجتماعية للشركات؟

لتحفيز التفكير في هذه المسألة ، يمكننا مناقشة بعض السيناريوهات الخيالية والحصول على رأيك حول كل سيناريو من السيناريوهات؟ على سبيل المثال ، قد يكون أحد السيناريوهات

12- أثناء الانتخابات البرلمانية ، يطلب منك رئيسك التصويت لصالح حزب سياسي معين. أنت تعتقد أن

هذا الطرف لا يمثل وجهات نظرك وآرائك السياسية. ماذا ستفعل في هذه الحالة؟

13- يقوم رئيسك في العمل بتعيين موظف في المقام الأول بناءً على توجهه السياسي ، ولكن هذا الشخص

غير مناسب للعمل وغير قادر على تلبية معايير الأداء المطلوبة بشكل كافٍ. أنت الآن تعمل مع هذا

الشخص وتحمل الوظيفة الكاملة لهذا الشخص.

ماذا ستفعل في هذه الحالة؟

14- يعد صاحب الشركة بتوفير فرص العمل لمؤيدي حزب سياسي معين مقابل خدمات اقتصادية ومنافع

من هذا الحزب السياسي

أ. ما رأيك في هذا السلوك؟

ب. ماذا ستفعل حيال ذلك؟

15-- يطلب السياسي مبلغًا كبيرًا من المال مقابل تجديد إدارة النفايات وجمع القمامة للشركة مع العميل

(البلدية مثلاً)

أ. ما رأيك في هذا السلوك؟

ب. ماذا ستفعل حيال ذلك؟

Appendix 3: Participant Information Sheet and Consent form

Political Corporate social Responsibility and Corporation Ethicality in The Confessional Democracy System of Lebanon

Project Brief

Corporate social responsibility (CSR) signifies the relationship between society and business; however, over the last decade, this relationship has taken a political turn as numerous studies have started to show interest in the political aspects of corporate social responsibility (CSR). Political corporate social responsibility (PCSR) highlights how firms act as political players and assume a higher social responsibility and become involved in the provision of public goods.

While researchers have begun to explore the importance of cultural and religion in the PCSR literature, this has not yet extended to how politics attempt to influence the fiduciary responsibilities of corporations in the Middle Eastern setting and particularly in Lebanon. Lebanon is known to have an exceptional political and governmental system, characterised by a 'confessional' government that combines democratic representation with proportional representation from different religious groups.

WHO IS DOING THE RESEARCH?

My name is *Rayan Merkbawi* and I am a PhD student at University of Technology, Sydney (UTS). My principal supervisor is Professor Carl Rhodes.

WHAT IS THIS RESEARCH ABOUT?

This research is to find out about Political Corporate Social Responsibility in the context of a confessional democracy political system of Lebanon, focusing on how corporations address their social responsibilities under this type of political system. Also, this research will explore how the relationship between politics and religions can play a role in addressing challenges on corporations in terms of their socioeconomic developments.

IF I SAY YES, WHAT WILL IT INVOLVE?

I will ask you to participate in an interview, which will take between 30 and 40 minutes. The interview questions are non-personal in nature, and completing the interview is voluntary. At all stages of the research the data you supply will be treated confidentially, and you and your corporation will be de-identified during analysis and remain anonymous.

ARE THERE ANY RISKS/INCONVENIENCE?

Yes, there is some inconvenience associated with participating in this study. The interview will take both time and concentration. It should not affect your work as I will try to interview you during your break, so as not to interfere with your work.

DO I HAVE TO SAY YES?

Participation in this study is voluntary. It is completely up to you whether you decide to take part. You can change your mind at any time. However, changing your mind after data collection may affect analysis and research outcomes. Please advise me as soon as possible if

you intend to withdraw from the study. I will thank you for your time so far and not contact you again.

WHAT WILL HAPPEN IF I SAY NO?

If you decide not to participate, it will not affect your relationship with the researchers or the University of Technology Sydney. If you wish to withdraw from the study once it has started, you can do so at any time without having to give a reason, by contacting me on Rayan.merkbawi@student.uts.edu.au

If you withdraw from the study, your samples and transcripts will be destroyed and the study tapes will be erased

CONFIDENTIALITY

By signing the consent form, you consent to the research team collecting and using personal information about you for the research project. All this information will be treated confidentially and your identity will only be known by me (the researcher). Your information will only be used for the purpose of this research project and it will only be disclosed with your permission, except as required by law.

We would like to store your information for future use in research projects that are an extension of this research project, however all personal information will remain confidential.

We plan to discuss and/or publish the results. In any publication, information will be provided in such a way that you cannot be identified.

WHAT IF I HAVE CONCERNS OR A COMPLAINT?

If you have concerns about the research that you think I or my supervisor can help you with, please feel free to contact me on rayan.merkbawi@student.uts.edu.au

You will be given a copy of this form to keep.

NOTE:

This study has been approved by the University of Technology Sydney Human Research Ethics Committee [UTS HREC]. If you have any concerns or complaints about any aspect of the conduct of this research, please contact the Ethics Secretariat on ph.: +61 2 9514 2478 or email: Research.Ethics@uts.edu.au], and quote the UTS HREC reference number. Any matter raised will be treated confidentially, investigated and you will be informed of the outcome.

CONSENT FORM

Political Corporate social Responsibility and Corporate Ethicality in The Confessional Democracy System of Lebanon

I _____ agree to participate in the research project ***Political Corporate social Responsibility and Corporate Ethicality in The Confessional Democracy System of Lebanon***, being conducted by Rayan Merkbawi, Level 5, Building 8, University of Technology, Sydney, +61 _____.

I have read the Participant Information Sheet or someone has read it to me in a language that I understand.

I understand the purposes and procedures of the research conducted by Rayan Merkbawi as a part of her PhD research as described in the Participant Information Sheet.

I have had an opportunity to ask questions and I am satisfied with the answers I have received.

I freely agree to participate in this research project as described and understand that I am free to withdraw at any time without affecting my relationship with the researcher (Rayan) or the University of Technology Sydney.

I understand that I will be given a signed copy of this document to keep.

I agree to be:

Audio recorded

I agree that the research data gathered from this project may be published in a form that:

Does not identify me in any way

May be used for future research purposes

I am aware that I can contact Rayan Merkbawi if I have any concerns about the research.

Name and Signature [participant]

___/___/___

Date

Name and Signature [researcher or delegate]

___/___/___

Date

NOTE:

This study has been approved by the University of Technology Sydney Human Research Ethics Committee [UTS HREC]. If you have any concerns or complaints about any aspect of the conduct of this research, please contact the Ethics Secretariat on ph.: +61 2 9514 2478 or email: Research.Ethics@uts.edu.au], and quote the UTS HREC reference number. Any matter raised will be treated confidentially, investigated and you will be informed of the outcome.