

Assessment of Application of Corporate Social Responsibility in the Palestinian Private Sector from International Standards Perspective

Report No. 232





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**September
2022**

AMAN
Transparency Palestine



AMAN Coalition and the Civil society for Enhancing Budget Transparency sincerely express their sincere gratitude to Iman Saadeh for preparing this report, and to Dr. Azmy Al-Shuaibi and the AMAN team for supervising, reviewing, and editing it.

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In case of citation, please refer to the publication as follows: Coalition for Accountability and Integrity (AMAN). 2022. The reality of the private sector's practice of social responsibility in Palestine in the light of international standards. Ramallah- Palestine.

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► Executive Summary:


Corporate social responsibility (CSR) is a relatively new concept in the administration that focuses on profit-making. Corporations must apply the principles that facilitate realizing sustainable development-related state objectives. In other words, in addition to their financial goals, corporations need to serve different social, environmental, and human rights goals. The present report aims to assess the enforcement of corporate social responsibility (CSR) in the Palestinian private sector companies at social, environmental, and human rights levels based on the applicable international standards and corporate governance indicators. It diagnoses the support provided to marginalized groups, mainly women-led developmental projects, and reviews the role of the private sector in the promotion of integrity and in combatting all forms of corruption.

The report starts with a presentation of the international concepts of corporate social responsibility and explains the related terminology from different literature. It focuses on the social responsibility governance standards, international experiences, and CSR in the Palestinian context with examples of initiatives undertaken by Palestinian companies. The report provides a localized definition of CSR via a survey of this practice in the Palestinian Territory implemented by the Palestinian Central Bureau of Statistics (PCBS) in 2009. The survey adopted a CSR definition, which states that “CSR is a culture of commitment to share responsibility as part of corporates’ strategic planning priorities to provide the necessary support to achieve sustainable development at economic, social and environmental levels. CSR is a strategic approach to sustainable and responsible trade in our society.

The report further explores the regulatory framework of CSR, examining the Companies Code of Conduct in Palestine, the Companies Act No. (42) of 2021, Palestinian Capital Market Authority’s Board Resolution No. (1) of 2013, amending instructions No. (2) of 2008 regarding disclosure. The report assesses the magnitude of CSR application in the Palestinian private sector based on a sample of five large companies from different sectors listed in the financial market in addition to a family business. CSR policies and programs in each of these companies were reviewed based on their annual reports while an interview was held with only one of them.

The report concluded, most importantly, that CSR is still not quite clear for private sector enterprises as it overlaps other concepts and activities like public relations and promotion in many cases. Furthermore, most of the support offered by these enterprises is usually based on requests submitted by individuals or organizations but is not based on specific programs within a public strategic plan adopted by the companies receiving these individual grant applications. From a legal point of view, the law does not compel companies to spend on their social responsibility while companies are compelled to disclose their social policies and activities.

A review of the reports of the public shareholding corporates shows that the corporates focus on the sectors of education, people with disabilities, orphans, health, different graduate training and programs, and the environment. However, there is still a need to publish and advertise the social priority sectors for each company in a strategic way that allows institutions or individuals to apply for support; each according to its field. As for justice, given the nature of development projects




implemented by the corporates, marginalized groups such as people with disabilities, women, or the poor will immensely benefit from the implementation of these projects. Although there are few projects that aim at empowering women, the projects target the less fortunate groups in society. Moreover, we do not have detailed information about the number of female beneficiaries compared to those of male beneficiaries, as we were able to conduct only a few interviews and were unable to obtain this information from the corporates. On the other hand, private sector corporates have not yet expressed their interest in supporting anti-corruption efforts, though they are open to receiving ideas from active institutions in this field for study.

Lastly, we cannot expect sustainable development results through corporates work in the field of social responsibility without the corporates considering the application of social responsibility of all dimensions related to corporate work policies, employment, workers' rights, equality, the environment, consumer rights, shareholders' rights ...etc. Generally, economic statistics show that we still suffer from gender gaps in all economic sectors. And without activating all components of society, it will be difficult to reach comprehensive and sustainable development. Governmental or institutional guidance for corporate social responsibility is still weak, as there is no government reference document on social responsibility, its importance, or the most important sectors that the private sector can direct its initiatives towards, in term with the 2030 Sustainable Development Goals, as well as the objectives and priorities of the National Agenda. In addition to that, lack of agreement on the definition of certain dimensions of CSR, makes it difficult for specialists or researchers to follow up the application of CSR, as programs, projects and campaigns implemented by corporates are part of their social responsibility and do not include all its dimensions.

Accordingly, the report made several recommendations, including:

1. Government agencies such as the Ministry of Economy, the Ministry of Social Development, and the Capital Market Authority should play their roles in drawing a map of the sectors that need support, the goals they seek to achieve, and areas for private sector intervention through social responsibility, while focusing on marginalized and vulnerable groups such as people with disabilities. women and the poor.
2. Invite corporates and orient them towards commitment to the principles of human rights, preserving the environment, commitment to the rights of various stakeholders, and the goals of sustainable development, as well as motivate them to adhere to gender-sensitive recruitment and promotion policies and marginalized groups.
3. Raise awareness among private sector corporates of the concept of CSR, which creates social accountability for corporates and prompts them to abide by their duty towards the society.
4. Private sector corporates should adopt a clear policy for their social responsibility activities.

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5. Enhance the orientation of private sector corporates in announcing the sectors, projects and initiatives which they are concerned in directing their social responsibility towards them, thus facilitating communication with corporates according to their interests and the sectors that they interested in supporting in their social responsibility.
 6. Enhance the orientation of social responsibility policies of the private sector corporates towards strengthening and supporting initiatives and projects concerned with women's empowerment.
 7. AMAN, the Anti-Corruption Commission, and the Capital Market Authority should develop indicators related to the basic areas of social responsibility as an auxiliary mechanism for surveying CSR, considering the environment of Palestinian society.
 8. AMAN and other civil society organizations, in cooperation with the Capital Market Authority, should develop a plan or a program to include plans and policies of the corporates in private sector to combat corruption, and involve the private sector, as well in anti-corruption efforts, enhance governance, integrity and transparency, and explain their importance in society by providing ideas that can be supported by the private sector.
 9. The Monetary Authority should work with banks to develop social responsibility programs for banks to cover areas related to bridging financial gaps in Palestine, in particular implementing programs for women, the elderly, and people with disabilities to enhance their access to financial and banking services to meet their needs and obtain financing for projects that may contribute to their economic empowerment. The banks should also be oriented to implement programs that promote integrity and combat corruption.



► Introduction:

The concept of CSR is relatively a recent concept in administration, which believes in profit-based management, whereas corporates must work within principles that promote the achievement of the goals of countries associated with a sustainable development. In other words, in addition to the financial dimension, various social, corporates should consider environmental and legal dimensions. We have relied in our report on administrative and financial annual reports of a sample of corporates listed in the financial market, as they are obliged to disclose their data, and their administrative systems are more developed. Therefore, we can follow up on their policies in the matter of social responsibility, unlike family corporates or other corporates that are not listed in the financial market, and which are not obligated to disclose their social responsibility, nor publish annual reports on their work, profits, or policies, hence it will be difficult to study social responsibility policies of such type of corporates. The report deals with a sample of corporates have an initial idea of their work policies in social responsibility.

This report aims to examine the reality of the social responsibility of corporates in the Palestinian private sector; with its social, financial, and legal dimensions in the light of the concept and approved international standards, and governance indicators in this field, and providing support to marginalized groups, especially development projects run by Palestinian women, and the role of the private sector in contributing to promoting integrity and fighting all forms of corruption.

Report Preparation Methodology:

The report is based on the analytical descriptive approach, requiring the following:

1. Collecting and counting relevant information from various sources, studies and reports that have been conducted on this subject, including relevant reports of AMAN.
2. Analyzing data and information and making preliminary conclusions and recommendations.
3. Holding a workshop for stakeholders and specialists to discuss the draft report, and to introduce the proposed amendments considering the discussion to prepare the paper in its final form.
4. Proposing mechanisms for pressure and advocacy on private sector corporates and relevant official parties to adopt and implement the recommendations.

► International Concepts of CSR:

The World Bank has defined CSR as a voluntary commitment by corporates' directors to incorporate social and environmental considerations into their business operations. This commitment transcends the normal compliance with legal, regulatory, and contractual obligations, which corporates are expected to fulfil. CSR business practices complement, but are not a substitute for, state actions that promote social and environmental development. The World Bank stresses in its definition the scope of CSR and its contribution in the achievement of development goals that it is not a methodology for allocating and transferring government services and responsibilities to the private sector¹.

According to the European Commission, CSR means the corporates' responsibility for their impact on society. It is the process by which corporates integrate social, environmental, and human rights issues into their strategy, operations, and performance in collaboration with stakeholders. Firstly, this is implemented with the aim of creating a common additional value for all stakeholders, owners/shareholders, other stakeholders, and society first and secondly with the aim of mitigating risks and reducing negative impact of corporates on society². The Commission is trying to link good performance with positive effects on society and the achievement of the 2030 Sustainable Development Goals.


According to United Nations Industrial Development Organization (UNIDO), CSR is a management concept through which corporates incorporate social and environmental aspirations into their operations and business interactions with various stakeholders. It is usually perceived as the method by which corporates achieve a balance between profit and social and environmental dimensions, which is called Triple-Bottom-Line-Approach, and achieves at the same time, the aspirations of shareholders and stakeholders. The social responsibility goes beyond the concept of charitable donations, grants, and subsidies. Despite the importance of the latter in reducing poverty and improving a corporate's reputation, the concept of CSR goes beyond that. By its adoption of the concept of CSR, UNIDO is trying to direct private corporates to the goals of sustainable development by providing them with more comprehensive practical goals than profit alone. The adopted approach stipulates that to maintain their sustainability, the corporates must be financially sustainable, reduce their negative impact on the environment and operate within what is expected of it socially. According to UNIDO, a properly implemented concept of CSR can bring with it a variety of competitive advantages, such as improved access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, effective human resource base, and improved brand image, enhance customer loyalty, and make better decisions in risk management operations.

The United Nations organizations have also tried to work with corporates around the world to implement the principles of the UN Global Compact; a global initiative led by the United Nations for corporate sustainability, by calling on corporates to align their strategies and operations with universal principles of human rights, labor, environment, anti-corruption, in addition to implementing steps to enhance the achievement of social goals. The United Nations Global Compact supports

¹ World Bank. (2005). Opportunities and Options for Governments to promote Corporate Social Responsibility In Europe and Central Asia: Evidence from Bulgaria, Croatia and Romania. Working paper. (pdf).

² Key recommendations from subgroup on "Corporate Social Responsibility".

https://ec.europa.eu/info/sites/default/files/recommendations-subgroup-corporate-social-responsibility_en.pdf



corporates to conduct business responsibly by aligning their strategies and operations with the Ten Principles of Human Rights, Labor, the Environment and Anti-Corruption, and taking strategic action to advance broader societal goals, such as the United Nations Sustainable Development Goals, with a focus on collaboration and innovation. Consequently, it shall be close to the objectives of CSR in terms of taking social and environmental aspects, workers' rights and others into consideration when conducting profitable business in a way that guarantees the continuity of corporates³.

1. International Standards and Foundations of CSR Governance and Country Experiences:

As a governance standard, ISO 26000⁴ defines the core themes of social responsibility. These include several issues, but it is the responsibility of each organization to identify issues that are relevant and important to stakeholders and/or issues that need to be dealt with.

Among the main recommended topics of social responsibility according to the ISO 26000 standard:

- The main topics of social responsibility: It is recommended that organizational governance should be one of the topics that are part of its domain. Decisions must be taken that consider the expectations of the community, and that governance must be based on accountability, transparency, and ethics. Moreover, stakeholders must be partners in the decision-making process in the organization.
- Among the recommended topics for CSR are human rights, including topics such as: avoiding collusion, resolving grievances, positive discrimination in favor of vulnerable groups, civil and political rights, economic, social, and cultural rights, and fundamental principles and rights at work.
- The third topic is work practices, including labor and employment relations, working conditions and social protection, social dialogue, health and safety at work, human development, and training in the workplace.
- The fourth topic is the environment, as the organization bears the responsibility to reduce and eliminate unsustainable volumes and patterns of production and consumption and to ensure that resource consumption per capita becomes sustainable, along with pollution prevention, sustainable use of resources, climate change mitigation and adaptation, environmental protection, biodiversity, and resource sustainability natural.
- The fifth topic is fair operating practices, including building employment systems based on fair competition, preventing corruption, and enhancing the reliability of fair business practices in building sustainable social systems.
- The sixth topic is combating corruption, which includes responsible political participation, fair competition, promotion of social responsibility in the value chain, and respect for property rights.
- The seventh topic includes consumer issues and promoting fair, sustainable and equitable economic and social development with regard to consumer health and safety and access to basic commodities.
- The eighth topic is fair marketing, provision of factual and unbiased information, and fair contractual practices. It includes protecting consumer health and safety, sustainable consumption, consumer service, support, providing mechanisms for complaints and dispute settlement, and protecting and privacy of consumer data.

³ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁴ SO 26000 is defined as the international standard that was developed to help organizations assess and deal with social responsibilities that are relevant and important to their mission and vision; operations; customers, employees, communities and other stakeholders; and environmental impact effectively.

<https://asq.org/quality-resources/iso-26000#Reporting>

- The social issue and interest in education and social welfare, including education and culture, job creation and skills development, technology development and access to it, wealth and income creation, health, and social investment.

Through the proposed topics to work on within the corporate's social responsibility policies (which may change based on the privacy of each community and each corporate and its field of work), it appears that the ISO standards for social responsibility are concerned with the impact of corporates on the communities in which they operate and with the interest of various parties related to the corporate, including workers, consumers, and local community. Its definition is not limited to supporting events, festivals, or football tournaments, with the aim of marketing and promoting the corporate more than real social development. The previous criteria demonstrate interest in employment policies and the rights of workers who are considered as a pillar of the corporate and not only a means of profit. These standards are also concerned with integrity and transparency in various operations done by the corporate, including recruitment, expenditure, marketing and at all stages of the value chain.

Continuous reports are proposed by ISO 26000 standards to report the performance of corporates in terms of their responsibility towards stakeholders, provided that the reports include information about the goals and performance regarding the main topics and issues related to social responsibility (how and when stakeholders were involved in preparing the reports, with a fair and complete spectrum of performance, including achievements and deficiencies, and the manner in which these deficiencies will be addressed). These standards also suggest that reports must be submitted to a third party for auditing.

2. International Experiences in the Field of CSR:

- Experiences of corporates in Croatia to improve their performance through the application of social responsibility.

Performance of three corporates in Croatia were monitored by UNIDO, after they applied the concept of social responsibility in the financial, social, and environmental areas. The report did not mention the names of these corporates to preserve their privacy, though it referred to them with symbols. Regarding the financial performance of the first corporate, productivity indicators were adopted, whereas the percentage of returned products witnessed an improvement, rising from 2.5% to 4.5%, while the breakdown rate decreased from 0.39% to 0.22%. Meanwhile, in the social dimension, several measures were adopted, namely implementing solutions to reduce excessive noise in one department, implementing training on CSR issues for all employees, implementing employee suggestion plan, analyzing the work environment⁵, and conducting regular medical examination, including mammography for women, and finally, a health and safety training system was established. The corporate achieved a qualitative improvement in various indicators related to these procedures, including improvement in employee's wages. On the environmental level, the corporate performance indicators have also improved. Toxic emissions and solid waste production were reduced. The same applies to the other two corporates. They adopted some of these and other procedures and showed improvement in various indicators. This indicates that adopting a holistic concept of social responsibility goes beyond the financial dimension and making profits. It considers social and environmental dimensions that will benefit the corporate itself, the various stakeholders, and the society in which the corporate operates.

⁵ https://www.unido.org/sites/default/files/2008-06/Companies__results_Croatia_0.pdf

- CSR Experience in Syria versus Dubai:

The great differences between the economy of Syria and the economy of Dubai are not unknown in terms of the state's control over the economy. While the state in Syria administers most aspects of the economy, the economy of Dubai relies heavily on the private sector and on large foreign investments. A paper published on the MCI⁶ website found that both countries have common characteristics in social responsibility despite significant differences in the form of the economy in terms of promoting and implementing CSR.

CSR initiatives mainly originated from institutions linked to the authorities in both countries. The Dubai Chamber of Industry and Commerce was the main driving force for the CSR campaign. In Syria, the State Planning Commission cooperated with the United Nations Development Program to introduce CSR in the form of the United Nations Global Compact.

Similarly, in Dubai and Syria, CSR was adopted mainly by state-owned corporates and/or crony capitalists, which the paper considered as an attempt to approach the power holders in each country. "By adopting government-sponsored CSR initiatives, businessmen gain favors from people in power."⁷

This also shows that small businessmen tend to pay their zakat, rather than adopt CSR which many consider a 'Western concept'. For these businessmen, contributing to society is an individual duty, not something a corporate can replace; Social responsibility initiatives in both countries have limited development impact. Despite the conceptual dissonance, it can be difficult to define the difference between CSR and zakat in practice. In Arab countries, CSR is often reduced to donations of money or food, or planting trees in public parks. Such measures do not satisfy the aspirations of CSR promoters, who wish to see systemic changes in how corporates operate. The failure to keep social responsibility activities outside the scope of zakat may indicate that in most cases CSR has not been institutionalized. CSR does not affect the way businesses operate in adopting corporates, says Selvik. He points out that one of the main challenges is that CSR is linked to profit, and the argument is that responsibly managed corporates will make more profits over time.

On the other hand, zakat is fundamentally different in its motivation for social responsibility actions in terms of being a strategic use of charitable activities to promote the corporate or achieve increased profit that comes as self-service. Businessmen who rely on local recognition usually avoid overt pride in contributions to society. CSR is promoted as a business tool to improve a corporate's reputation, and corporates often share successful CSR stories with the media and the public. This contrasts with zakat, where social solidarity is the most important and not the promotion of the corporate. Therefore, the introduction of the CSR to the Arab world must consider the value differences between those who spend for the sake of zakat and the goals of social responsibility.

⁶ <https://www.cmi.no/about/who-we-are>

⁷ Selvik, K. (2013). Business and Social Responsibility in the Arab World: the Zakat vs. CSR models in Syria and Dubai, *Comparative Sociology*, 12(1), 95-123. doi: <https://doi.org/10.1163/15691330-12341254>

- The impact of disclosure of responsibility policies on the competitive advantage of corporates in Jordan

The experience of CSR in Jordan shows that Jordanian corporates are developing from the point of view of social responsibility since more and more Jordanian stakeholders are becoming familiar with CSR. Some corporates in Jordan are working on developing strategies for their social responsibility efforts⁸. However, business is still not fully aware of CSR practices and still considers it as part of the philanthropic framework rather than taking it to a higher level or considering it a strategic approach to sustainability. Moreover, these corporates have not been able to exceed the framework of compliance with various laws (labor law, compensation law, environment law, minimum wage law, etc.), and commercial corporates in Jordan are still making profits, fulfilling their tax duty, and then donating a certain share of their profits. Its profits are for charitable reasons, noting that CSR in Jordan faces obstacles, including economic challenges, a lack of government incentives, skills, poor transparency, and disclosure, and finally management and governance.

This does not contradict the existence of a number of corporates that operate within a local framework of the United Nations Global Compact and have worked to establish several social responsibility initiatives focusing on combating poverty and unemployment, supporting local development activities, protecting the environment and health, sponsoring sporting events, arts and culture, and supporting corporate employees. During 2014, 444 social activities were implemented by the private sector in Jordan. The largest number of initiatives (163 initiatives) were implemented by the banking sector and insurance corporates. One of the most prominent initiatives implemented is the "Ruwwad" project, which is a private, non-profit organization established in Jordan in 2005 that aims to support youth to positively influence the sustainable development operations established by Aramex as part of its social responsibility. The Arab Bank also launched an initiative called "Program with Some", which aims to involve people in the development of society. Moreover, the Hikma Pharmaceuticals won the 2012 Customer Leadership Award presented by the International Finance Corporation, a member of the World Bank Group. Sustainable development initiatives, quality standards in operations, and excellence in corporate governance were key factors for obtaining this award⁹.

3. The concept of social responsibility in the Palestinian context and examples of initiatives to regulate CSR:

Defining CSR and monitoring the practices associated with it started with the social responsibility survey of the private sector in the Palestinian territories, which was implemented by the Palestinian Central Bureau of Statistics for 2009. This survey relied on a definition of CSR as "a culture of commitment to responsibility among the priorities of strategic planning for corporates, and providing support and assistance towards sustainable development in its three dimensions, economic, social and environmental. CSR is a strategic approach to conducting business in our society in a sustainable and responsible manner."¹⁰

8 Y. AL-DAAYA, Corporate Social Responsibility Scenario in Jordan: Transformation Context, International Journal of Engineering and Management Sciences (IJEMS) Vol. 2. (2017). No. 3.

https://scholar.google.com/scholar?q=Corporate+Social+Responsibility+Scenario+in+Jordan:+Transformation+Context&hl=en&as_sdt=0&as_vis=1&oi=scholar

9 Y. AL-DAAYA, Corporate Social Responsibility Scenario in Jordan: Transformation Context, International Journal of Engineering and Management Sciences (IJEMS) Vol. 2. (2017). No3. 3.https://scholar.google.com/scholar?q=Corporate+Social+Responsibility+Scenario+in+Jordan:+Transformation+Context&hl=en&as_sdt=0&as_vis=1&oi=scholar

10 Palestinian Central Bureau of Statistics, 2011. Survey of Social Responsibility of the Private Sector in the Palestinian Territories, 2009. Ramallah - Palestine, p. 21.

The survey showed that only 57.7% of corporates in the Palestinian Territory have sufficient knowledge of CSR; 61.4% of which are in the West Bank, and 47.8% in the Gaza Strip. The survey also showed that social responsibility decisions are usually taken by the chairman of the board in 42.6% of corporates, and by the executive management in 28.5% of corporates. The lowest percentage of corporates have a social responsibility strategy that they rely on in making corporate decisions in this field, which is 4.1% of corporates in the Palestinian Territory. In terms of CSR in employment policies, the results of this survey show that 78% of corporates do not employ males with disabilities, while 85% of corporates do not employ females with disabilities. Table No. (1) shows the methods of social contribution of corporates and their relative distribution for 2009.

Table 1: Percentage of distribution of private sector organizations (30 workers or more) According to contributing to the local community or society in general, 2009.


Ways to contribute to the local community	Yes/regularly	Yes/sometimes	No
Sponsorship activities	24.5	35.2	40.3
Cash donations	28.2	39.5	32.3
In-kind donations	26.8	39.2	34
Volunteer in the public interest	16.6	27.8	55.6
Volunteer staff	11.9	23.2	64.9
other	3.7	19.1	77.2

Table (1) shows that no more than a quarter of the corporates sponsor various activities regularly, and only 28% of the corporates provide cash donations regularly, while 57% provide in-kind donations. The largest percentage conduct these activities informally. This shows lack of clear and specific strategies for social responsibility. Such actions are intermittent and random and are dominated by the nature of donations, especially cash. As for voluntary activities, a smaller percentage of corporates are interested in this type of social contribution. Only 16.6% of corporates do voluntary activities for the public interest on an ongoing basis. Evidence for this is that about 46% of corporates do not have a strategy for social responsibility and are not in the process of preparing a strategy for it.

Regarding support, the largest percentage of corporates (56%) contribute for social causes, which are mostly social relief assistance. As for arts and culture issues, they were supported by 28% of the corporates, while education issues received about 40% in grants and aid for needy students or some educational initiatives and competitions. Meanwhile, sports issues received the attention of 30% of the corporates. Environmental issues were supported by only 13.4% of corporates¹¹.

An experience of the Palestinian private sector in the field of social responsibility is the “First Social Responsibility Forum”. It is an initiative launched by the Palestinian Monetary Authority and the Association of Banks in Palestine in 2015. It aimed at unifying CSR in the Palestinian banking sector. The initiative has worked on developing a policy framework for social responsibility to enhance partnership among the private sector, the government, and the private sector. The forum made several recommendations, including obligating banks to allocate 2% of their social responsibility, and to establish a joint fund for sustainable social responsibility activities. This experience was preceded by several experiments to establish social responsibility funds, including the Social Responsibility Fund of the Palestine Stock Exchange in 2006, and the Social Responsibility Fund of the Palestinian Telecommunications Group. These funds resulted in some temporary relief initiatives in response

11 For more see: Palestinian Central Bureau of Statistics. Survey of the social responsibility of the private sector in Palestine 2009. <https://www.pcbs.gov.ps/Downloads/book1735.pdf>



to humanitarian needs, such as distributing food aid through the “Palestinian Brotherhood” initiative to 40,000 government employees whose salaries are less than 1,500 shekels, in addition to ten thousand families of prisoners (Sa’ada and Al-Khalidi, 2019)¹².

However, according to today’s reality, none of these funds was destined for continuity, as they were more like temporary campaigns. The success of the idea of a continuous fund to support society through social responsibility is highly unlikely, as the social contributions of each corporate differ in terms of value, and the areas of interest of each corporate differ in terms of sectors. which it considers necessary to support it. Usually, corporates consider that their direct campaign management and direct support to beneficiaries would reflect positively on the corporate's reputation and faster than making these contributions through a mutual fund.

The “Wakfet Izz” fund, which the Palestinian government called for its establishment to achieve social solidarity against the economic and social effects of the Covid-19 pandemic on Palestinian society, could be a practical evaluation of CSR policies. The fund relied on donations from the local private sector mainly. The value of the donations of Palestinian corporates to the Fund amounted to 50 million shekels, constituting 81% of the amount that the Fund was able to collect¹³. Although the Fund’s aim was to collect about 100 million shekels (20 million dinars), it was only able to collect only 62.1 million shekels as of 4/7/2020.

By comparing the donations collected to the “Wakfet Izz” Fund through some private sector corporates with the tax exemptions obtained by corporates subject to the investment encouragement law - as the number of corporates that donated to the fund did not exceed 95 corporates - it turns out that the highest percentage of donations came from corporates that are not beneficiaries of the investment encouragement law. This is considered a paradox and a defect in the social role of these corporates, especially in time of emergency, compared to facilities they obtain to work in this society, which brings them high financial profits. “What indicates the low contribution of corporates is that the highest percentage of donations came from corporates not subject to the Investment Promotion Law, as 76 corporates donated an amount of 29.6 million shekels, or 59.2% of the total donations to the Fund, while corporates subject to the Investment Promotion Law contributed (19 corporate) donated about 20.4 million shekels, constituting 40.8% of the total corporate donations to the Fund. Only large corporates benefit from the Investment Promotion Law.” These data confirm the validity of the conclusion that corporates do not prefer to work through mutual funds, as each corporate prefers to make its contribution through its own channels and partners in the sectors in which it operates.

12 Iman Saadeh, and Al-Khalidi, Raja. 2019. The reality of the social responsibility of the Palestinian private sector and its role in supporting development. Palestine Economic Policy Research Institute-MAS. Ramallah- Palestine.

13 See Miftah Foundation, Wakfet Izz Fund.

http://www.miftah.org/Publications/Books/FactSheet_Waqfet_Izz_Ar.pdf

► The Legal Framework Governing CSR in Palestine:

This chapter discusses laws and regulations related to social responsibility and sheds light on the Code of Corporate Governance rules as it is the only framework regulating social responsibility, as well as the decision of the Board of Directors of the Palestinian Capital Market Authority No. (1) of 2013 amending instructions No. (2) of 2008 regarding disclosure, which obligates corporates listed in the financial market to announce their policies in the field of social responsibility.

1. Corporate Governance Code in Palestine:

The code defines corporate governance in the Palestinian context as: “the set of rules and procedures by which a corporate is managed and controlled, by regulating the relations between the board of directors, the executive management, shareholders, and other stakeholders, as well as the social and environmental responsibility of the corporate.” Therefore, corporate governance is mainly concerned with the way a corporate is managed and controlled, by examining the capabilities of the Board of Directors to set policies and set goals for the corporate that are consistent with the interest of shareholders and other stakeholders (Code of Corporate Governance, p. 14). Besides aiming at helping corporates achieve their profit and economic goals, the Code aims to enhance the role of corporates in contributing to the process of economic development in Palestine. The Code also provides for recommendations aimed at creating a balance between the interests of corporates and all stakeholders. These recommendations include some that are binding under penalty of liability and have references and legal texts such as the Corporates Law, in addition to rules that are consistent with international practices and do not conflict with legal texts. Here, the corporates’ application is voluntary, with the possibility of explaining their non-compliance, in addition to recommendations that are in line with international practices but are inconsistent with [national] legal texts. Accordingly, the Code provided recommendations to amend its legal texts. The provisions of the Code related to a corporate’s social responsibility towards the stakeholders was included in the voluntary instructions article and was expressed in the phrase of “it is desirable” that the disclosure of the financial statements be made at least once a year in the (annual report) of the shareholders and employees of the corporate and those dealing with it regarding its CSR, and that the corporate’s social and environmental policies are disclosed. They should not be misleading, and are applicable in the long term, and in compliance with the laws in Palestine. It is also desirable that the standards adopted by corporates are not less than what is stipulated in laws and legislation, with the aim of improving the corporate’s reputation and its relationship with all stakeholders and those dealing with it.¹⁴ (p. 37).

The rights of other stakeholders (the corporate’s employees, customers, and creditors) in the corporate are subject to the laws and regulations in force. It is desirable that the mechanisms of dealing with all stakeholders be equal and without discrimination on the grounds of race, sex, color, or religion. The Code of Conduct included CSR in its various dimensions within the framework of encouraging corporates to adhere to it. It was not included under the article of obligation, while obligation remained at the level of laws only and not in addition to them.

¹⁴ Code of Corporate Governance in Palestine. <https://www.aman-palestine.org/reports-and-studies/8604.html>

Dr. Bashar Abu Zaarour¹⁵ also pointed that the Authority is developing a new code of conduct in line with the principles of social and environmental governance¹⁶. The new Code will be approved and published and enforced, after reviewing the impact of the actual application of the new corporates law. So far, the Authority's role has focused on monitoring disclosure through annual reports or social responsibility reports. It is expected that there will be development in the new Code in the field of social responsibility and disclosure requirements.

2. Law No. (42) of 2021 on Corporates¹⁷

There was no obligation for corporates to disclose expenditure on their social responsibility or specify a certain percentage to be deducted from their profits for social responsibility under the Corporates Law No. (12) of 1964. The same applies to Corporates Law No. (42) of 2021, which is considered an update of the previous law that did not stipulate in any of its clauses the encouragement or obligation of corporates. It also did not have any clause that regulates CSR. Non-obligation is used globally, as social responsibility remains a voluntary matter, which creates competition among them to use to improve their reputation in society. Obligation would make corporates adhere to the minimum required in the law, like the rest of the legal requirements such as tax and others, which reduces the incentive for corporates to spend more in social responsibility.

3. Decision of the Board of Directors of the Palestinian Capital Market Authority No. (1) of 2013 regarding instructions amending Instructions No. (2) of 2008 regarding disclosure

This decision stipulates, in its amendment to the articles related to disclosure in Instructions No. (2) of 2008, that Article (18/2/h) be amended to read as follows: "The annual report must include disclosure of the corporate's policy in the field of social responsibility and that related to its policy in the field of serving the environment and the local community, provided that this policy is clearly announced, non-misleading, and applicable. If the corporate does not have any activity in the field of social responsibility or any community contributions, this must be disclosed in the annual report"¹⁸. This shows that social responsibility is still encouraged by various laws and decisions. However, it is obvious that obligation is still not on the table. On the other hand, disclosure of the corporate's policy in the field of social responsibility by enumerating and mentioning the sectors and projects would inform the corporate's public and various stakeholders, including consumers, about this spending, which improves the corporate's image in society and thus increases its profits. Which is one of the goals of CSR.

On the other hand, the disclosure of social responsibility policies for each corporate annually would create a kind of approach and accumulation, as indicated by Dr. Bashar Abu Zaarour in a personal interview with him¹⁹. Corporates are required to disclose their social responsibility policy and


15 An interview with Dr. Bashar Abu Zaarour, Director General of the General Department of Digital Finance and Innovation Services at the Capital Market Authority, on 9/1/2022.

16 The reflection of the company's activities and operations and their impact on the environment, as well as the company's social policy in a way that is broader than the traditional concept of social responsibility and concern for the work environment.

17 The Official Gazette. 2021. Special Issue (25), <https://t.ly/ULZ9>.

18 See the decision of the Board of Directors of the Palestinian Capital Market Authority No. (1) of 2013 regarding instructions amending Instructions No. (2) of 2008 regarding disclosure. <http://muqtafi.birzeit.edu/pg/getleg.asp?id=16545>

19 An interview with Dr. Bashar Abu Zaarour, Director General of the General Department of Digital Finance and Innovation Services at the Capital Market Authority, on 9/1/2022.



the activities they conduct therein. A corporate must also disclose that it does not have a social responsibility policy. This accumulation in the field of social responsibility would create an incentive for corporates in their competition to apply social responsibility.

Abu Zaarour explained that through financial inclusion, there will be an attempt to highlight the sectors that need support, guidance, and facilitation, which constitutes a specific guide to social responsibility. The Capital Market Authority does not have the legal power to oblige corporates to focus on a specific sector, but by highlighting these sectors, there is a systematic direction for creating influence.

► The Reality and Size of the Social Responsibility of the Palestinian Private Sector

This section sheds light on the reality of the social responsibility of Palestinian corporates by examining the financial and administrative reports of several corporates listed in the financial market and the CSR reports during the last three years 2019-2021. Moreover, the Bank of Palestine and the Royal Corporate were interviewed to obtain their definition of social responsibility and their policies and expenditure in this area (knowing that 7 corporates were contacted, but only two did not respond to our request for an interview). The corporates were selected based on the diversification of the sectors in which they operate, as a bank, a telecommunications corporate, industrial and commercial corporate, and a service corporate (insurance) were chosen.

According to the Capital Market Authority's knowledge of the reality of CSR through reports submitted to it in the corporate disclosure, the sectors that are focused on are diverse, including youth, health, education, sports, marginalized groups, and people with special needs.


Here we review models of social responsibility for a sample of Palestinian private corporates, which are large corporates and have a considerable weight in various sectors in the Palestinian economy. Some of the information were obtained from websites of the mentioned corporates, their annual reports, or their social responsibility reports. Moreover, the author of this report was able to hold interviews with some corporates and elaborate more on their social responsibility policies.

1. Bank of Palestine's Social Responsibility:

The Bank of Palestine, since its inception until 2010, pursued the policy of meeting the requests of institutions and individuals who approach it, though such an assistance did not take place under a special item called social responsibility. After 2010, the idea began to crystallize for establishing a social responsibility department within the Public Relations Department. The bank began allocating 5% of its annual profits to social responsibility. The Bank noticed the impact of a policy of social responsibility on its reputation in the community. Institutions and associations began to apply for the Bank support of specific projects, knowing that it responds through social responsibility. The bank also conducted several relief campaigns for those affected by the Israeli wars on the Gaza Strip. In addition to the financial support, the bank uses all means of communication with investors and expatriates abroad to make its campaigns a success and to raise the necessary funds. Furthermore, reaching out to the community and finding out its needs is done through the Bank's partners in various sectors, and not through individual requests.

After 2020, the focus turned on development through the implementation of sustainable projects. The work focused on supporting specific issues or sectors such as fighting poverty, supporting health, and supporting education, and hence the concept of sustainability emerged.

A sustainability committee was established at the level of the Administrative Council reporting to the Director General, including the Financial Inclusion Department, which aims to support marginalized groups such as the poor, women, and people with disabilities, and assist them through training courses, and access to financial and banking services. The Social Responsibility Department is currently affiliated with the Banking Sustainability Department. It has a strategy that is modified every year or two years, depending on the circumstances, or according to the strategic plan of the



bank and the sectors it is concerned with, and according to the evaluation of the strategy every year and the reality analysis. The bank's strategy currently focuses on education, health, and support for people with disabilities. Through financial inclusion, the bank aims to support and empower Palestinian women to be active economically and socially. It also supports access of all social segments to banking services, especially youth and people with disabilities. Other sectors such as sports and culture are supported under the item of public relations or promotion and not out of social responsibility and within a different budget.

Regarding the Bank of Palestine's policies in dealing with its employees, it is distinguished by the fact that the percentage of its female employees is 44%, while it aims to reach a female employment rate of 50%. This makes its policy positively discriminatory towards the employment of women. The Bank also pays bonuses to both husband and wife, among its employees. This is considered a positive policy that transcends what is applied in the public sector. For example, half of the number of the board of directors are women. The Bank also allocates a budget of about 700 thousand dollars for training and developing its cadres²⁰.

According to the Bank of Palestine's website, it "is committed to bringing about positive development in the communities in which it operates. Accordingly, it is committed to contributing to sustainable economic development by working with employees, their families, and the wider community to improve the community environment in accordance with the strategy approved by the Bank. It takes into consideration the social and cultural factors, economic and government policy when assessing development opportunities." In 2019, the Bank invested by allocating approximately 5% of its profits in social responsibility. Its projects remained concentrated in the areas of education, youth and creativity, sports, health, environment, culture, arts, development and economic affairs, humanitarian endeavors, and volunteer work²¹. In 2020, the bank continued to allocate 5% of its annual profits to social responsibility activities. Its contributions focused mainly in the areas of health, in addition to development, combating poverty, humanitarian endeavors, and supporting the unemployed, during the Covid-19 pandemic. The Bank signed an agreement with the Welfare Association to support the "Palestine is Calling You" campaign, whereby the Bank donated \$250,000 to support the East Jerusalem and Gaza Strip hospitals network based on immediate and emergency needs. The Bank also allocated 500,000 shekels for the unemployed workers program. The Bank's employees donated 500,000 shekels to the Ministry of Labor program to support unemployed workers through the "Wakfet Izz" Fund. Furthermore, the Bank signed an agreement with the Ministry of Social Development to support affected families by Covid-19 pandemic, for an amount of one million shekels. The bank also donated 1.5 million shekels to the Ministry of Health to confront the pandemic through the "Wakfet Izz" Fund.²²

20 Interview with a. Rabih Dweikat, Director of the Public Relations Department at Bank of Palestine, on 8/30/2020. Interview with Ola Sawafta, Head of the Social Responsibility Department at Bank of Palestine, on 8/30/2022.

21 Bank of Palestine, Social Responsibility Report 2019.

<https://bopwebsitestorage.blob.core.windows.net/assets/uploads/ekxS5srDaaHpnAZlpRDf9g8MgoMiR8T05Aozq8gX.pdf>

22 Bank of Palestine, Social Responsibility Report 2020.

<https://bopwebsitestorage.blob.core.windows.net/assets/uploads/DSQW1pvK8MJderXurktITjZvHMWTWJOFPXwx8XvW.pdf>

2. The Social Responsibility of the Arab Palestinian Investment Corporate - APIC

By reviewing the annual social responsibility reports that APIC publishes on its website, it appears that it provides support to institutions with a purposeful and effective vision in the charitable and humanitarian fields that deal with orphans, people with special needs, poor families, education, health and youth institutions, and entrepreneurial projects. As stated in the corporate's report, the social responsibility program it implements stems from "the importance of participating in giving as a national and humanitarian duty and a long-term investment as a contribution to achieving social and economic sustainability and building and empowering societies that are able to continue in light of all circumstances and challenges." The total investment in social responsibility during the last three years amounted to about 7.7 million US dollars, or 9% of the net profit, while the corporate allocated 7.6% of its net profits for 2021 to social responsibility activities with a value of 2.55 million US dollars for supporting people with disabilities, autism and learning difficulties, SOS children's villages, women and marginalized groups, orphans and poor families in the Gaza Strip, female and orphan students, and training university students in the corporate's branches, in addition to granting them university scholarships.²³

In 2020, APIC allocated 14% of its net profits to social responsibility at a value of \$3.5 million, of which \$2 million was allocated to support national efforts to combat Covid-19. This amount was ranged from food parcels, ambulances, laboratory equipment, and financial support for national funds, to safety equipment for employees and customers. The corporate maintained its support for other groups and areas such as orphans and poor families, people with special needs, education, youth, health and medical care, culture, and heritage. It also allocated 7% of its net profits for 2019 to social responsibility, with a value of \$6.1 million in the same fields. It seems that these are the areas in which social responsibility allocations are invested to support them on an ongoing basis, according to the corporate's policy.

3. The Social Responsibility of PADICO Holding Corporate:

The corporate divides its social responsibility into its responsibility towards society, the workplace, the market, and the environment. Regarding society, the corporate defines its areas of intervention in the education sectors by networking with international institutions, pioneering and creativity, the economy by focusing on lectures, economic seminars and conferences, while in the culture and arts sectors by focusing on supporting various festivals. As for social responsibility in the workplace, PADICO adopts a code of ethics in dealing with its employees, training, and capacity building, in addition to training courses and volunteer work. As for social responsibility towards the market, the corporate adheres to international standards of corporate governance and socially and environmentally responsible practices and adheres to the Corporate Governance Code and the United Nations Global Compact. PADICO is committed to environmentally friendly practices. This definition of social responsibility is unique, compared with the definition of other corporates. The definition was limited to the aspect of the social contribution of the corporate and the developmental role that it can play. This definition is consistent with global definitions of social responsibility.

²³ See the website of the Arab Palestinian Investment Company - APIC
<https://apic.ps/en/corporate-social-responsibility/>

Since its inception, PADICO has invested \$125 million in social responsibility. In 2019 it focused on supporting sports, youth, and education sectors. In 2020, the PADICO provided in-kind and cash assistance during the covid-19 pandemic, in cooperation with the Ministry of Health. The corporate also designated its headquarters in three cities as quarantine centers. In addition to financing several scholarships in Palestinian universities, and Your Course [Masarak] Training Program²⁴. In 2021, PADICO continued to support the economic, social, educational, arts, culture, entrepreneurship and youth sectors, by providing university scholarships and training through the Masarak program²⁵.

4. Social Responsibility of Trust Insurance Corporate:

Social responsibility of the Trust Insurance Corporate was mentioned in the corporate governance clause of its annual reports. It did not prepare an exclusive detailed report on the issue, as other corporates did. In 2021, the Corporate supported and sponsored some cultural, sports, service, and health programs, through the Waqfet Izz Fund with an amount of \$200,000. It made further donations to fight the Covid-19 pandemic . It seems that the Corporate does not have a clear policy in the field of social responsibility, as its report stated that it "allocated, according to the vision of the executive management, every year a certain percentage of its profits for social responsibility" only²⁷. The report did not explain what this policy is, knowing that corporates are obligated to disclose in case it has a policy, but if it does not have one, it must disclose that it does not exist. The Corporate also did not disclose the activities it carried out, the amounts it spent, the areas of support in detail, nor did it mention the names of the beneficiaries.

5. The Social Responsibility of the Palestinian Telecommunications Group Corporate:

In 2008, the Palestinian Communications Group established the Palestinian Communications Group, an independent and non-profit organization that aims to meet the growing needs of the Palestinian community.

The Palestinian Telecommunications Group implements four programs through which it aims to meet social needs according to its vision of reality and the role of these programs in supporting development social. These programs are the University Communications Group Scholarship Program for Science and Technology, the "Code for Palestine" program, the summer camp for programming and design, the Right to a Decent Life program, in addition to the Palestine Award for Excellence and Creativity.

The Communications Group Foundation focuses on various forms of youth empowerment by providing equal opportunities for all segments of society in education and technology. The Foundation also provides assistance to the poor and needy families, supports associations that deal with people with disabilities, offers a health sector support program, and many other programs that focus on development. These programs are linked to the 2030 Sustainable Development Goals and are announced in detailed reports²⁸.

24 Padico Company, Annual Report 2020 <https://www.padico.com/wp-content/uploads/2022/08/2020.pdf>.

25 Padico Company, Annual Report 2021 <https://www.padico.com/wp-content/uploads/2022/08/2021.pdf>.

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https://www.trustpalestine.com/uploads/document/file_path/16/%D8%A7%D9%84%D8%AA%D9%82%D8%B1%D9%8A%D8%B1_%D8%A7%D9%84%D8%B3%D9%86%D9%88%D9%8A_2021.pdf.

27 Ibid.

28 See the contribution of the Paltel Foundation to Palestinian Society, https://www.paltelfoundation.ps/uploads/2019_report.pdf.
https://www.paltelfoundation.ps/uploads/Foundation_Section.pdf

6. Royal Corporate Social Responsibility:

Royal Corporate is a family corporate specialized in plastic industries, established in 1993. Because it is not listed in the financial market, conditions of disclosure of social responsibility does not apply to it. There are no reports on its social responsibility or any annual reports regarding its business on its website. Through an interview with [owners of] the corporate, it was clear that since its inception, it has been making donations for various social campaigns, and that it has interests in various fields, including education, health, and infrastructure. It also invests large amounts of money in these areas. One of the owners of the corporate considers that social responsibility is a national and humanitarian role that any corporate must commit itself to, regardless of its size and revenues, and according to its ability in return for its work in the society and for benefiting from its resources. An agreement is reached between the owners and directors of the corporate regarding projects to be implemented after consultation on ideas presented in this field.

The corporate is interested in implementing projects of a sustainable nature, including paving and construction of roads, and donating medical equipment to some hospitals, and to the "I Have the Right to Hear" initiative, which is a campaign to implant cochlea for children who need this operation and whose families cannot cover its costs. Royal Corporate covers the costs of the hospital, while Doctor Adel Adwan volunteers to perform the operations for free. The corporates import cochlea from their manufacturing corporates at a lower price. As of the date of this interview, 146 cochlea implants have been performed.

In 2012, Royal Corporate won the second-best corporate award in the competition for choosing the best corporate in the field of social responsibility in Dubai, based on the evaluation of projects implemented by the corporate in the field of social responsibility.

Examples of projects that the corporate implemented within its social responsibility; The project of widening Wadi Al-Nar Road in 2002, which was then paved by the Ministry of Works, in addition to providing medical equipment, equipping a pediatric dialysis department at the Palestinian Red Crescent Hospital in Hebron, and equipping a center at Al-Mutala' Hospital.

Royal Corporate is also implementing the "Masar Initiative", an initiative aimed at supporting graduate students to work on graduation projects through a platform hosted at the corporate's website, so that graduates can work and succeed in their projects, according to the needs of each project, as some projects need technical support or tools. Students are also directed, each according to his needs.

Royal Corporate has trained a specialized civil defense team from among its employees and provided the necessary mechanisms. These employees cooperate with the civil defense in extinguishing fires in the region.²⁹

²⁹ An interview with Mr. Mazen Zughair, one of the owners of the company, and Mr. Imad Rajoub, the factory manager, on 8/30/2022.

► **Conclusions: CSR programs from the perspective of transparency, integrity, and social justice**

Through the above review of social responsibility programs and policies and desk and field research, this section of the report examines these programs from the perspective of transparency, integrity, and social justice. Considering the economic and social conditions suffered by the Palestinian society due to applied policies of the Israeli occupation and the repercussions of the global political and economic conditions, it is the duty of the private sector corporates to intensify their efforts in the areas of sustainable development, combating poverty, and supporting and empowering marginalized groups such as people with disabilities and women.


- CSR is still not clear to many private sector corporates. It often overlaps with other activities such as public relations and corporate promotion.

- Most of the support provided by corporates of the private sector are made by individuals or institutions. There are no specific programs or a strategic plan by most corporates to be applied to by individuals or institutions to obtain funding to implement their initiatives.

- By reviewing the reports and strategies of various corporates, we find that social responsibility is present in the reports of these corporates and their strategies of action. As some corporates have indicated, social responsibility is a national and moral duty for them, and they seek, by allocating money to social responsibility programs, to improve their reputation in society, hence they can increase their revenues and profits. This shows that there a difference in the corporates' visions on social responsibility, and subsequently in the work mechanisms and objectives in this area.

- Legally, there is no legal text or legislation obligating corporates to spend on social responsibility. However, corporates are obligated to disclose policies and activities of social responsibility that they implement. During our research, we found that interest varies among corporates in disclosing social responsibility policies and activities. This disparity is mainly because of the varying interest in social responsibility and its follow-up as other work aspects of the corporate, and due to its awareness of the role of social responsibility in improving its image. On the other hand, it seems that there are certain corporates that are less interested in disclosing their projects and policies in the field of social responsibility, though they are involved in this field. There is also a clear difference between family corporates and public shareholding corporates whose laws and methods of work differ regarding social responsibility. It is difficult to find on the website of these corporates' annual reports or regular reports on social responsibility activities.

- Mostly Relief support is still based on the work of many corporates in the field of social responsibility and is not a sustainable work related to development and achieving the goals of sustainable development 2030. Corporates work in the field of social responsibility according to political, economic, and social conditions. During Israeli wars on the Gaza Strip, corporates intensified their relief campaigns and donations; some in partnership with civil society or other corporates. Nonetheless, generally, it appears that there is an increasing interest in implementing development projects and programs that have a sustainable impact on society and does not end after the conclusion of the project. During the last ten years, work in the field of social responsibility has fundamentally varied, as activities shifted from donations and requests for individual assistance to implementing



programs and projects within specific sectors in the framework of a clear and constant strategy. It also appears that corporates have grassroots institutions and non-governmental organizations that network with them as partners or beneficiaries in various sectors. This is repeated annually. This shift towards strategic work in specific sectors, according to the interest of each corporate and its scope of work, has made corporates less responsive to individual requests. They increasingly became more institution-oriented. Corporates no longer announce the provision of aid, they continue selecting beneficiaries and follow up results of implemented projects, as a kind of internal audit; since this type of activity is not subject to audit or follow-up, according to the law.

- Corporates in the private sector still have not shown interest in supporting anti-corruption efforts, though they are open to receiving ideas from active institutions in this field for study.

- Until now, national indicators for CSR assessment have not been developed nor approved. Moreover, no social responsibility survey has been implemented that includes these indicators to show their development annually.


- Social responsibility and selection of sectors is still a personal discretion of each corporate based on its assessment of priorities or requests it receives. There is no government map or proposal from human rights institutions or civil society on national development priorities, especially those related to rights.

- By reviewing reports of the public shareholding corporates, we find that there is a focus by the corporates on the sectors of education, people with disabilities, orphans, health, training, various programs for graduates, and the environment. However, there is still a need to publish and announce social priority sectors for each corporate in a strategic way that allows institutions or individuals to apply for support, each according to its field.

- Majority of corporates implement other seasonal projects, such as supporting festivals and football tournaments, whose budget may be included in the marketing budget or within the social responsibility budget. However, the main goal of these projects is usually to reach a wide audience and promote the corporate's reputation, and not out of interest in developmental or sustainable impact.

- Although following up on CSR reports shows that spending in the field of anti-corruption, integrity, and transparency is very limited. A few corporates, that we were able to interview, did not rule out the possibility that they work on other projects that they receive through institutions in this field in accordance with their vision and interest. For example, Bank of Palestine representatives indicated, during a personal interview, that they are open to ideas that may be presented by institutions that work in the field of accountability and transparency, and that their approval is based on the idea, its impact on society, and its compatibility with the Bank's policy.

- In terms of justice, given the nature of development projects implemented by corporates, marginalized groups such as people with disabilities, women and the poor will benefit from the implementation of these projects. Although there are not many projects aimed at empowering women, these projects are directed at the less fortunate groups in society. We do not have detailed information about the number of beneficiaries from these projects, as we failed in conducting a few interviews with corporates.

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- Lack of agreement on a definition and specific dimensions of CSR makes it difficult for specialists or researchers to follow up on its application, as programs, projects, and campaigns implemented by corporates are part of CSR and do not include all dimensions of social responsibility.
 - Governmental or institutional guidance for CSR is still weak. There is no government reference document on social responsibility, its importance, or the most important sectors to which the private sector can direct its initiatives in relation to the 2030 Sustainable Development Goals and the goals and priorities of the National Agenda.
 - Lastly, we cannot expect sustainable development results through the work of corporates in the field of social responsibility without their taking into account the application of all dimensions related to the corporate's business policies, employment, workers' rights, equality, the environment, consumer rights, shareholder rights, ...etc. Economic statistics generally show that we suffer from gender gaps in all economic sectors and that it is difficult to reach comprehensive and sustainable development without activating all components of society.

► Recommendations

1. Government agencies, such as the Ministry of Economy, the Ministry of Social Development, and the Capital Market Authority, should play their role in drawing a map of sectors that need support, the goals they seek to achieve, and areas for private sector intervention through social responsibility, with a focus on marginalized and vulnerable groups, such as people with disabilities, women, and the poor.
2. Invite corporates and direct them towards commitment to the principles of human rights, preserving the environment, commitment to the rights of different stakeholders, and the goals of sustainable development, as well as motivating corporates to adhere to employment and promotion policies that are sensitive to gender and marginalized groups.
3. Raise community awareness of the concept of CSR, which creates social accountability for corporates and obligates them to abide by their duty towards society, so that the role of corporates becomes more closely monitored by society and more visible.
4. Private sector corporates should adopt a clear policy regarding their social responsibility policy and its fields.
5. Enhance the direction of private sector corporates in announcing the sectors, projects, and initiatives that are concerned with directing their social responsibility towards them, thus facilitating communication with corporates according to their interests and the sectors that direct their social responsibility to support them.
6. Enhance the directing of social responsibility policies for private sector corporates towards strengthening and supporting initiatives and projects concerned with women's empowerment.
7. AMAN, the Anti-Corruption Commission, and the Capital Market Authority should develop indicators related to the basic areas of social responsibility as an auxiliary mechanism for surveying CSR that takes into account the environment of Palestinian society.

Suggested indicators adopted by the Palestinian private sector corporates as dimensions of their social responsibility

After reviewing the dimensions adopted by the Palestinian Central Bureau of Statistics in 2004 in the Social Responsibility Survey, and guided by the proposed international standards, we propose the following indicators in the fields of work environment and employees, social responsibility policies and strategies, relationship with society, consumers, environment, human rights, integrity, and transparency and combating corruption. These indicators are in line with the goals of sustainable development and the national development agenda, which the Palestinian government seeks to achieve, according to its various documents.

Social Responsibility Policies:

- There should be a written strategy approved by the Board of Directors that clarifies the corporate's definition of social responsibility, its policies, areas of expenditure and approved projects for the coming years.
- Announcing social responsibility policies and priority sectors for the corporate.
- Disclosure of the corporate's practice of social responsibility and the mechanisms of its implementation.
- Publication of corporate social responsibility reports.

Employment and Labor Policies:

- Commitment to the labor law as a minimum for the rights of workers in the corporate.
- Commitment to provide decent work conditions that meet health and safety conditions.
- Ensuring a work environment free from violence and harassment in all its forms.

- Providing health insurance for the corporate's employees.
- Preserving the right of employees to receive end of service benefits.
- Existence of an annual training and development plan for the cadres working in the corporate.
- Existence of a clear mechanism for resolving grievances in a fair manner that guarantees integrity.

Corporate policies towards the environment:

- Adopting environmentally friendly practices in terms of resource exploitation, waste disposal, and any production or manufacturing practices.
- Supporting green projects and initiatives with an environmentally friendly and sustainable impact.
- Follow policies to prevent pollution resulting from the corporate's business.
- Promoting sustainable consumption and production trends.

The corporate's policy towards consumers and customers:

Access to basic goods and services for all.

- Promoting fair, sustainable and equitable economic and social development.
- Existence of written and specific guidelines to ensure the quality of products and services and consumer health and safety.
- Existence of written instructions to avoid misuse of customer data.
- The corporate's policies to enhance its role in the field of combating corruption and strengthening the

System of integrity and transparency in society:

- The corporate's support for the protection and respect of internationally proclaimed human rights.
- Ensure that the corporate does not participate in human rights violations and that the corporate invests in social capital.
- Adopt a code of conduct for the corporate's employees.
- Follow sound foundations for governance and combating corruption through the existence of written guidelines to avoid corruption. The general principles of the corporate shall be in writing.
- Disclose of anti-bribery and corruption policies and procedures.
- Disclose good practices guide for corporate governance.
- Follow fair competition policies.
- Promote social responsibility at all stages of the value chain.
- Respect for intellectual property rights.
- Pay attention to education and social welfare by creating job opportunities in the community and developing the skills of graduates and job seekers.
- Pay attention to the employment of vulnerable groups, such as people with disabilities.
- Adopt a policy of positive discrimination towards hiring women.
- Technology development and access.
- Identify areas of support for civil society organizations dedicated to anti-corruption programs.

8. AMAN and civil society organizations, in cooperation with the Capital Market Authority, should develop a plan or a program to involve the plans and policies of private sector companies in anti-corruption efforts and to enhance governance, integrity, transparency, and their importance in society by presenting ideas that can be supported by the private sector and thus support these efforts and enhance them.
9. The Monetary Authority should work with banks to develop social responsibility programs for banks so that they cover areas related to bridging financial inclusion gaps in Palestine, specifically implementing programs for women, the elderly, and people with disabilities to enhance their access to financial and banking services to serve their needs and obtain financing for any Ideas or projects that may contribute to their economic empowerment, and the implementation of programs to enhance integrity and combat corruption.

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Civil Society Team for Enhancing Public Budget Transparency

AMAN has worked to establish a civil team to support the transparency of the public budget, representing a number of Palestinian sectoral civil organizations, namely: Aman Foundation, Miftah Foundation, Center for Democracy and Workers 'Rights, Hydrology Society, Creator's Teacher Center Development work - together, the Union of Agricultural Work Committees, the Federation of Food Industries, the Federation of Pharmaceutical Industries, the Federation of Chambers of Commerce, Agriculture and Industry, the Palestinian Federation of Local Authorities, the Network of NGOs, the Economic Policy Research Institute (MAS), the Law Center Ah Civil Society Development, a forum of intellectuals Charity Association, Conscience Foundation, Al-Haq, the Institute of Development Studies) Birzeit (University, Jerusalem Center for Legal Aid and the Jerusalem Center for Social Rights and the Economic Commission national civil organizations Palestinian, as well as some economic experts.

AMAN performs secretarial work for CSTPBT, through providing logistical and technical support to it in light of insufficient and unstable financial capabilities. AMAN invites for CSTPBT meetings and prepares the agenda of meetings and minutes, in addition to any papers and documents related to the public budget, working as a bridge between the team and the official authorities, presided by the Ministry of Finance. With the vital support of AMAN, CSTPBT team participated in a number of training workshops to build their capacity in the public budget field.

The CSTPBT team believes in the urgent need of informing the citizens about the public budget to participate in its preparation, in order to be able to hold it accountable and follow up the management of government spending and public money. To achieve this goal and before approving the budget of 2011 specifically, the CSTPBC team submitted a proposal to the Ministry of Finance & Planning, requesting the adoption of the citizen's budget, which is one of the basic elements that guarantee the transparency of the public budget. Indeed, the Ministry adopted the proposal and instructed to manage the public budget in cooperation with the CSTPBT team in this field. The citizen's budget was issued for the first time in Palestine during the year 2011, and it was developed to become the citizen's guide during the year 2013 where the national team will work to raise the awareness on it. Moreover, Aman succeeded recently in convincing the Council of Ministers of the need to involve civil society organizations to cooperate with the ministries in discussing annual budgets before submitting them to the Cabinet for approval.

Specialized sub-committees were formulated from the members of the CSTPBT, focusing on three-main essential sectors (Health, Education, Social development). Each sub-committee has a leading organization that is in charge of it.

Aman will work in the future to establish the monitor unit, which will be specialized in following up on all issues related to the public budget, thus creating a reference for all interested citizens, researchers and various institutions.