

## Chapter 25

# Corporate Social Responsibility of Public Banking Sector for Sustainable Development: A Comparative Study Between Malaysia and Egypt

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### **ABSTRACT**

*Corporate Social Responsibility (CSR) has become a significant field of studies to stress the importance of the new role of organizations towards the society for sustainable development. Nowadays, an enormous number of authors have been participating in this field to highlight the responsibility of organizations towards the community, society and the natural environment where they are operating. Despite the growing number of researches related to CSR in the developed countries little empirical studies have been devoted to examine CSR concept and practice in the African countries, the MENA region (Middle-East and North Africa), as well as in the Gulf countries. This chapter seeks to study CSR concept and practice in the emerging market economies (EMEs). It will mainly focus on the implementations of CSR by the public banking sector. We will investigate the role of the public banking sector existing in an Arab country in comparison to an Asian country to explain and analyze the similarities and differences of CSR activities in both experiences. In this comparative study we will primarily examine Banque Misr, as one of the oldest and largest public bank in Egypt and the Malayan Banking Berhad (trading as Maybank) as the largest public bank in Malaysia. After a meticulous review of literature, we propose a systemic framework to study CSR practices and policy implementations. We illustrated the CSR as a constant process where all variables are interrelated and are affecting each other in a mutual approach. In this systemic framework we advocated to study all significant variables related to CSR practice as: the history/philosophy development, core-values, CSR adopted definition, motives, key players, approaches, stake*

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*holders focus, sectors of intervention and mechanisms of policy implementations. The chapter concludes that common CSR policies exist between the Malaysian and the Egyptian experience. Nevertheless the Malaysian model has formulated an elaborated and further sophisticated CSR public banking program. Meanwhile, the Egyptian model needs to adopt more global oriented CSR public banking policies, in particular to assure the sustainable development requirements.*

## **INTRODUCTION**

Corporate Social Responsibility (CSR) was introduced by authors as a momentous concept to declare the new role of organizations towards the broad society and community. The concept of CSR encourages the organizations, public and private alike, to take a fully considerations of the community, the society and the natural environment where they are operating.

Since then CSR represents a paradigm shift for organizations' activities to be more ethical, social and environment oriented. This movement of CSR aims to create an enabling environment for organizations where ethics and sustainable development are more fostered. A proliferation of definitions and practices related to CSR has been developed however no specific concept or program has been allocated yet.

The chapter will start with a review of literature dealing with the CSR theory and practice, more specific, which parallel the core objective of the research. Afterwards, the chapter will attempt to introduce a systemic framework to study CSR practices and implementations. Through this framework, the chapter will mainly investigate the role of the public banking sector existing in an Arab country in comparison to an Asian country to explain and analyze the similarities and differences of CSR activities in both experiences. In this comparative study we will primarily examine Banque Misr in Egypt and the Malayan Banking Berhad (trading as Maybank) in Malaysia. The conceptual framework will mostly explore: the history/ philosophy development of corporate social responsibility, the core-values of CSR, the adopted definition of CSR, the motives of CSR, key players: external or internal CSR initiatives, the CSR adopted approaches, external or internal stakeholders focus, and finally, multilateral or unilateral sector of intervention and the mechanisms of intervention. At the end, the chapter will present a synthesis comparison between the two models where we will highlight the similarities and discrepancies between both experiences the Malaysian and the Egyptian to allocate areas of improvement and development.

## **Research Problem**

Over the last few years writings about CSR have been dedicated a momentum attention to the theoretical and empirical backgrounds of the concept of Corporate Social Responsibility. The concept fosters organizations to adopt ethical, social and environmental activities towards the society where they are operating. Despite the growing attention dedicated to the concept, no specific description or classification for its activities has been allocated yet.

Recently, greater interests have been devoted to study CSR and business ethics in countries of emerging market economies (EMEs) since these countries are considered nowadays as the new key players participating in the development and the growth of the global economy. Despite the growing number of researches related to CSR in the developed countries little empirical studies have been devoted to examine CSR theory and practice in the countries of emerging market economies (EMEs), more especially, in

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