

Full Length Research Paper

The private capital's social responsibility role in the sustainable human resources development with reference to Egypt

Ezzat Molouk Kenawy

Faculty of Commerce- Economic Department, Kafr Elsheikh University, Egypt.

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The private capital's social responsibility concept refers to the existence of implicit contract which determines the rights and responsibilities of businessmen towards the society. It is notable that the private sector's social responsibility concept is deep rooted and well-established to the extent that it could be sometimes misinterpreted as beneficiary work concept or public relations. This research is aim at identifying the concept and importance of social responsibility, its various components and forms with focus on private capital's role in bearing social responsibility. It also aims to clarify the relationship between social capital and the realization of sustainable development. This research also handled the role of private sectors and their contribution in Egypt in the field of social responsibility and the potential benefits that the working companies in Egypt could gain through the contribution to social capital. Finally, the research reviews other countries experiences in the field of social responsibility and its benefit in order to introduce the necessary recommendation for activating the Egyptian private sector's role in bearing the social responsibility. There is also no clear organization of the private sector's work mechanisms as the private sector's contribution is still less than what is expected. In spite of the latest development of the social work concept, it does not exceed being individual initiatives because of the absence of the organizing vision and the consistency among the needs of the society. This research relies on the descriptive method to describe, interpret and analyze the relationship between social capital and the realization of sustainable development in Egypt. The study examines the following hypotheses: There is a close relationship between social capital and sustainable development.

Key words: Private capital social responsibility, sustainable human resources development, social responsibility in Egypt, international experiences.

INTRODUCTION

The issue of private capital social responsibility has led to a great argument among the scientific and practical circles due to the different viewpoints of social responsibility concept and its theoretical and practical dichotomies. Some view business institutions and organizations as economic units whose ultimate goal is profitability, a matter which is reflected on all life aspects of the society (Hussein and Manhel, 2000). On the other hand, others believe that institutions and organizations are but, social

are but, social units which should play a remarkable social role in the environment and society in which they operate (Al-Imam, Mohamed, 1995). It is clear in the recent years that the bigger the economic institutions and companies' business volume and hence their high profit rates, the more the tasks of social responsibility the private capital has. Among the most prominent tasks is the private sector's expected social support which contributes to the overall development process. This support is yet inadequate and is going lesser as a result of the private sector's unclear concept of social responsibility and its dichotomies and expected results.

Social responsibility is divided in the society into three

*Corresponding author*bardis2008@hotmail.com

groups, namely the state which is represented in the governmental authorities or the public sector; the private sector and the civil work or the voluntary or beneficiary work. Each sector of these groups is responsible for a particular aspect of the social responsibility aspects. It is notable that the private sector's social responsibility concept is deep rooted and well-established to the extent that it could be sometimes misinterpreted as beneficiary work concept or public relations (Al-Tawigery and Ibrahim, 1998). Social responsibility concept does not receive remarkable concern in Egypt and the Arab states, on the contrary to the developed states in which the concept has dominated since the 1970s of the last century. It is notable that the private sector's social responsibility has exceeded its supplementary cycle and become a durable part of the private sector's programs and future plans. It represents an obligation and commitment of the private sector's units in contributing to the development programs of the social responsibility in the shape of partnership with the public sector.

In light of what is mentioned earlier, the private capital's social responsibility in Egypt is necessary and supplementary for the attempt to provide the society's needs and demands in various fields such as investment, education, training, employment, health, environment, anti-poverty, improvement of infrastructure, etc.

PROBLEM STATEMENT

There has been an increasing debate on the private capital's social role at the world level concurrently with the private sector's growing strength and the capitalism delinquency in several third world countries. Therefore, its role is no longer a luxury or favor of the private institutions and companies on the societies in which they are operating. However, it has become a legal and ethical commitment to ensure the growth continuity and enjoyment of its fruit. In the case of Egypt, that role is more urgent due to the increasing number of people harmed as a result of the economic reform programs on the one hand and the delinquency of some private sector's companies on the other. The main target of such companies has become to make quick and large profit. This role has also become more urgent because of the great extent decline of the state's role in the productivity process and its incapacity to pursue the social support of poor classes under the pressure of the chronic deficit of the state's public budget and the increase of over population problem.

The problem statement dwells in the inadequate awareness on the part of companies of the subsequent privileges and benefits of their commitment to social responsibility towards the society and the environment. Some view it as legal obligation and inevitable tax that should be implemented regardless of its positive return on the companies or the society. Moreover, there is no

common concept of social responsibility, a matter that leads to mixing the cards and the concept's interference with those of voluntary and beneficiary work. In addition, there is an increasing concern over the call to implement the social responsibility in the private sector and this resulted in mechanisms related to how to create a balance between the company's social responsibility on the one hand and its responsibilities towards the shareholders and investors on the other under the state's increasing interest of evaluating the performance of share-hold companies in relation to the extent of implementing the social responsibility and its potential resulted in effects.

There is also no clear organization of the private sector's work mechanisms as the private sector's contribution is still less than what is expected. In spite of the latest development of the social work concept, it does not exceed being individual initiatives because of the absence of the organizing vision and the consistency among the needs of society.

In light of the research problem dwells in answering the following questions: What are the motives behind the increasing interest of the social responsibility in the private sector lately? and What is the relationship between social capital and sustainable development?.

OBJECTIVES OF THE STUDY

This research aims to identify the concept and importance of social responsibility, its various components and forms with focus on private capital's role in bearing its social responsibility. It also aims to clarify the relationship between social capital and the realization of sustainable development in line of a group of necessary criteria such as inability, governance and accountability. This research also handled the private sector's role and contribution in Egypt in the field of social responsibility and the potential benefits that the working companies in Egypt could gain through contribution to social capital. Finally, the research reviews other countries experiences in the field of social responsibility and its benefit in order to introduce the necessary recommendation for activating the Egyptian private sector's role in bearing the social responsibility.

RESEARCH METHODOLOGY AND TECHNIQUE

This research relies on the descriptive method to describe, interpret and analyze the relationship between social capital and the realization of sustainable development in Egypt. This research depends on theoretical library researches and the literature review in that field with the purpose of the paper.

Research hypothesis

This study examines the following hypotheses: There are positive

effects of social responsibility's implementation on companies. There is also a close relationship between social capital and sustainable development.

RELEVANT LITERATURE REVIEW

Al-Tawgiry and Ibrahim (1998) carried out one of the first Arab studies on the private sector in the Royal Kingdom of Saudi Arabia. The research sample represented one hundred institutions of both service and industrial sector. This study aimed at identifying the availability extent of social responsibility in the administrative structure of Saudi establishments in relation to social activities (providing houses for employees, environment preservation and the employment of the disables). This study proved that there was no response or interaction between the establishment and the society as they had limited participation and contribution restricted to a few social activities compared to these establishments' financial ability and administrative experiences.

Abdel-Rahman and Abdel-Karim (1997) performed a research in Egypt on a sample of industrial companies affiliated to the public sector in three governorates. The study depended on a questionnaire administered to 150 members of the board of directors and the directors general, because the higher administrators showed higher understanding of the social responsibility nature due to its theoretical qualification and professional experience. The researchers measured the proportional significance of the five social responsibility fields (staff luxury, consumers' protection, equity rights of owners, the relationship with society and environment preservation) according to five-standard Likert scale. The researchers relied on a number of statistical instruments for analyzing the formulated hypotheses such as: the proportional significance of the business organizations' social responsibility which is arranged according to their priority beginning with equity rights of owners, consumers and then staff. The least significant factors were those associated with the environment and its relationship to the society.

Hussein and Manhel (2000) carried out a field study that measured the social responsibility in the form of internal social performance and its relationship with the work conduct in two major Iraqi companies: the South Oil company and the public steel company. The study found a positive relationship between social performance and the work conduct. The South Oil company which registered better social performance, was less than the public steel company in terms of the work conduct. The measurement used for internal social performance was represented in the staff life style, workplace environment and employment fairness and application opportunities as main indicators of which a large group of sub-indicators emerged according to three main dichotomies, namely the extent of the administration's interest, its current interest and its assumed ideal interest.

Whenever there is a citation in a certain study or field study on social responsibility, the work of Carroll and Archie (1991) is referred to in the literature review as it enriches the business management with original ideas about social responsibility. The most important ideas are the three significant contributions, by these researchers.

Overall, social responsibility pyramid as Carroll clarified are of four types namely, economic responsibility, legal responsibility, ethical responsibility and experience responsibility.

Responsibility/stakeholders

The establishment' stakeholders are; owners, customers and staff, society, competitors, suppliers, social activity groups and the public. Other four social responsibility types can be carried out by an establishment (which includes economic, legal, ethical and experience responsibility).

Classification of the administration conduct towards stakeholders is of three types: Ethical administration, non-ethical administration and medium administration.

This sets a limitation among all types and carries out an expanded comparison between these types and each of the stakeholders groups. The significance of Carroll' study dwells in the specific additions that made it a main source for all researchers in the social responsibility field.

(Lee Burke and Jeanne M. Logsdon, 1996) are researchers who attempted to handle social responsibility from an overall perspective as an approach which the organization should adopt for long term and at all levels. The research has proven that there is an actual enrichment of the organization' strategy dichotomies and through the positive conduct measurements adopted by the higher administration of the organization for social responsibility. This requires giving a special importance to a number of considerations; on top of them comes the determination of the most important and effective group of beneficiaries. Such a group has a critical influence and effect on the organization and its strategic objectives. It is necessary as well to observe the future changes of the environment and its reflection on such groups of interest.

Daviss (1999) carried out one of the leading analytical studies related to future prediction. His research reviewed the views of famous directors who achieved important benefits and reduced costs because of adopting social responsibility. They paid attention as well to the environment and its preservation. For example, one of the studies has found that eight out of ten cases-represented the performance of less pollution-causing pollution. Despite the calls of some economic intellectuals like Nobel Prize laureate Milton Friedman who adopts the objective of profit engrossment and calls for not spending on the social aspects. The experiment shows the profits Daviss has concluded that the government's efforts to protect ethics and social responsibility should be transferred into the business establishments due to pri-

vatization and the expanding support of the private sector.

Mohamed (2000) carried out one of the most important theoretical studies which summarize the main ideas of the social responsibility topic and the social performance of business organizations. The researcher asserts that it is one of the critical and outstanding topics because it encompasses ethics and behavior which could be interpreted differently to a great extent. It handles as well the organizations' social responsibility as an environmental problem with ethical considerations. The research contains real and applied examples of different social responsibility dichotomies in the shape of indicators representing an added social value serving different parties concerned.

Abgail and Donald (2000) pointed out the various research findings on the relationship between the establishment's social responsibility and its financial performance. Although, other researchers attempted to prove that there are positive relationships between the establishment's social responsibility and its financial performance, the two researchers tried to prove that positive relationship was deceptive due to the inaccurate relationship between the measuring indicators of the social responsibility's dichotomies on the one hand and the financial performance on the other. They tried through a measuring model to prove that social responsibility has neutral effect on the financial performance when accurately measured because of the interrelationship between its dichotomies and performance. They supported their view by raising the research and development relationship in the field of human resources and training as an important dichotomy of social responsibility and financial performance.

White and Allen (2007) referred to the responsibility form through a new social contract and clarified the main principles of that contract in light of the different concepts of the private sector's social responsibility. It is entitled "Is it time to rewrite the social contract?"

Mohamed (2008) performed a research that focused on businessmen' social responsibility which is referred to as the broad concept of social responsibility; it handled the social disclosure and auditing and represented a group of indicators and criteria related to the private sector's performance in the field of social responsibility.

Nassar (2007) focused on the Egyptian businessmen's social responsibility. This research work depicted the private sector's role in the social development and its various dichotomies. However, the private sector's role towards customers, shareholders, staff and clean environmental production is limited. Thus, it should perform a more effective role in such fields.

Abdel-Mageed (2008) clarified the role of business establishment's social responsibility and its relationship with profit. He reviewed the different concepts of social responsibility and focused on the classification of establishments' social responsibility and the necessity of social auditing and its objectives and techniques.

Al-Megharbel and Jassmin (2008) focused on the concept of private capital' social responsibility in Egypt and reviewed the international experiences of the capital' social responsibility.

Sobieh and Mahmoud (2008) wrote a research article title: "New dichotomies of the administration of contemporary venture corporations". This research handled the identity of the corporation' social responsibility and the challenges faced, particularly the ethical ones.

SOCIAL RESPONSIBILITY CONCEPT

Historical development of the private sector' social responsibility concept

Applicably, the concept is currently considered as a new one with increasing calls that paid further attention to it. It is theoretically an old concept dated back to the philosophers of the 17th and 18th centuries like Thomas Hobes, Gan Jack Roussuo and John Loke. In addition, the social contract theory handles the (unwritten) contract between the state and the public on the one hand and a contract among the public themselves on the other hand, at the tights and responsibilities aspects. The matter was just a literary commitment when the liberal and classic schools dominated that period. By the end of the 19th century, the social liberal school was established which called for taking social dichotomies into considerations besides the liberal dichotomies. (White and Allen, 2007).

During the 1887 - 1914 periods, the legal commitment of applying the social responsibility appeared through the US government's issue of 6 laws binding the US companies to bear social responsibility through non-monopoly, necessity of inspection, control over food and medicine, enquiry into illegal commercial practices and determining and organizing the companies activities (Pride and William, 2000). With the great recession crisis in 1929 and the decline of world financial system which ended up with the domination of the idea of separating ownership from administration. Therefore, there was an incentive for the social responsibility emergence on the part of administration and not the capital towards all parts whether internal or external company's environment. This position was maintained till the late of 1970s, the beginning of privatization in Britain and the increasing return to the private sector's role. This trend was adopted by several world countries particularly after the transformation occurred in East Europe states into the free economy. Therefore, the private sector's role is nowadays strongly taken into consideration in bearing the different dichotomies of social responsibility (Sharawy, 2001).

Different concepts of social responsibility

Despite the common and agreed upon definition of the

private capital' social responsibility concept, it refers to the existence of implicit contract which determines the rights and responsibilities of businessmen towards the society (Steiner, 1979).

The broad meaning of social responsibility

It means adherence to laws, legislations, systems and followed-up regulations as well as aspects of health environment, human rights particularly those of employees, adherence to fair rivalry, consumer satisfaction, actual participation between public and private sectors and the individual development (Abigail and Siegel, 2000).

The World Bank definition of social responsibility

The adherence of business activities owners to contribute in the sustainable development through working with domestic society in order to improve the individuals' standard of living in a way that services the economy and its development at the same time. That is, companies adhere to submit programs for the society and pay attention to the ethical and social considerations. The World Bank concept of social responsibility is derived from the 18th century Adams Smith's economic concept where he referred to the needs and wishes of society would be better accomplished due to the cooperation between the economic institutions and organizations and the society (World Bank, 2005).

Definition of world business council of social responsibility sustainable development

It is the continued adherence on the part of business companies to ethically act and contribute towards achieving the economic development and working on improving the working labor's living circumstances and their families, the domestic society and the whole society (World Business Council for sustainable development, 1999).

European Union definition

The capital' social responsibility should take into considerations the social and environmental aspects of companies' works as well as the interaction and conformity with the beneficiaries on a voluntary basis. Therefore, this concept entails the issue of laws, regulations and legislations as it does not contain voluntary works in accordance to the discretion principle adopted by the company that wishes to contribute to the society (Commission of the European Communities, 2001).

It is notable that the capital' social responsibility focuses

on the legal, economic, ethical and human dichotomies. They handle as well as several activities and fields such as the social work in its broad sense, fighting against corruption and the issue of safety, health, human development, environment and employment.

It is remarkable to know that social responsibility started through the intercontinental companies which were based on two elements: work internal environment and risk existence in the industrial companies. Therefore, the companies were keen on rewarding their employees and their family members in the case of getting exposed to the work risks through health insurance, general securities and the improvement of work environment. These companies particularly the industrial ones may be harmful to environment. Thus, companies adhere to present programs which are not related to their activities such as health, poverty, education, training and rehabilitation in line with social responsibility.

The capital' social responsibility is also based on the theory of beneficiaries which stipulates that the main capital's objective is to engross the value for all beneficiaries, first, in the company's internal environment and then to the entire society. Therefore, there should be attempts to achieve a kind of environmental, social and political stability in the society in order to achieve that objective (Fredman et al., 2002).

During the first half of the 20th century, the social responsibility was not clearly defined. By all means, the establishments had attempted to engross their profits. However, with the continued critique against profit engrossment concept, there were clues for the establishments to adopt a greater role towards the environment in which they operate. In this line, Zairi and Mohamed (2000) defined social responsibility as the establishment's adherence towards the society in which they operate. This definition was the main concern of later studies and paved the way to studying this topic in different trends. Steiner (1979) clarified that social responsibility represents the expectations of a society for the establishment's initiatives in the field of their responsibility towards the society exceeding the minimum of subjecting to the law in a way which does not harm the establishment's ability of carrying out its main functions to get an appropriate return from its investments.

Hopkins and Michael (2004) viewed social responsibility as "the business adherence to the society in which it operates by contributing to a large number of social activities such as fighting against poverty, improving health care services, anti-pollution, creating new jobs opportunities and resolving the problems of housing and transportations.

It is remarkable that based on the previous viewpoints; there is another important view that is Robbins's view of 1999. Robbins (1999) distinguishes between social responsibility and social responsiveness according to a group of dichotomies. The former refers to ethical considerations focusing on the objectives' ends in the shape of long term commitments. However, the latter is but a

practical response in different ways to the ongoing developments and social events at the near and medium terms.

Therefore, we can conclude a social responsibility definition based on being an adherence on the part of the business establishment from towards the society which takes into considerations the society's expectations from the establishment in the shape of paying attention to the employees and the environment; as such the adherence exceeds just performing the stipulated commitments in the law.

DIFFERENT PATTERNS OF SOCIAL CAPITAL RESPONSIBILITY AND ITS IMPORTANCE

Several variables have contributed to increase the business establishment effort in the environment in which it operates. For example, the huge size organizations with large number employees and complexity of production technology and hence, the increase if its influence and affects all the different government decisions. This was the base of launching several critiques against the business establishments and their huge profits of which the society did not obtain what could develop and improve its life type. In a reaction, the organizations hastened to improve the conditions of their employees and paid attention to the so-called internal social performance which includes the improvement of the employees' standard of living, development of work environment, provide job justice and offer job opportunities. In spite of this reaction, the establishment still made use of its internal social initiatives to increase profits and improve its competitiveness that is they focused on the economic aspects (Manhel, 2000). In the early 1960s of last century and after the increased critiques, the establishments adopted what is known as external social performance, started to participate in the social activities and support the infrastructure.

Some economists are confused in using these terms in spite of the clear difference between them. The financial capital refers to what the public or private institution owns such as liquidity, financial potentials, movable and solid assets. The human capital refers to human resources like employees and workers with their scientific knowledge, skills and practical experiences. The social capital concept may not enjoy the same level of clarity as it represents social energies and relationships and cultural contacts which link the employees to each other and help spread cooperation, so as to achieve the work and employees' interest, increase productivity and lead to target realization. That is, financial capital is an apparent investment whereas social capital is a hidden investment (Al-Imam, 1995). Among the different patterns of social capital are the following:

1) Individual interest should not overcome collective interest.

2) Reduction of labor relation rates and absence of employees.

3) Senior officials should train and care for younger employees- absence of office conflict in the work environment- getting the employees accustomed to perform without direct control.

4) Providing distinct services to external client due to cooperation among internal clients.

It is notable that social capital focuses on the professional and personal trust exchanged between the employees and their work, in the sense that they do their best, all pro-ductive energies and invaluable values that enrich and affect the work environment such as commitment and desire to help others, intimacy, respect, disclosure and accepting the constructive critiques for actual success of the institution's collective participation and the work interest. This end requires the involvement of companies' employees in the mutual understanding and trust's framework which is known as social understanding network within the company.

The posed question is: how could the social capital be managed and interested, in order to achieve the work interest? How could the return and cost of social capital investment be measured? Many directors do not realize the importance and role of social capital in increasing the financial capital whenever financial capital investment occurred in a planned and observed manner, directors do not actually realize the existence of social capital in the sense that they do not realize the actual value of this wasted resource because they consider the investment in financial capital to develop the social or actual capital as a waste or extravagancy.

The misuse of intellectual and social capital through size delimitation, retrenchment of a large number of employees, the leading administrators' relinquish of their responsibility during the crises are all factors affecting the social capital stock which is accumulated over long periods. The merge with smaller or bigger companies, the internal continued arrangement to get adopted with external variables, production of new products and the company's transformation from an industry to another are variables affecting the company's culture and philosophy and may confuse human relationships within the company.

This will lead to ending social capital and losing experience which is considered as the main advantage of competitiveness. Generally, social capital could thus benefit the companies through (Al-Magherbal, 2008): (1) Providing healthy social environment through which information, experiences and knowledge can be exchanged among the employees as relationships result from trust, common reference frameworks and collective objectives; (2) Lessening the labor rotation rates, thus, reducing the costs of employment and training; (3) Providing a sort of internal coherence and solidarity within the company in order to achieve stability, moral spirit in meeting markets fluctuations and competitiveness. As such

public interest can have the priority over private interest.

Among the best examples which reflect one of the businessmen's insights and wish to maintain the accumulated social capital within its company is the story of Madeline Miles' factory. In 1995, a huge fire destroyed the company's factories producing wool clothes with almost 3 000 unemployed labors as a result. However, the factory's owner and manager did not accept losing such skillful laborers who knew everything about the factory, as other rival factories could pick them up and give them better salaries. They decided to continue paying their full salaries till the factory would be rebuilt and asked the laborers to continue working until the factory is reconstructed.

The industry observers, business exerts and financial analysts were shocked of the factory's owner decision and consider it as a sentimental uncouncted decision. They did not recognize the social capital value or the other side of the coin. It was a professional decision issued by a professional businessman because he relied on his employees and their loyalty in return of the laborers' serious commitment towards the factory. It is remarkable that the factory now enjoys good reputation and high quality production. The owner knew how to invest the social capital as trust is considered as the hard currency of the social capital economies which helps grow all economic, industrial and commercial activities.

Trust has several patterns and formulas. In trusting others, people start to observe their behavior, the conformity of their deeds to their words, conduct limited and temporary experiments of trust in order to measure the trust amount which can be given to others. As trust can be built, it can be destroyed as well. Therefore, there should be a cautious dealing with the social capital components in the same way the financial capital is dealt with. Therefore, directors should respect the social contract by abiding by their promises to their employees. The failure to abide by any of those promises can lead to trust losing, destroying the relationships network and absorbing the social capital. Despite the social capital is informal, it is considered as stronger and important than the formal contracts (Summaries of Directors and Businessmen's Book, 2001).

SOCIAL RESPONSIBILITY COMPONENTS

What is written on the social responsibility indicates that the researchers have defined a large number of the components which constitute the social responsibility but they differ in arranging the priority of these components according to the study location, duration and the nature of investigated industry. However, some of these components have the priority such as the clients and customers (Abouzeid and Weaver, 1998; Carroll 1991; Robbins 1999). In sum, the following components could be considered as indicators of the social responsibility content

towards the society and economic organizations (Abdel-Kareem and Abdel-Rahman, 1997; Manhel Hussein, 2000)

Owners and shareholders

The social responsibility role is restricted to achieving profit as great as possible, Engrossment of share value and the establishment as a whole, depiction of respected image for the establishment in its surroundings and protection of the establishment's assets and increase sales volume.

Employees

The social responsibility role is restricted to paying lucrative salaries and wages, promotion opportunities, continued training and development, job justice, suitable working conditions, health care, paid leaves, employees' housing and transportation.

Clients

The social responsibility role is restricted to providing good quality products, suitable prices, accessible products, true advertisement, safe products when they are in use and guidelines of how to use and get rid of the product.

Rivals

The social responsibility role is restricted to fair and just rivalry, honest and true information, not to withdraw employees of other rival company using unfair means.

Suppliers

The social responsibility role is restricted to the continuity of preparation, reasonable and fair prices, developments of prepared materials' usages, settlement of financial obligations and treatment truth and participation in the treatment.

The society

The social responsibility role is restricted to the contribution to supporting the infrastructures, disables employment, creating new job opportunities, supporting the social activities, contribution in the cases of emergencies and catastrophes, treatment truth and provision of true information, showing respect to the dominant habits

and traditions.

The environment

The social responsibility role is restricted to curbing the air, water and soil pollution, optimal and fair usage of resources particularly the unrenovable ones, development and maintenance, increases of green areas (tree plantation) and unharmed products.

The government

The social responsibility role is restricted to following-up the laws, legislations and directives issued by the government, observation of employment opportunities equity, payment of tax duties and other fees without avoidance, contribution to the expenditures of research and development, contribution to resolving social problems such as elimination of unemployment, provision of rehabilitation and training programs.

Social pressure groups

The social responsibility role is restricted to good treatment with consumer protection associations, respect of environment preservation groups, respect of the world syndicates' role and maintain good relationships with the true treatment with mass media.

MOTIVES AND ADVANTAGES OF THE PRIVATE CAPITAL' SOCIAL RESPONSIBILITY

Motives of the private capital' social responsibility

Various issues have recently appeared on the world social and economic arena such as poverty, unemployment, marginalization and standards of living, society institutions and assertion on activating the public and private sectors' partnership to contribute to curbing the sharp development of such issues and hence achieving the social, political and economic stability. With the transformation of several world states into market economies and the decline of state's role in the socio-economic activities as compared to the previous status, there is a necessity of the private sector's attention to play a leading role in the sustainable development process. With the beginning of the third millennium, 9/11 events in the United States in 2001 and the financial scandals related to world corporations corruption such as Enron and Arthur Anderson, it is necessary to adopt new concepts for the social responsibility programs to fight against all types of corruption. Through channels of disclosure, transparency and benefit from previous international experiences and experiments which are

among the factors contributing greatly in the concern of social responsibility programs in order to maintain the high level of social development in the countries where these companies are operating. Consequently, it curbs the capital outflow into other countries which can have negative effects on such companies (Al-Megharbel and Nehal, 2008).

Consequent advantages of the private capital' social responsibility

Under the increasing concern of the capital' social responsibility concept, there is a question on the reasons encouraging companies to adhere to this responsibility in light of its content of financial and material burdens. International experiences indicate the advantage which companies can gain as follows (Al-Magherbal 2008): (1) Improvement of company's reputation which is built on the basis of performance, competence, successful provision of services, mutual trust between the companies and the beneficiaries, the transparency level in which those companies are dealing with, the extent of taking environmental elements into considerations and the interest in human investment. The companies' adherence to their social responsibilities greatly contributes towards improving their reputation; (2) Facilitating the grants of the banking credit in light of creating some indicators which affect the banks credit decision. These indicators include Dow Jones sustainability Index (DJSI) launched in 1999 and is concerned with ranking the world companies according to its observation of social and environmental dichotomies while practicing its economic activity;(3) Selecting the most competent human elements that represent the company's responsibility towards the society in which it operates and attract the distinguished human elements for the intercontinental companies or mega domestic companies that operate in specialized fields and use sophisticated technology; (4) Building up strong relationships with the government to help resolve problems or legal disputes that companies may encounter while practicing their economic activities;(5) Social-risk well management related to practicing the companies' economic activities particularly in the globalization framework. These risks represent the environmental commitment, respect of work law, implementation of standard criteria which represent a challenge for the companies especially the small and medium companies; (6) Increasing the companies' ability of learning and invention.

CRITERIA GOVERNING COMPANIES' RANKING ACCORDING TO THEIR SOCIAL RESPONSIBILITIES

There is a set of indicators upon which companies are ranked according to their social responsibility contribution. They are as follows (Al-Megharbel, 2008):

First criterion

It includes the internal employees' environment such as salaries, health environment, child non-employment and work ethics.

Second criterion

It includes the external environment or the companies' responsibility towards the natural environment (ISO 14000).

Third criterion

it includes both company's internal and external environments and social responsibility towards the society (ISO 26000).

Beside the above mentioned criterias, there are other indicators such as: (1) Dow Jones sustainability Index (DJSI) and stock market index which measure the extent of companies' adherence to standards and criteria of the environment and human rights; (2) Formal and informal, external and internal evaluation indexes according to the international convention principles, ethical trade rules, principles of World Health Organization and Organization for Economic Cooperation and Development; (3) Principles associated with companies' scrutiny and issue of certificates that prove their adherence to social responsibility such as auditing systems of environmental administration, European Union for environmental signs and social responsibility principles; (4) Using of London guiding pattern to evaluate companies' performance in the field of capital' social responsibility while observing the needs of the environment and the society. This pattern consists of columns and rows of inputs and outputs in order to evaluate the companies' achievements of social responsibility in a way that takes into considerations the principles of cost and return of providing social responsibility's programs.

THE SOCIAL CAPITAL IN SUSTAINABLE HUMAN DEVELOPMENT**Concept of sustainable human development**

The sustainable human development theory has emerged due to the combination of two development approaches. The first is human development strategy that was posed in the U.N. development program of human development's report. The second is the sustainable human development approach devised by environmental specialists and endorsed by the U.N. conference of environment and development held in Rio De Janeiro, 1992.

The combination essence dwells in the following description included in the U.N. development program entitled "initiatives for change": not only does sustainable human development achieve economic growth but also equally distribute its benefits. It is a development pattern that preserves and does not destroy the environment and gives humans power instead of marginalize them. It is mainly a pattern that gives priority to the have-nots, expands their opportunities and options and enables them to participate in making decisions related to their standards of living. Therefore, sustainable human development is a development approach use to defend the poor people, their work nature and opportunities and defend women and children (The U.N. Development Program, 2003).

The program shows its defence of the poor people with the development approach which the world labor organization and other U.N. organizations promoted in the 1970s. However, they differ in how to handle the issues of poor people. Whereas, the fundamental needs approach is restricted to the poor people's accessibility, as a targeted class that should be supplied with life necessities, the sustainable human development approach focuses on the humans role as effective begins not a targeted class by a good-nature interventions. Based on this, it could be said that the sustainable human development approach should begin with the recognition that the countries most important resources are their population's knowledge, skills, experiences, cultures, energies and innovations.

On the contrary to the traditional development approach, the sustainable human development approach asserts the humans role within the social context in which they live. Therefore, the reinforcement of sustainable human development could be implemented through strong civil communities dominated by treatment patterns based on trust and cooperation. Any consistent strategy of sustainable human development cannot hinder the economic growth. However, the focus on humans and human communities is an incentive for economic growth. The dimension of total economic policies importance should not occur. These policies should be, however, clearly devised to support the objectives of sustainable and human development.

It is remarkable that the sustainable human development approach does not lessen the importance of the advanced technology's role that forms the financial capital of the economic development. However, it asserts that they are at last a mere means whose importance is restricted to the service of Man. Thus, the development patterns that give priority machine at the expense of Man and allow the loosing of social tissue in the name of modernization and growth cannot achieve sustainable development in the societies where they are implemented (Ararat and Gocenogla 2007).

It is clear in most societies that the attempt to necessarily create economic mechanism does not lead to what the world is witnessing of poverty, unemployment

and marginalization on the part of a large class of population. However, the whole world lives in elevation and great scientific and technological progress. Therefore, the importance of the justice issue and participation in the economic field has emerged. This theory's exponents are worried about the social unrest exacerbation and the conflicts within the communities, the increase of world refugees' number, the unemployment rate, the deprivation of food, medicine and uncontaminated water. They observe an upward trend in these negative phenomena number whose essential reasons are attributed to the lack of justice and economic participation whether in the political or economic relationships within each state or among the states.

There is a group of main principles that form the political, social and ethical fundamentals to achieve social responsibility. They are as follows: (1) Justice: That is each man should obtain an equal share of the society's wealth and energy; (2) Empowerment: That is each individual in the society should be given the effective participation particularly in decision making process or affecting such a process; (3) Well-accountability and administration: That is, persons in government and administration should be subject to the principles of transparency, dialogue, control and responsibility; (4) Preservation of environment and natural resources; (5) Interest of human capital with all its classes and components in order to provide skills, abilities and health for all to participate in the production cycle; (6) Social capital development: That is the regulatory social relationships framework on the basis of well-accountability, administration, justice and participation in decision making; (7) Solidarity among generation and all social classes within the society and among the societies.

The social capital's role in the sustainable development

The economic thought at the world level proves the community institutions formation and their gradual development are the main keys for development. These variables are more relatively important than stable capital's investment. According to this school of development thought, the then stable capital's investment results from development sequences and is not the main engine behind it. During that period, the activities of a large group of non-governmental organizations which represent low-income social categories have become a main source for development thought. Therefore, other new concepts such as sustainability and empowerment have emerged. The 1990s period has witnessed attempts for understanding specific aspects of the relationship and interaction nature between states and institutions of the civil society and the market. The parts of concerned of development economies have observed the role of institutions of the civil society in achieving the development.

Despite the conformity of views in considering human skills as the main keys of socioeconomic development, the sustainable human development approach differs from the human capital approach. Whereas, the former deals with humans as a development end, the latter deals with human development on the basis that human investment in a useful process leads to economic growth. On the other hand, the sustainable human development approach distinctly focuses on the social not individual basis of human abilities and asserts that human interaction patterns create the difference between social capital and human capital. However, sustainable development contains the sustainability concept related to developing the whole society. Therefore, sustainability should be treated as a social target.

The social capital has a more just nature than other types of capitals. The productive and financial capitals are usually owned by individuals or state. Therefore, there should be a perpendicular relationship between the owner and his staff. However, the social capital accumulation is distributed for all and could benefit the weak people more than those influential and powerful people. In light of what has been introduced earlier, capital can be divided into three types (Tareket al., 1996): (1) Natural capital which consists of land, water, energy and metal sources; (2) Financial capital which is devoted for consumption and investment; (3) Productive capital which consists of equipments, tools and other production means; (4) Capital which forms infrastructure; (5) Human capital which consists of knowledge, experience and skills of all population; (6) Social capital which consists of norms, institutions, networks, organizations, traditions and patterns of social behavior.

Social accumulation capital is the main key for most human and sustainable development pattern. Living in a developed social capital communities is better than living in weak social capital communities. Developed social capital creates a valid environment for economic growth.

Each of the development stages needs a particular structure of different capitals, thus, the transformation issue from one stage to another is important for example, Malaysia could transfer from raw material export based development into sustainable development that based on its population's skills. Malaysia's key of success in achieving this transformation is the policies adopted in transforming the gained income of natural capital exports (natural resources) into other types of capital investment such as infrastructure, education and institutional building (Wedel and Paul, 2007).

Certainly, one-type capital extreme at the expense of other types, leads to harmful results for the society. Intensive equipment and mechanics investment, at the imports replacement stage, has led to development patterns which did not achieve sustainable development. The 1990s decade, characterized by high prices, banks willingness for lending and high levels of foreign aids, led to the prominence of financial capital phenomenon, hinder social and institutional capital accumulation, emergence

of bribery and corruption phenomena, capital outflow from the developing countries an appearance of foreign debt crisis by the end of the decade for the majority of developing countries.

On the other hand, the development experiences of several world states have proven the social capital rich society has fundamentals to resolve its problems without violence, political power provides better effective exploitation for other types of available capitals in the society.

The civil society studies conducted by Putman in South and North of Italy refer to the positive relationship between social capital well-administration and economic growth. Despite the international relationship among the three variables, the study convincingly proves the larger amount of social capital in North Italy leads to higher rates of economic growth as compared to South Italy.

Whereas the marginal classic economic theories refer to the focus on the rivalry as the main development engine, the social capital analysis refers to the focus on cooperation as a helping development factor. In this case, there should be an emphasis on these two approaches in its focus extent as rivalry and cooperation have important roles in development (Arthur, 1970).

The judgment of institution success should be done in the social framework in which institutions operate. That is, the institution performance should be evaluated within the state where it operates. The institution success in a particular state does not necessarily mean its success in other states. Therefore, sustainable human development combines two axes of the development axes. It is not just the outcome of the human and sustainable development combination but it adds to the development elements the necessity for paying attention to the social capital. Expanding people's abilities is meaningless except when it is linked to increasing people willingness to consciously adhere to some of their ambitions for the current and forthcoming generations. In light of the current world challenges, people should be encouraged to invest in the cooperative relationship with each other and adopt new social constraint mechanisms arising from private initiative and not from official resources (Gutierrez et al., 2004).

On the contrary to the tangible financial framework and human capital embodied in the individual's knowledge and skills, the social capital exists in the relationships between people and can simply be defined as the voluntary forms of social discipline.

Social capital depends on the principle which says that the individual should observe in his behavior the group or society interest to which he belongs and not his personal interest. This principle supported by social support, honor, position and other gains generate a social capital which feeds and strengthens the human endeavors. The adherence to a cause positively associated with this type of capital reinforces people's willingness of the continuity of doing their best and lessens what economists called operations costs (Wedel and Paul, 2007).

Social capital exceeds the building up of individual human ability as the expansion of people's ability and options cannot be important except in the collective work context. It also differs from building up institutions which contain the individual habits adaptation to the collective interests. The societies make decisions through a number of institutional mechanisms including enforcement, authority delegation, representation, voting and direct participation.

SOCIAL RESPONSIBILITY IN EGYPT

Since the early 1990s, Egypt has adopted the economic reform policy as the private sector's role increased in bearing social responsibility and became a major partner in the development process. The private sector's investment reached about 70% of the state's consultative plan. Therefore, the private sector was able to provide necessary support to contribute in several social fields such as employment, training and education, health and housing.

The government has initially provided privileges for social contribution such as the tax law no. 91 of 2005 which the government has adopted in line with economic reform which has important social dichotomies like contributions and advertisements became tax-exempted. This includes the companies' contributions and advertisements to accredit private Egyptian institutions and associations. Furthermore, it includes all contributions to education houses and state-run hospitals and scientific research institutions with not more than 10% of donor companies' annual income net profit (Nazif, 2009).

The most important companies' motives behind social responsibility in Egypt are as follows: (1) Granting the private companies and businessmen partial tax exemption of their profit whenever they contribute to the activities included under social responsibility. The income tax law no. 91 of 2005 exempted the contributions and financial support paid by companies to charity associations and non-governmental organizations of about 10% of these companies' profits; (2) Presenting morale prizes to the companies that achieve best practices in the social responsibility field as it has been a tradition in Egypt for a long period of time like the annual companies trophy granted by the ministry of trade and industry; (3) Announcement in all various mass media on the companies that provide best social services for their staff, clients and individuals of the society or contribution along with the government in providing social services; (4) Benefit of annual appreciation state prizes presented to scientists and researchers in order to encourage the companies of practicing social responsibility; (5) Egyptian government has newly issued a social responsibility certificate through the industries union for the companies obtain its services and the companies wish to export its products in order to facilitate the exporting process with

assertion on the companies adherence to social responsibility towards the society.

Generally, in the recent year, the number of prizes, grants and exemption given to the companies has increased for their social responsibility, so as to encourage domestic and foreign companies operating in Egypt of providing further efforts in social services.

Table 1 shows the rate of private sector's contribution in the social national gross product which reached almost 62% during the average period 2003/2004 - 2007/2008 (Ministry of Economic Development, 2008/2009). The rate of the private sector's contribution in the overall investment reached 47% in 2003 - 2004 to 65% in 2007 - 2008. However, the public state investments declined from 53 to 35% during the same period. This emphasizes the private sector's important role in attracting investments and bearing social responsibility along with the state.

The rate of the private sector's contribution to the labor employment increased from 67% in 2003 - 2004 to nearly 70% in 2007 - 2008 from about 12 million laborers to 15.5 million laborers in the same period. This rate emphasizes the essential role which the private sector plays in curbing the unemployment rates and its reduction from 10.3% in 2004 to 8.4% in 2008 (The central bank of Egypt, January 2009).

At the same time, Egypt has achieved progress in several social development fields. Table 2 indicates the rise of human development index from 0.695 in 1996 to 0.723 in 2006. It consists of the expected birth survival index which increased from 0.695 to 0.723 in 2006, the education index increased from 0.599 to 0.718 in the same period. In addition to individual per capita of Egypt's gross domestic product valued in US dollars from US 3911 in 1996 to US 5900 in 2006 (Egypt's human development report, 2008).

The report issued by the United Nations program and entitled "solutions of human development's enterprises sector" indicates that 61% of the industrial and investment companies operating in Egypt do not contribute by any means in any developed reinforced activities. Although, it also indicates that a limited number of companies in Egypt contribute to development, its contribution has a positive effect indeed. The figures of private sector contribution in development in spite of being restricted to 39% out of the total of 514 companies included in the report, they contribute to almost L.E. 5.5 billion in the fields of fighting against abject poverty, education, environment and development. It is a large effect figure that indicates the importance of private sector contribution in development in line with the companies' social responsibility (the United Nations development program, 2007).

The report refers as well to the contribution of included companies in the fields of education and fighting against abject poverty and hunger by 11% each out of their total contributions. However, contribution in fields of maternal

health care and environment recorded fewer rates (estimated 2%). Most initiatives of the companies were attributed to human and religious motives and were often separated from the company's main business activity. The report refers to the need of developing the pyramid-based patterns which are internationally spreading and in whose framework companies develop their services to be suitable to the needs of poor clients. Among the successful international examples is the leading model of Mexican Simix Company. It contributes to building housing units for poor families through gathering them in self-financed cells and providing them with building materials along with the architects' experience needed in building their houses themselves.

Among the rare models in this framework is Egypt where Mansour group provides charity that meets the needs of low-income clients.

It notable, based on the report, that the international multi-national companies are the most generous in contribution as compared to the national companies. This is attributed to the existence of steady international culture which supports the social contribution trend. This fact is proven and discussed in the United Nations report on companies' social responsibility. The report clarifies that national companies often play a short-term role in social contribution due to the existence of certain problems and cases which the company finds it incumbent to play a role in finding a solution. This means that most activities are mainly associated with individual cases and public relations but not included in the work program that serves the economic needs and the society in general (Halabawy, 1992).

The optimistic image which Egypt's economic performance reflects in the domestic product growth rate estimates about 7.1% is contradicted to a less optimistic image of poverty increase from 16.35% of the total population in 2002 to 20.7%. That is, a total of 14 million people with an increase of three million people from 11 population and having a positive reflection on the companies long and medium terms returns. The company's social responsibility is considered as a long-term investment; since it generates long-term return which exceeds the spending cost on the aspects of the company's social activity.

It is notable that advanced world companies no longer look at this social responsibility as a burden but rather a long term investment that achieves long term return through creating good environment for the companies in their surroundings and through the factories owners, shareholders, suppliers, staff, clients, lending institutions and other people in the society. There are three different views on the social responsibility practices. They are as follows (Specialized National Councils, 2009):

(1) Exponents of social responsibility idea believe that it is the price of the companies' high interest and the businessmen when adopting the social responsibility

Table 1. Private and public sectors' contribution in the gross domestic product and the investment and employment percentage in the period 2003/2004- 2007/2008.

Year	Percentage of private sector contribution in GDP	Percentage of private sector contribution in employment	Percentage of private sector contribution in investment	Percentage of public sector contribution in GDP	Percentage of public sector contribution in investment	Percentage of public sector contribution in employment	Total (%)
2003 - 2004	62.2	47	67	37.8	53	33	100
2004 - 2005	61.7	48	67	38.3	52	33	100
2005 - 2006	60.3	57	68	39.7	43	32	100
2006 - 2007	62.5	63	69	37.5	37	31	100
2007 - 2008	61.9	65	70	38.1	35	30	100

Source: Ministry of Economic Development, Egypt - www.mop.gov.eg.

Table 2. Index of human development and its components report of human development in Egypt (1996 - 2006).

Year	Human development index	Expected survival index	Education index	GDP index based on US dollar purchasing power	Individual per capita of GDP based on US dollar purchasing power
1996	0.631	0.695	0.599	0.598	3911
1998	0.648	0.698	0.614	0.632	4407
2000	0.655	0.702	0.643	0.649	4878
2001	0.680	0.702	0.682	0.655	5061
2002	0.687	0.760	0.703	0.607	3792
2004	0.689	0.760	0.685	0.622	4152
2006	0.723	0.772	0.718	0.681	5900

Source: Report of human development in Egypt, different volumes.

thought. It will long term benefits as a result of practicing such a responsibility at the level of social peace and stability. Therefore, there will be long-term enhancement of profits.

(2) Critics of social responsibility idea believe that the businessmen' social role may disperse their attention on the economic aspects.

(3) The third view rejects the social responsibility idea based on an ideological background that views the idea as an attempt to eliminate the state's and government's roles as generally observers on the economic institutions and

particularly on the multi-national companies.

Some patterns of Egyptian companies practicing social responsibility

The charity institutions are one of the mechanisms which appeared and grew over the past three decades. According to this mechanism, the company establishes a charity institute to be responsible for carrying out social services and activities for the society and each individual

instead of the company's direct fulfillment of this role. Whereas, the different charity institutions' targets are varied, their general pattern exists in the contribution for building up hospitals, clinics, worship houses, Quran memorization societies and adoption of some poor families (widows, divorced, orphan children, etc.) supporting the centers for scientific research and training, establishment of technical institutes in the industrial areas and other social services. Examples of the Egyptian companies' experiences in social responsibility practices (UN Development program,

2007) as follows:

Some banks' experience in sponsoring education and training of some of the public

Particularly, fresh graduates should be trained to acquire scientific and practical skills before entering the work market. The international Arab-African bank is a leading bank in providing annual support and prizes for distinguished students. Moreover, some private sectors' companies hold regular fairs for employment where several job seekers or work market newcomers could be employed. And there are many other cultural and social activity groups of institutions founded by the businessmen's in Egypt such as Abu-Alainin, Al-Magraby, Mansour, Sawires, Vodafone, Mobinil, Food bank, Coptic Anglican Corporation groups. Most of them include a group of the companies' social responsibility programs in the field of education, health care, women and children through contributions, development enterprises and the establishment of different projects.

In addition, there are some private societies that have played prominent roles in the social responsibility's different dichotomies (Habib, 2009) such as: Al-Amel institution for Small enterprises development, Employment opportunities development Association for facing Unemployment, Development of Domestic Community association, Al-Hana Domestic Community Development association, Charity Coptic Peace Association. These associations works in the fields of productive families projects, provides job opportunities through loans for establishing smaller enterprises, supports women economic empowerment and a rehabilitation and training center to produce handcrafts and skills acquisition. Some of them cooperate with UNICEF within a common program to protect children in the streets.

INTERNATIONAL EXPERIENCES IN THE FIELD OF PRIVATE CAPITAL' SOCIAL RESPONSIBILITY

Indian experience

It focuses on information technology sector, training and rehabilitation, compulsory free education up to the final secondary school stage, focuses on technical education as the main pillar for sustainable development, increases the mechanical allocations for research and education centers, provides building job opportunities particularly in the countryside through supporting and financing smaller enterprises. The banks played an important role in providing main services in the field of education, health care, financial aids with special focus on the elderly and special need people. It established website to spread social responsibility concept, charity and voluntary works. The private societies played a remarkable role in

rehabilitating and training students in different fields of specialization, provided technical and financial consultations for those wishing to establish small enterprises (Sood and Bimal, 2006)

The Malaysian experience

It associated the training and education programs with the domestic development needs to cope with globalization at the same time. It asserts the necessity of private sector participation in working out along with the government training and education programs, providing morale and technical support to encourage the private sector to investing in the sector of education and training and implanting the productive work values to all students at different education stages. In the field of private capital' social responsibility, financial funds were established to help aid poor people founding small and smaller enterprises without interests and allowed periods linked to the projects production. The companies participated in establishing health care and education services, spreading social responsibility culture through independent administrations within the companies in order to stimulate the private sector to achieve sustainable development (Wedel, 2007).

The Korean experience

It focuses on stimulating the domestic and foreign private sector to invest without restrictions in the training and education field and provide research financial support to serve the environment and the society and allocate a portion of profits to sustain the researches and environmental issues. It adopts a new trend based on implementing vocational training programs for all ages, areas and professions in order to achieve the employment of a large number of individuals in different demographic areas and according to development needs in such areas. It focuses as well on social responsibility field in the environment, education, health care, utilities and infrastructure and elderly and special need people care issues (Thomas, 2007).

The Philippines experience

It focuses on labor force rehabilitation in technology, development of training and education institutions, changing teaching techniques from dictation into innovation and exporting surplus technical labor abroad. English and the Philippines languages should be the medium of education. It cooperation with Japan in the training field and benefit from world cooperation program in the training and education field. It attempts to use non-governmental organization in rehabilitating unemployed

people for other jobs (Wedel, 2007). Although, a number of companies in the Philippines adopted several programs in the social responsibility framework, their efforts are not organized and characterized as being random whether at the education or health care fields. The private associations played a remarkable role in mobilizing anti-poverty initiatives which could provide over a short period, health, educational and training services to help somehow curb the poverty phenomenon. It has been pursuing its attempts to achieve the ultimate benefit of companies' support in the field of social responsibility to sustain socioeconomic stability.

The Australian experience

It focuses on training and education as the keys for developing the human resources and the entire society. It merged the technical education and vocational training programs with the public high schools programs according to the work market needs. It adopts new patterns of education such as distance learning, continued learning and cooperative education. It focuses on training teachers and trainers and the private sector's participation in the decisions of human resources development (Michell, 1997). The Australian experience has a unique model in attracting expertise and capabilities from other countries through what is called immigration program in support of development process and unleash the private sector in the field of investments related to infrastructure, education and health care.

The Brazilian experience

It concentrates on the companies' adoption of specific programs in the field of human rights and labors. It implements life quality model and citizenship through participation in decision making process. Moreover, there is an important role for private societies in the field of charity, children rights, promotion of democracy and youth participation, stimulation of private sector's investment and environment preservation which were strong motives behind hosting the United Nations Conference entitled "Earth Summit".

The Hong Kong experience

The multi-national companies provide social responsibility programs focusing on environment, employment and society development. The employment issue is the most important issues as labor syndicates did not do an effective role in shortening the so long working hours with its negative effects on the laborers. The human rights organizations do not play an effective role in defending different issues related to human rights violation. And

because of the non-existence of appropriate legislative, environmental and legal frameworks, the trade and markets are characterized by unfairness and lack of free competition spirit due to the absence of disclosure, transparency, limited information and contradictory accounting systems in preparing reports. Therefore, there is a necessity for reinforcing the private sector's participation to awaken various fields programs such as environment preservation, free competition dominance, fair trade, work attention and improvement of work environment (Asia Pacific Economic Cooperation (APEC), 2005).

Experiences of a group of States and companies in technology transfer via multinational and intercontinental companies

China has welcomed direct foreign investment to build up human capital. Singapore has transferred technology by attracting foreign investments, downward and upward linking of the foreign companies (inputs) and benefit from trainees in foreign companies to build up domestic companies. Intel's company provides grants in well-known world universities and institutes for distinguished students. It has adopted common project with Chinese scientists. Toyota's company provides studying grants at different educational stages and sampling aids represented in machines and training means.

In addition, there are other state's experiences in the field of social responsibility which cannot be mentioned in details in this text such as the experiences of the United States, European Union, some of East Europe States and some international corporations and organization working in that field. In light of most of the previously mentioned experiences, we find that they differ from one country to another, from one company to another whether in planning, concerned programs of social responsibility or gradual implementation steps or priority timetables.

It could be said in this concern that there is no one law or policy that can meet the issues related to poverty, comprehensiveness and sustainability. Therefore, the solution dwells in adopting overall and comprehensive approaches, elimination of administrative barriers between and within government sectors and material allocation sectors. There should be a commitment at the national level which provides power to domestic organizations for social participation. Policies and laws should have a strong social existence even though there is no recognition of individuals' rights and needs as compared to the society's rights and needs. A partnership following-up administration should be created between the private and public sectors to ensure social responsibility.

Based on world perspective, empowerment is considered as a main pre-requisite for making urban policies through public participation. However, to successfully

fulfill that matter, the societies need trust and skills and the reinforcement of multi-cultural awareness is fundamental for awakening comprehensiveness and empowerment. Emphasis should be given to decentralization and simplification of power to the least possible level to the society as to be as close as possible to the affected people. Therefore, there is a need for democracy, justice in order to empower the marginalized social groups, particularly women.

RESULTS

Nonexistence of clear social responsibility system at the international level

The nonexistence of clear social responsibility system at the international level has been intervened with that of charity or voluntary works because it is a new term in general. The private sector's intrusion into the society's issues through its social responsibility which does not mean the state has abandoned its responsibility but it is an integrated target for achieving sustainable development. Nonexistence of clear regulatory mechanism of the private sector's work towards the social responsibility and the decline of its contribution towards the social support as its contributions do not subject to defined plans or programs. The private sector's current social responsibility represents promotion and advertising programs for the companies and this is not its real concept. And the absence of the private sector's strategic plans towards social responsibility leads to weak activation of social responsibility practices. The private sector's priority in social work is to contribute money, provide equipments for the needy and contribute its products. However, there are other fields which witnessed no care such as the care of divorced women, unemployed people, psychiatric patients, anti-smoking campaigns, facilitating the marriage of youth, poor and low-income groups' housing, roads maintenance and sponsoring researches and scientific studies. However, the private sector plays a limited role in the environment services projects. The paper show that the absence of the role of universities, research centers and environment and society's development services of performing their duties towards social responsibility as they are just formal institutions which do not handle the scientific research in line with the fieldwork issues relevant to social responsibility. Finally, the current social responsibility in Egypt is based on the Islamic and Coptic religious principles that urge for achieving social security among individuals in the society and it is restricted to individual unplanned and random initiatives.

RECOMMENDATIONS

In light of the above-mentioned results, the research

provides some recommendations to activate the private sector's contributions towards the social responsibility through the necessity to create a social responsibility independent administration within the private sector's companies which has an independent budget as a company's adherence towards the society in the sustainable development framework. The consultation companies should allocate part of their budgets to spending on the social programs such as schools, health, sewerage and infrastructure and their founding contracts should stipulate that. All ministries in the state should adopt the social responsibility concept and attempt to reinforce their activity through the work nature of each ministry such as the ministry of education whose curricula should include the social responsibility concepts through the syllabus of national education in order to teach students home love, loyalty and allegiance and the preservation and maintenance of public property. Similarly, the ministry of higher education should activate the society and environment services centers within the universities and establish social responsibility specialized faculties and institutes similar to other countries in order to train and rehabilitate administrators and employees to work in the social responsibility departments at the private sector's institutions. The development of laws, regulations and legislations relevant to social responsibility. The convention of specialized conferences, seminars and workshops to clarify the social responsibility importance and role in achieving sustainable development. It is necessary as well to hold an annual forum with the participation of all sectors to evaluate the private sector' social responsibility performance, work out programs necessary for developing and activating performance. There should be as well an annual social responsibility prize granted for the most active establishments and companies in supporting the social responsibility fields. The establishment of social responsibility supreme council comprising representatives of the private sector in order to laying out plans and strategies necessary for the priorities of social responsibility practices. And the importance of mass media role in marketing the social responsibility concept. Finally, it is necessary to activating and deepening the communication with international and regional development institutions and organizations and benefit from their experience in this field such as the world sustainability development council and the United Nations development program.

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