Master Thesis Topic and Justification of the Case selection

Corporate Social Responsibility (CSR) is an important theme in global business community and in academia as well. The growing emphasis on business social responsibility is affecting the relationships between companies and their various stakeholders including customers, employees, communities and governments. Larger companies have already incorporated CSR in their strategic plans as an essential element for long-term sustainability. CSR is seen also as a tool which will solve the global poverty gap, social exclusion and environmental degradation. Not only companies but also local governments, employers’ associations, international organizations and non-governmental organizations emphasize the importance of CSR.

Unfortunately, CSR research is mostly focused on developed countries than on developing countries. However, as CSR in simple terms is about the responsibilities of companies to the other actors in society, ‘it needs to be studied in the light of the context where it is being practiced’ (Dobers & Halme, 2009, p. 3). Moreover, CSR should be more important issue in developing countries, because the institutions providing social goods are less in developing than in developed countries, thus companies could be the ones who will fill these gaps (Baughn et al, 2007).

International agencies as United Nations, Eurasian Partnership Foundation and CIVICUS, attempted to promote the idea of CSR in Armenian companies. According to the survey done by CIVICUS (2008) and examples of socially responsible corporate behavior by companies in Armenia are very rare. Only companies with international management demonstrate socially responsible behavior. The survey though was done with the largest companies in Armenia that has international management, and there is no study with smaller Armenian companies. The other survey was done with small and medium size enterprises in Armenia in 2010 by Marketing Association of Armenia. The survey showed that CSR activities by SMEs are also
very rare in Armenia. However, the surveys were done mainly to check the actual implementation of CSR activities by companies in Armenia, but they do not distinguish the problems of establishing CSR in Armenia.

As Cambel (2007) argues there should be certain conditions for companies to behave socially responsible in developing countries. He points that companies will more likely behave socially responsible if several institutional conditions such as public and private regulation, the presence of nongovernmental and other independent organizations that monitor corporate behavior, institutionalized norms regarding appropriate corporate behavior, associative behavior among corporations themselves, and organized dialogues among corporations and their stakeholders, should exist in the country (ibid, 2007). I argue that the problems of establishing CSR are the absence of most of the above noticed institutional conditions and unhealthy institutional environment.

In my thesis I will attempt from the institutional perspective to find out the main barriers of establishing CSR among Armenian companies.

**Aim of the Field Research**

The main goal of my field research is to validate the hypotheses which I stated in my thesis based on literature. General goals of my field research is to find out how companies and other participants of the interviews understand CSR, what challenges the companies face in doing CSR, what problems companies and other participants of the interviews identify in CSR field, how different actors see their role in CSR field, how, why and what factors affected the attitudes of companies in decisions on social responsibility, the partnership among companies and their stakeholders and the way it functions.

For that reason I did in depth interviews with the following actors:

- Companies
- Ministry of Economy,
- United Nations Development Programme (UNDP)
- Confederation of Trade Unions of Armenia

**Activities during the field trip**

The main activities of my field research were in depth interviews with relevant actors. Each interview lasted from 30-40 minutes.
Interviews with companies

I managed to do interviews with 5 companies. The companies are specialized in the following sectors such as alcohol production respectively a major wine producer and a major brandy producer in Armenia, confectionary production, milk production, importation of engine oil. The companies are chosen based on the following criteria:

- Company founded in Armenia and have Armenian management,
- Company has significant market share in its sector,
- Company is in the list of the first 1000 large taxpayers in Armenia,
- Company has good financial performance for the last two years.

Interview with the Ministry of Economy

The interview was held with the leading specialist at the Department of Business Environment Improvement, Ministry of Economy.

Interview with the United Nations Development Programme (UNDP)

I did the interview with the UN Global Compact Armenia Project Coordinator.

Interview with the Trade Union

The interview was held with the deputy director of the Confederation of the Trade Unions in Armenia.

Time Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>09.12.2012</td>
<td>Arrival to Yerevan</td>
</tr>
<tr>
<td>13.12.2012</td>
<td>Interview with the Director a confectionary producing company</td>
</tr>
<tr>
<td>15.12.2012</td>
<td>Interview with the UNDP, Global Compact Armenia Project Coordinator. He also helped me with some contacts of companies.</td>
</tr>
<tr>
<td>17.12.2012</td>
<td>Interview with Director of an engine oil importation company. He supported me with his personal contact to get appointment with Confederation of Trade Unions in Armenia</td>
</tr>
<tr>
<td>Date</td>
<td>Interview Description</td>
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<tr>
<td>20.12.2012</td>
<td>Interview with leading specialist at the Department of Business Environment Improvement at the Ministry of Economy</td>
</tr>
<tr>
<td>25.12.2012</td>
<td>Interview with Deputy Director of the Confederation of Trade Unions in Armenia</td>
</tr>
<tr>
<td>26.12.2012</td>
<td>Interview with one of the Deputy directors of a brandy production company</td>
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<tr>
<td>27.12.2012</td>
<td>Interview with Director of a wine production company</td>
</tr>
<tr>
<td>04.01.2013</td>
<td>Interview with the Deputy director of a milk production company</td>
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**Positive and Negative Experiences of the Research**

In general I had a productive field trip. I achieved almost all the proposed targets. Particularly the positive experience of my field research is the following:

1. First of all UNDP and Ministry of Economy accepted my request for interview very quick and with a great interest. They also requested me to share the final results of my thesis with them.
2. Second of all apart of answering my questions, the representative of the UNDP gave me good tips and helped me to connect with the brandy production company which is very important for my research. With the help of UNDP I could make appointment with them easily.
3. With the help of the Director of the engine oil production company I could get an appointment with the Confederation of Trade Unions in Armenia.
4. Most of the interviewees were rather open to me and showed eagerness to answer my questions.

Though the positive aspects of the research I had also some negative experience:

1. It was relatively difficult to get access to companies. Only two companies agreed via email to my request for an interview. To other companies I had to call several times as they did not answer via email.
2. The manager of one of the companies was really impolite and irresponsible and I had to wait for more than one hour for the interview.
3. I had to travel to quite far destinations where one cannot get by public transport, for making four of my interviews. That is the reason I had to use a taxi.

4. I had also difficulty to access the Confederation of Trade Unions of Armenia, as there was wrong contact information in their official webpage.

**Literature**


Peter Dobers P. & Halme, M. 2009, ‘Corporate Social Responsibility and Developing Countries’ in Corporate Social Responsibility and Environmental Management 16, 237–249
