

## THE REALITY OF E-COMMERCE ETHICS IN THE ALGERIAN ECONOMIC INSTITUTIONS

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### Abstract

*The internet age has engendered a number of ethical challenges in the Algerian economic institutions as a result of increasing competition among enterprises due to the fact that the International Network (Internet) is a port that is not subject to the law and what is happening in these enterprises are actions devoid of any ethical principles. Electronic commerce or e-commerce allowed for the creation of a huge number of enterprises which have websites on the Internet and use them to offer their services. This has increased the number of piracy cases on information relating to the components of the institution's survival. Moreover, it helped others to invent new ways of intrusion and spying on customers through the Internet, and other electronic immoral acts.*

*The chances of Algeria for development in the field of e-commerce depend on the availability of Information and Communications Technology (ICT) and its evolution. The accelerating global development of e-commerce and the growing international trend to deploy the application of ICT should push Algeria to follow the path of this kind of trading (e-commerce) without a moment of hesitation.*

**Keywords:** E-commerce; Information and Communication Technology; Algerian economic enterprise; Business ethics; Ethics of e-commerce.

### المخلص

لقد أفرز عصر الإنترنت تحديات أخلاقية للمؤسسات الاقتصادية الجزائرية نتيجة زيادة حدة المنافسة بين المؤسسات لكون الشبكة الدولية مرفأ غير خاضع للقانون وما يحصل فيها من أعمال مجردة من المبادئ الأخلاقية، فقد ساعدت التجارة الإلكترونية على وجود عدد هائل من المؤسسات التي تمتلك مواقع على الانترنت وتقدم عروضها عبرها، مما زاد من حالات القرصنة الواقعة على المعلومات التي تتعلق بمقومات بقاء المؤسسة، كما أتاحت للبعض ابتكار طرق جديدة للتطفل والتجسس على الزبائن من خلال الإنترنت، وغيرها من الأعمال الالكترونية اللاأخلاقية.

و إن حظوظ الجزائر في التطور في مجال التجارة الالكترونية مرهون بمدى توفر تكنولوجيا الإعلام و الاتصال و تطورها، فالنمو العالمي المتسارع للتجارة الإلكترونية والاتجاه الدولي المتزايد لنشر تطبيقاتها لا يترك للجزائر أي مجال للتردد في تطبيق هذه التجارة.

**الكلمات المفتاحية :** التجارة الالكترونية، تكنولوجيا المعلومات و الاتصالات، المؤسسة الاقتصادية الجزائرية، أخلاقيات الأعمال، أخلاقيات التجارة الالكترونية.

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## 1. Introduction

The actual evolution in the global environment, at all levels, has been accompanied by many ethical breaches that resulted from the lack of attention to ethical standards in managing the activities of many economic institutions. These excesses have aroused the alertness of those interested in this issue to think of appropriate ways to ensure the sovereignty of the ethical dimensions and ingredients in an effort to adapt and guarantee survival in the business environment, by means of a set of moral competitive characteristics.

This is not outside the scope of e-commerce in which the ethical principles have become more urgent than in traditional commerce. Despite the positive effects already achieved, e-commerce has engendered a set of challenges for some institutions which, as a result, are facing more competitive pressure. E-commerce has become one of the primary means for the exchange of information, expertise and products, between different sectors and different countries. Further, e-commerce has enhanced the capacity of several institutions to take advantage of the ease, facilitation and accuracy it has provided in the exercise of its business. Some companies, not using this kind of trading, have lost many of their customers due to fierce competition. Consequently, as they were put under constant pressure, some of them resorted to unethical practices in order to achieve their objectives and to support their capacities to achieve competitive advantage.

In light of the above, one may ask the following question:

**What is the reality of e-commerce ethics in the Algerian economic institutions?**

From this question, the following sub-questions may arise:

- What are the ethical rules which must be considered when practicing e-commerce?
- Is it possible to take ethical decision-making in e-commerce operations in a highly competitive environment?
- What is the reality of e-commerce and its ethics in the Algerian economic institutions?

The present study seeks to address each one of these issues.

## 2. Importance of this research

This research study is very important as it seeks to show the link between the ethical principles and e-commerce. Its significance also stems from the considerable role played by business ethics in supporting the efficiency and effectiveness of e-commerce in the economic institutions, and particularly in Algeria.

**2-1. Research objectives:** This research aims at:

- Shedding light on the theme of e-commerce, as it is one of the contemporary topics in business administration;

- Demonstrating the role played by e-commerce ethics in the Algerian economic institution;
- Disclosing the reality of e-commerce ethics in the Algerian economic institution.

In order to achieve the desired goals and to respond to the problem at hand, our team relied on the descriptive and analytical approach, as well as the case study method using the *Statistical Package for the Social Sciences (SPSS)* software. To confirm the above, the following axes are addressed:

Axis 1: The reality of Information and Communication Technology (ICT) in Algeria;  
 Axis 2: The reality and prospects of electronic commerce in Algeria;  
 Axis 3: The reality of e-commerce ethics in the Algerian economic institution.

### **Axis 1: The reality of Information and Communication Technology (ICT) in Algeria**

Over the last few years, the Algerian comprehensive policy has aimed at building an information society. This can clearly be noticed through the official discourse of Algerian officials, and also by the recently launched development programs whose objectives are to develop the sector of information and communication technology (ICT).

#### **First – The concept of information and communication technology (ICT)**

##### **1. Definition of information and communication technology**

Information and communication technology (ICT) represents all uses of computers and communication networks, as well as sharing information through wired and wireless devices. Usually, this technology involves communication devices such as the phone, fax and Internet<sup>1</sup>.

This technology is also viewed as a set of devices and tools that provide the storage, processing, and retrieval of data, which can then be forwarded through various communication devices, to anywhere in the world, and received from anywhere in the world as well<sup>2</sup>.

##### **2 . Modern information and communication technology in Algeria**

Algeria has made great efforts which consist of projects and regulations aimed at upgrading the sector of modern information and communication technologies, with the help of those who have skills and competencies in this area. Moreover, the Algerian market for modern information and communication technologies is thought to be at the height of its development, as it coincides with the expected significant growth due to the considerable importance of the Algerian market in the Maghreb region with regard to the existing potentialities. In addition, it seems that Algeria's openness strategy and its new trend toward the modern world of technology will be achieved after the completion

<sup>1</sup>بختي، إبراهيم (2005)، *صناعة تكنولوجيا المعلومات والاتصالات وعلاقتها بتنمية وتطوير الأداء*، المؤتمر العلمي الدولي حول الأداء المتميز للمنظمات والحكومات، جامعة ورقلة .

<sup>2</sup>بلعلياء ، خديجة و معموري صورية، *دور تكنولوجيا المعلومات والاتصالات في اكتساب مزايا تنافسية في منظمات الأعمال*، الملتقى الدولي الخامس حول رأس المال الفكري في منظمات الأعمال العربية في ظل الاقتصاديات الحديثة.

of the new city project, which consists of a small information and communication technology town, which involves ten (10) projects. These projects and programs aim to develop communications and to liberalize the initiatives and the market economy in order to open the way for competition to private and public companies. The government has always praised any kind of partnership initiatives that may be concluded between Algerian companies, or between Algerian and foreign companies. On the other hand, the partnership between the institution *iPad* with Algeria Telecom to rehabilitate, develop and give an additional impulse to the field of communication technology through partnership<sup>1</sup>.

However, despite all the facts that acknowledge the extent of public and institutional interest in the field of informatics, one study conducted on information and communication technology revealed the existence of a significant delay in acquiring these technologies in Algeria, compared to Morocco and Tunisia. This delay is mainly due to the deficient culture of technology diffusion, or even to its complete absence; it is also due to the insufficient number of telephone lines, in addition to the low level of qualification of the population.

The thing that has further worsened the situation is the evolution that accompanied the use of the mobile phone in Algeria. During the year 2004, the number of subscribers exceeded 04 million, and then it went over 7 million of subscribers in 2007<sup>2</sup>. By the end of 2009, that number reached 466.6 million subscribers worldwide. In the year 2010, Algeria Telecom reported a number of 03 million subscribers for the fixed-line telephone, and according to the Algerian Authority for the Regulation of Posts and Telecommunications; there were more than 35 million subscribers until November 2011. The subscription ratio was 95% of the country's population, with the services of three mobile operators<sup>3</sup>. However, the number of mobile phone users reached 45 million subscribers in the year 2014, including 8 million in the third generation, ( a subscription rate of 115 %).<sup>4</sup>

### 3. Evolution indicators in the sector of information and communication technology in Algeria

The chances of Algeria to develop its e-commerce and to make it successful depend on the availability of information and communication technologies and their development. Here are some indicators of the evolution in the sector of new technologies:

- a- **Record number (IDI) in the development of information and communication technology:** This record was found to be equal to 2.65 in 2008, on a scale between 1 and 10. However, in spite of the progress made by Algeria in developing this indicator, the country has lagged far behind in

<sup>1</sup> حسن، حرز الله فؤاد (2013)، *الحكومة الالكترونية في الجزائر: دراسة في إمكانية التطبيق*، مذكرة مقدمة لنيل شهادة الماستر في العلوم السياسية، جامعة محيضر، بسكرة، ص 71.

<sup>2</sup> <http://www.staralgeria.net/t7937-topic#ixzz3ipNVOFBR>-Viewing history 2015/09/15

<sup>3</sup> حسن، حرز الله فؤاد (2013)، مرجع نفسه، ص 71.

<sup>4</sup> <http://www.echoroukonline.com/ara/mobile/articles/253007.htm> Viewing history 2015/11/20

adopting the new technological changes, compared to its Arab neighbors. It was ranked in the position 14 in the Arab world and 100 in the world, according to the *ICT Development Index (IDI)* for the year 2008<sup>1</sup>.

The data indicate that the *ICT Development Index (IDI)* was equal to 3.30 in 2012, which allowed the country to be ranked in position 114 globally; in 2013, that figure rose to 3.42 while retaining the same rank of 114 out of 166 countries. It was ranked 13 in the Arab world<sup>2</sup>,

**b- ICT Price Basket (IPB):** It is well known that the nature of the relationship between the cost of information technology and the demand for it is an inverse relationship. The lower the costs of technology, the higher the possibility to take advantage of it; this allows for a greater opportunity to utilize information and communication technology in the commercial sphere. The total cost of information and communication technology for the year 2009 was estimated at 2.43 % of the average *gross national income per capita*, which allowed Algeria to occupy honorable places on the knowledge ladder of society. It occupied the seventh place in the Arab world and was ranked 64 worldwide. The costs of ICT services dropped by 18% worldwide, between 2008 and 2010, and the most significant price decline took place in the broadband Internet services. However, Algeria was not mentioned in the international report on information technology services. Algeria was ranked at the bottom of the list, in the field of Internet flow speed and download speed, which has recently been published by some websites specialized in studying breakthroughs *in technology* and its price throughout the world. The absence of Algeria from the list of countries cited by the International Telecommunications Union (ITU) had a number of consequences, despite a series of seminars and conferences sponsored by Algeria.

**c- E-readiness index:** According to the report prepared by the World Economic Forum in collaboration with the agency "INSEAD" and entitled the "Advantages and Risks of Massive Data" (Big Data), Algeria suffers from a delay in information and communication technology, for which most of the indices on Algeria lag behind, as compared to those of neighboring countries. The report, which was based on various indices, was not in favor of Algeria's ranking, since its networked readiness index was ranked 129 in 2014 and 131 in 2013. Indeed, Algeria was ranked 131 globally, and eleventh regionally in the networked readiness ranking for the year 2013; its networked readiness index was 2.78, as mentioned in the annual report, entitled "Information Technology for the year 2013", issued by the World Economic Forum in collaboration with the European Institute for Business Administration (Institut Européen d'Administration des affaires, INSEAD), whose main objective is to assess the readiness of countries to put to use the opportunities offered by information and communication technology.

**d- Turnover of the telecommunications sector:** The information and communication technology revolution in Algeria is expanding dramatically, and

<sup>1</sup> ديمش، سميرة (2011)، *النجارة الالكترونية حقيقتها و واقعها في الجزائر*، مذكرة لنيل شهادة الماجستير في العلوم الاقتصادية، جامعة منتوري، قسنطينة، ص 226.

<sup>2</sup> الاتحاد الدولي للاتصالات، *تقرير قياس مجتمع المعلومات 2014*، ملخص تنفيذي، ص 09.

this can be seen through the growth of revenues and earnings in the ICT market, as the turnover in this sector has multiplied, moving from 24.3 billion dinars in 2000 to 285 billion dinars in 2009. It reached the amount of 290 billion dinars in 2010. This figure includes all the dealers that are active in the wired and wireless telecommunications sector, i.e. mobile and landline phone, as well as internet providers, with a turnover of \$ 5.5 billion in 2012. The operations of rehabilitating the basal installations for the wired and wireless telecommunication program and also connecting customers to the network was estimated to be around \$ 3 billion, during the period extending from 2010 to 2014. One should be aware of the importance of the contribution of the ICT sector in the gross domestic product.<sup>1</sup>

## Axis 2: Reality and perspectives of e-commerce in Algeria.

### First - The concept of e-commerce

#### 1. Definition of e-commerce

The concept of e-commerce is a general concept that includes all forms of work that are carried out by means of information and communication technology. E-commerce is also known as a <sup>2</sup> :system that allows for online buying and selling actions of goods, services and data. This system also allows electronic movements that support the generation of revenues, such as the processes that enhance the demand for such goods and services. It can be likened to an electronic market in which sellers, brokers and buyers may be in contact, and where products and services are offered in a virtual or digital format.

E-commerce is also defined as: <sup>3</sup>the process of conducting sale and purchase operations, subsidized by electronic means, and primarily through the Internet. The electronic markets are considered as places that are special for that kind of trade.

#### 2. Forms of e-commerce<sup>4</sup>

**a. Business-to-business (B2B) e-commerce:** This type of e-commerce is used among businesses.

**b. Business to consumer (B2C) e-commerce:** With the emergence of online shopping, it has become possible for consumers to buy goods and make online payments by a credit card.

**c- Business to local Administration (B2A) e-commerce:** With the expansion of commercial activities, it is common nowadays to use electronic commerce to execute most transfers, such as payment of taxes, and the different transactions between companies and local government institutions.

**d- Consumer to local government Administration (C2A) e-commerce:** This includes several activities, such as paying taxes and getting papers and documents electronically.

#### 3. E-commerce requirements: Expanding e-commerce requires<sup>1</sup>:

<sup>1</sup> <http://www.echoroukonline.com/ara/articles/144377.html?u=5001> Viewing history 2015/11/20

<sup>2</sup> خليل، ناصر (2009)، *التجارة و التسويق الإلكتروني*، دار أسامة، عمان، ص 28 .

<sup>3</sup> أبو النجا، محمد عبد العظيم (2008)، *التسويق المتقدم*، الدار الجامعية، الإسكندرية، ص 320 .

<sup>4</sup> كاني، مصطفى يوسف (2009)، *التسويق الإلكتروني في ظل المتغيرات التكنولوجية المعاصرة*، دار رسلان، سوريا، ص 105.

- **An electronic infrastructure:** e-commerce development depends on the evolution of the infrastructure of telecommunications. This infrastructure includes wired and wireless communication networks, fax, phone, Internet, computers, applications and drivers, human capital, etc.,
- **Legislation and e-commerce regulations:** this includes the legislation and contract laws, and evidence for electronic signatures which fit with the nature of electronic commerce,
- **The availability of human resources:** the success of e-commerce relies on the availability of a staff that is specialized in the IT sector, communication networks, internet, and application programs related to e-commerce; it also requires a high networked readiness index.
- **Taxes:** government policies tend not to endorse the ratification of taxes on e-commerce activities due to the difficulty of tracing the physical delivery of the electronic products sold.

## Second - Reality of e-commerce in Algeria

Despite the tremendous development that the world has known in the field of electronic commerce, Algeria has not enacted a law on electronic commerce, yet. However, it has enacted some practical laws and legal texts that are related, in one way or another, to one aspect of e-commerce, for example the laws relating to Internet providers, those related to electronic crime, or others relating to intellectual property, especially because several international companies have classified Algeria as one of the countries where cyber-crime is rising<sup>2</sup>.

No precise figures and statistical data on the size and growth of e-commerce in Algeria can be found but some indicators and features show it clearly. Several recent websites, such as the website [www.ouedkniss.com](http://www.ouedkniss.com), offer a great number of varied services. They also provide advertising spaces for various companies. Other websites, such as [www.dzsoq.dz](http://www.dzsoq.dz), [www.dzdeal.dz](http://www.dzdeal.dz) and [www.cliodiali.dz](http://www.cliodiali.dz), in addition to Algeria Telecom networked services, may be mentioned<sup>3</sup>.

### 1. E-commerce infrastructure in Algeria

**a. Internet:** The number of Internet users exceeded 11 million in 2014. Also, the number of Internet cafés expanded incredibly. Public institutions and economic enterprises have become more aware of the necessity to be present on some special electronic websites.

**b. Internet service providers, cafés and websites:** The number of Internet service providers has undergone a stunning development in Algeria. The availability of such a huge number of internet providers in the local market will certainly have a positive effect on improving the quality and prices of Internet

<sup>1</sup> جماني، مسعود (2008)، *أثر التجارة الإلكترونية على إنتاجية و تنافسية المؤسسة*، مذكرة تخرج لنيل شهادة الماجستير، تخصص إدارة الأعمال، ص 59.

<sup>2</sup> <http://dalaam.maktoobblog.com> - Viewing history / 2015/08/13

<sup>3</sup> شني، حسين (2011)، *واقع البنية التحتية لتكنولوجيا المعلومات والاتصالات في كل من الجزائر، مصر و الإمارات خلال الفترة 2000-2010 دراسة مقارنة*، جامعة قاصدي مرباح، ورقلة، الجزائر، كلية العلوم الاقتصادية والتجارية وعلوم التسيير، مجلة الباحث، عدد 09، ص 71.

services<sup>1</sup>.

As for the Internet cafés, the Ministry of Post and Information Technology statistics reported that the number of Internet cafés reached about 16,000 cafes in 2014. These cafés contribute significantly to the development of the Algerian e-commerce. However, statistics indicate that the number of Algerian websites amounted to about 45 000 sites in 2014<sup>2</sup>.

**c. Computers:** Among the most important requirements for starting an e-commerce business is the availability of computers that allow access to the internet.

The computer sector has witnessed rapid changes in terms of the number of computers; they amounted to only 25,000 in 1990, and reached 47,160 in 2008.

**d. Fixed and mobile telephone networks:** Despite the increasing number of subscribers to the fixed-line telephone, this technology is seen to grow very slowly in Algeria, and this is confirmed by the decline in the number of fixed telephone lines. The Algerian *Authority for the Regulation of Posts and Telecommunications* indicated that the total number of fixed-line telephone subscribers amounted to 3.098 million in 2014, compared to 3.59 million in 2013, down by 13%. However, the number of internet subscribers approximated 1.6 million during the same period, up by 24.64%<sup>3</sup>. As for the mobile phone, in the year 2014, there was 45 million subscribers; 8 million of them in the *third generation* of wireless mobile telecommunications, which represents a subscription rate of 115%, up to November 30, 2014. This confirms that mobile phones are the kind of technology that is the most widely spread in Algeria<sup>4</sup>.

**Table 1: Demographic development and number of internet users in Algeria for the period from 2005 to 2014:**

Percentage (%)	Number of inhabitants	Number of users	Year
0.2	31 795 500	1920000	2005
7.3	33 506 567	2 460 000	2007
10.4	33 769 669	3 500 000	2008
12	34 178 188	4 100 000	2009
13.6	34 586 184	4 700 000	2010
14	37 367 226	5 230 000	2012
16.5	36 486 000	6 020 190	2013
28.4	38 700 000	11 000 000	2014

Source: (Sohki Naïma , 2015, p 70).

### Axis 3: The reality of e-commerce ethics in the Algerian economic enterprise.

#### First - The concept of business ethics

##### 1. Definition of business ethics

<sup>1</sup> ديمش، سمية، مرجع سابق، ص 213.

<sup>2</sup> المصري، محمد أنور (2015)، *موقف الجزائر من التجارة الالكترونية*.

Viewing history.2015/09/19 <http://www.startimes.com/f.aspx?t=23085439>

<sup>3</sup> <http://www.djazairss.com-Viewing history/2015/10/04>

<sup>4</sup> <http://www.aps.dz/ar/sante-science-tech/-Viewing history2015/10/04>



'Robbins ;Coulter "defined business ethics as a<sup>1</sup>: set of principles and criteria that guide the behavior of individuals and groups and help them determine the right and wrong thing. They can therefore help them decide what to do to achieve the right things. Business ethics has also been defined as a<sup>2</sup>:behavior that is committed to ethical aspects and values which express trust, transparency, honesty, and avoidance of distinction and dodging. Such a behavior will certainly lead to a satisfactory outcome for all parties by adopting legal means and tools.

Business ethics means that there are principles or specific rules that must be respected; they would result in the characteristics of the organization. Business ethics can also be defined as the analysis of the means of applying ethical standards to individuals who should make concrete decisions within the organization.<sup>3</sup>

## 2. The importance of business ethics

Commitment to the ethical principles and behavior is of great importance to the various segments of society. The most important benefits that business organizations can get from their commitment to an ethical perspective are<sup>4</sup>:

- The positive correlation, within the modern view, between the ethical commitment and the financial benefits that the organization can achieve, and if this does not occur in the short term, it will certainly appear in the long term,
- Enhancement of the reputation of the organization at the local and international levels, and this should have a positive impact on its profitability,
- Commitment to the ethical dimensions of business puts the organization within the context of enlightened self-interest,
- Having access to private global certificates such as ISO 9000 and ISO 14000, goes along with the organization's commitment to many of the ethical standards; it thus carries with it an acknowledgment of a moral content.

## Second - E-commerce ethics

### 1. Aspects of commitment to ethics in e-commerce

Although the e-commerce style is characterized by a high level of interaction between the parties involved in business, the options that remain possible to document the transactions may be limited due to the presence of a great possibility to change them or to reproduce them because no documents were exchanged at the execution of transactions. Therefore, the email turns out to be the only legal basis for both parties in the event of any dispute between them. This opens the door to a significant legal case, such as a legal proof, and this makes it an obstacle to confidence in e-commerce. The latter provides the capacity and capability to achieve each component of the business process, including the delivery of immaterial goods on the network. This requires a greater ethical commitment at each stage of implementation of the transaction. As for

<sup>1</sup>المعاضيدي، معن وعد الله، أخلاقيات منظمات الأعمال و المزايا التنافسية الأخلاقية . www. iefpedia.com-doc

<sup>2</sup>الدوري، زكريا مطلق و احمد علي صالح (2009)، إدارة الأعمال الدولية: منظور سلوكي و استراتيجي، دار اليازوري، عمان، ص 434.

<sup>3</sup> Boyer, André (2002), *L'impossible éthique des entreprises*, éditions d'organisation, p 04.

<sup>4</sup>العامري، صالح و منصور الغالي (2008)، المسؤولية الاجتماعية و أخلاقيات الأعمال، الأعمال و المجتمع، دار وائل للنشر، الطبعة الأولى، ص 136.

the physical goods, the commitment to the terms of the contract represents a moral dimension, which includes quality, delivery time and warranty period and other issues that accompany the implementation of the contract<sup>1</sup>.

## 2. Business ethics in the context of the Internet

The Internet is not a precise and disciplined means to achieve good business ethics. It is not subject to the law; it may also contain a lot of operations with no moral principles. A great number of cases of morality abuse can be mentioned; such cases may be dishonesty, impoliteness, and indecency. The usage of the World Wide Web allowed some users to find or create new ways of intrusion in the lives of customers and spying on them. Therefore, business organizations ought to classify and conserve sensitive personal information of their customers and keep them safe, because such information may be considered as a vital marketing catalog for the organization. In order to reduce the negative impacts of Internet piracy, it has become urgent for all types of organizations that aim to make profit to spend a lot of money, effort and time, in order to reduce the number of piracy cases. The survival of a business organization depends on protecting and securing the sensitive personal information of its customers<sup>2</sup>.

## 3. Ethics of e-commerce in Algeria

The majority of cyber crimes that are generally treated by security services in this area are confined to some Algerian hackers who pirate bank accounts, steal account numbers, practice sexual harassment, extortion, and defamation threat. Algerian shoppers on the internet fear fraud actions, in light of the increasing number of phantom e-commerce companies, escalation in cyber-crime and expansion of sabotage attacks. This may be due to the absence of effective government regulations that would regulate commercial transactions and secure the cyber operations of buying and selling, especially that the majority of Algerians ignore the ways to complete transactions. This fact has a negative impact on e-commerce in Algeria, because the phenomenon of online fraud and swindle has weaved through more than one way; it can pass through an e-mail or phone call to target a wide cross-section of society<sup>3</sup>.

### Third – E-commerce facts in the Algerian economic institutions

#### 1. Active e-commerce websites in Algeria

Many Algerians believe that e-commerce websites are nonexistent in Algeria, but this is no longer true, since it has become clear, in recent years, that these sites are increasingly present among Internet service providers. Indeed, a high number of websites are very popular among Algerian visitors, and even among the economic enterprises that use these websites in their operations of modern advertisement. Some of the websites that are active in the field of electronic commerce in Algeria are ouedkniss, iPads, air Algerie, web dialna, Algeria markets, shehab, made in algeria, bait algeria,

<sup>1</sup> البكري، ثامر و احمد هاشم سليمان (2005)، *أخلاقيات الإدارة في منظمات الأعمال و انعكاساتها على التجارة الالكترونية*، المؤتمر العلمي الرابع حول الريادة و الإبداع، جامعة العلوم التطبيقية، الأردن.

<sup>2</sup> المعاضيدي، معن وعد الله، مرجع سابق الذكر.

<sup>3</sup> <http://www.akhersaa-dz.com/news/107652.html> - Viewing history :2015/08/13

master algeria for e-commerce, eshrili, kteb dz, ..... and others<sup>1</sup>.

## 2. Algerian economic enterprises and their e-commerce facts

According to preliminary results, of the national economic census which was completed during the year 2011, from the National Bureau of Statistics, the commercial sector dominates the economic activity in Algeria. Indeed, this sector was ranked first, with 528.328 companies, which is equivalent to 55.1% of all the institutions which were checked off, while the services sector comes in the second place. This sector is considered as one of the most important economic activities in Algeria with 325.440 companies. However, there are no statistics whatsoever about the number of economic institutions that use e-commerce in Algeria<sup>2</sup>.

A study was conducted by a researcher at the Research Center of Applied Economics for Development on the use of information technology (IT) in small and medium-sized enterprises. This study concerned 550 companies during the year 2010. The results showed that many Algerian companies are not interested in marketing their economic activities on the Internet. Indeed, only a very small percentage of companies have websites that provide some general information about the institution and its products, without profiting from the commercial possibilities offered by the Internet, which is considered as the foundation and the backbone of e-commerce. Having access to the internet is one of the first steps in exercising any e-commerce transaction. The proportion of companies that are connected to the internet does not exceed 20%<sup>3</sup>.

In addition to the low percentage of Algerian institutions connected to the Internet, most of them do not go beyond the second level in using e-commerce, which means that they have pages containing general information only, while only a few of them have comprehensive websites; this is probably due to the high cost of services on the website. The Algerian electronic transactions do not complete all stages of the transaction because of the existence of legal loopholes, such as the acknowledgement of electronic documents and electronic signature. Some technical barriers are the lack of *electronic payment procedures*, and therefore e-commerce has not really started in Algeria. Thus, Algerian economic companies remain a far cry from the global developments in this area<sup>4</sup>.

## 3. E-commerce classification in some Algerian institutions

The majority of e-commerce transactions in Algeria are heading towards two fundamental types, namely business-to-consumer (B2C) transaction, and business-to-business (B2B) transaction<sup>5</sup>.

**a. E-commerce between businesses and consumers (B2C):** Many Algerian businesses have been quick to embrace the modern modalities to market their products online, and deliver them to consumers. This has helped to spread this

<sup>1</sup> غزِيل، محمد مولود (2010)، *معوقات تطبيق التجارة الالكترونية في الجزائر و سبل معالجتها*، أطروحة لنيل شهادة الدكتوراه في العلوم الاقتصادية، جامعة تلمسان، ص 303.

<sup>2</sup> <http://www.al-fadjr.com/ar/index.php?news=204746%3Fprint> - Viewing history 2015/11/22 :

<sup>3</sup> سحقي نعيمة (2015)، *الاقتصاد الرقمي في الجزائر الفرص والتحديات*، مذكرة لنيل شهادة الماستر في العلوم التجارية، جامعة البويرة، ص 75.

<sup>4</sup> سحقي، نعيمة، مرجع سابق، ص 93.

<sup>5</sup> ديمش، سمية، مرجع سابق، ص 230.

purchase pattern over the Internet, which is known as Electronic Retailing (B2C). This kind of trade has provided consumers with many advantages, like the freedom of choice, with time and costs economy.

**b. E-commerce between business and business (B2B):** Some Algerian companies have started accepting the idea of e-procurement, but on different levels. There are websites of some companies that have already started using the Internet to deal with other institutions. However, the available information confirms that most attempts of institutions to enter the world of e-commerce are based on the relationship with their customers (B2C), while there is a significant lack of information regarding trade exchange between businesses (B2B).

#### 4. E-commerce ethics in the Algerian economic institutions

Algeria is committed to implementing the *Geneva Declaration of Principles and Plan of Action* and the Tunis Agenda regarding the Information Society. Through its digital strategy of 2013, Algeria tries to develop a legal framework, as a major focus, especially when it comes to preserving identity information, and personal and private data, and protecting electronic transactions from acts of vandalism and crime. On the other hand, Algeria, which strongly supports the Global Cyber Security Program, initiated by the *Global Cyber Security Capacity Centre* (GCSCC) in May 2007, has repeatedly expressed the desire to conclude an immediate agreement on the transfer of EU experience in this field. Moreover, Algeria is strongly in favor of an initiative to protect children on the electronic network. Such an initiative was launched at a high level, in the 2008 session of the International Telecommunication Union Council<sup>1</sup>.

Algeria is among the countries that are mostly exposed to piracy and cyber-crime. The *success of the digital government project* depends on developing efficient protection programs, and also on benefitting from the international experience, with the help of Algerian experts in this field. In this context, one expert advisor in Information Security (IS) *believes* that a national comprehensive approach should be developed to prevent electronic piracy and to protect institutions and public bodies from cyber-crime. Moreover, he noticed that Algeria is developing a "defensive" approach, through the purchase of protective equipment, while the offensive approach is urgently required to face all types of threats.<sup>2</sup>

#### Field study

##### First - Field study methodology

A case study method was followed in the present study. This was carried out in a number of banks and websites that deal with e-commerce. The commonly known Statistical Package for Social Sciences "*spss version 22*" was used to analyze the data that were collected through regular mail questionnaire. This questionnaire included an introduction which consisted of the title and the importance of this research. There was big emphasis on the confidentiality of the information to be collected. This may be the personal information about the institution's director, or the first person in charge of the marketing department in the institution. Then came some expressions and questions

<sup>1</sup>المنتدى العالمي لسياسات الاتصالات (WTPF-09)، وزارة البريد وتكنولوجيا المعلومات والاتصالات،

P:\ARA\SG\CONF-SG\WTPF09\INF\008A.W11 (268916)

<sup>2</sup>حسن، حرز الله فؤاد، مرجع سابق، ص 142.

related to the variables in this research, namely: 1- Moral commitment when concluding deals, 2- Disclosure of information and products, 3- Safety of products and services, 4- Credibility in declaration, 5- Justice in pricing, 6- Meeting the deadlines for delivery, 7- Gaining a competitive edge 8- Reality of e-commerce in Algeria.

The scale of Likert was used. This scale generally involves 5 options that are often graded as: 1- Not available at all, 2- not available, 3- neutral, 4- available, 5- widely available.

### 1. Sample of the study

The study sample consisted of 36 institutions, including 20 Algerian websites and 16 banks. The questionnaires were sent through e-mail; only 36 of them were recovered out of the 50 that were sent out. The recovered information was valid for our study.

### 2. Reliability of the study tool

It was ascertained that the scale has a valid internal consistency through the Cronbach's Alpha test, which gave a value equal to 0.607%, which indicates that the measuring tool enjoys a high degree of stability.

### 3. Variables of the study

**a- Independent variable of the study** - This is the e-commerce ethics, which includes:

- Moral commitment when concluding deals;
- Credibility in the declaration;
- Disclosure of information about products and services;
- Justice in pricing;
- Safety of products and services;
- Delivery date commitment.

**b- Dependent variable of the study** - This is the competitive advantage

### Second - Analysis of the study results

#### Axis 1- Moral commitment when completing deals

**Table 02:** Distribution of respondents according to axis 1

**Axis 1**

	Frequency	Percentage	Valid percentage	Cumulated percentage
Valid 4.00	23	63.9	63.9	63.9
4.25	11	30.6	30.6	94.4
4.50	2	5.6	5.6	100.0
Total	36	100.0	100.0	

**Source:** *spss* results

The table shows that different responses are repeated for the first axis. It is noted that 23 is the most repeated frequency; it is also the one that represents response 4 (Available), with a percentage of occurrence of 63.9%. This represents the largest proportion, which means that the company is ethically committed when completing

commercial transactions.  
Following the same method, the table of duplicates was produced for each question. The following results were then obtained for all the remaining axes.

### **Axis 2 - Disclosure of information and products**

The results showed that most of the Algerian economic institutions disclose information related to the products and services they offer through their websites.

### **Axis 3 - Safety of products and services**

The results obtained showed that most of the Algerian economic institutions provide safe and high quality products and services.

### **Axis 4 - Credibility in declaration**

The results showed that most Algerian economic institutions provide credible advertisement, without any deception, misinformation, or pursuit of profit without paying attention to ethical considerations.

### **Axis 5 - Justice in pricing**

The results obtained showed that the Algerian economic institutions have *fair* and transparent *pricing* of their products; they offer low price and high quality products and services, with competitive cost of production.

### **Axis 6 - Delivery date commitment**

The results showed that the Algerian economic institutions make deliveries on time, with the required specifications. They *respond quickly to customer requests*.

### **Axis 7 - Gaining a competitive advantage**

The results showed that the Algerian economic institutions have close relationships with their customers. They are keen to gain the satisfaction and loyalty of their customers, and this should result in additional profits and market share; it also helps to enhance their competitiveness.

### **Third - Analyzing and testing correlations between the variables of the study**

In order to determine the correlation between moral commitments when completing deals and competitiveness enhancement, the Pearson correlation coefficient was measured between the first and the seventh axes. This is illustrated in the table below.

**Table 3: Correlation coefficient between the first and seventh axes Correlations**

		Axis 1	Axis 7
Axis1	Pearson correlation	1	0.845
	Sig. (bilateral)		0.034
	N	36	36
Axis7	Pearson correlation	0.845	1
	Sig. (bilateral)	0.034	
	N	36	36

**Source:** *spss* results

It is clearly noted that the value of the correlation coefficient between the two axes is positive and equal to 0.845 for a confidence interval of 95%. Thus, a correlation exists between moral commitment when completing deals and competitiveness enhancement. The same procedure was followed, by measuring the Pearson correlation coefficient between the rest of the axes and the seventh axis. It was found that there is a statistically significant correlation between e-commerce ethics and competitiveness enhancement within an institution.

However, some Algerian economic institutions performed *only primitive e-commerce* activities such as advertisement, promotion, access to information, and payment on delivery; they have not reached yet the second level of instantaneous pay, like Pay-mail, which allows the implementation of financial transactions and cash transfers on the Internet.

## Conclusion

Undoubtedly, the evolution of the use of electronic commerce (e-commerce) has resulted in several problems. Such a situation requires the provision of security and confidence in e-commerce transactions, through appropriate means that ensure that the data contained in e-commerce contracts are authentic and also to provide enough assurance and safety required for the development of that kind of commerce. Nowadays e-commerce uses various advanced technologies and offers numerous privileges that make us think about how and to what extent can e-commerce promote and enhance the Algerian economy in the future. This is certainly going to help reduce the widening gap between the Algerian economy and the economies of the developed countries and those of other developing Arab countries.

The most significant findings in this paper are:

- Ethical commitment results in raising the economic profitability. Also, dedication to e-commerce ethics allows the Algerian economic institutions to gain a competitive edge;
- Most of these institutions are loyal to business ethics in dealing with e-commerce. However, despite the proliferation of e-commerce in the world, the Algerian authorities are still not aware of the urgency to adopt e-commerce as a legal advanced technique so far;
- Most Algerian joint venture companies use the Internet only for advertisement; this can clearly be noted in the websites of some Algerian institutions. It was found that these institutions use the Internet only to present their key data, such as their address, nature of their activities, and contact numbers; only a few of them offer products and services over the network.

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