

Social Corporate responsibility and business ethics in Algeria**المسؤولية الاجتماعية وأخلاقيات العمل في الجزائر****BENAMAR Soumia**

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Received: 19/10/2022**Accepted:** 31/12/2022**Published:** 31/12/2022**Abstract:**

This paper highlights the urge of many companies to preserve their work capital especially with the advent of ecological and social issues related to sustainable development, and the appearance of environmental regulations and growing pressure from stakeholders. Also the appearance of new laws and the escalating pressures from the involved parties drive the firms to protect their reputation with new considerations to the surroundings, population, and setting. Therefore these companies have felt the need to work on their brand image, taking into account emerging values like, respect for the environment, respect for human rights, respect for their identity in the communities in which they have been instituted. Accordingly, a good bulk of words have been coined to reflect new areas about corporate social responsibility and business ethics.

Keywords: corporate social responsibility, business ethics, sustainable development, environment, stakeholders.

JEL Classification Codes: M14,G02.

ملخص:

تسلط هذه الورقة الضوء على رغبة العديد من الشركات في الحفاظ على رأس مالها العامل خاصة مع ظهور القضايا البيئية والاجتماعية المتعلقة بالتنمية المستدامة ، وظهور اللوائح البيئية والضغط المتزايد من أصحاب المصلحة. كما أن ظهور قوانين جديدة والضغط المتصاعد من الأطراف المعنية تدفع الشركات إلى حماية سمعتها مع اعتبارات جديدة للمحيط والسكان والإعداد. لذلك شعرت هذه الشركات بالحاجة إلى العمل على صورة علامتها التجارية ، مع مراعاة القيم الناشئة مثل احترام البيئة ، واحترام حقوق الإنسان ، واحترام هويتهم في المجتمعات التي تأسست فيها. وبناءً على ذلك ، تم صياغة جزء كبير من الكلمات لتعكس مجالات جديدة حول المسؤولية الاجتماعية للشركات وأخلاقيات العمل

كلمات مفتاحية: المسؤولية الاجتماعية للشركات ، أخلاقيات العمل ، التنمية المستدامة ، البيئة ، أصحاب المصلحة

تصنيفات JEL : M14,G02

INTRODUCTION:

To remain competitive, companies must be able to adapt to new demands from society and the environment in which they operate. A long time ago, we spoke of companies with a limited liability. Nowadays, it is the era of the unlimited liability company (Galens & Jonas 2002). Companies play a big role in development, through their impacts – positive or negative – economic, social and environmental. Transparency and fair access to information are pillars of CSR where the area of corporate social and environmental responsibility is importantly reconsidered as an essential research subject at all levels. The company, thus, is in continuous interaction with the society in which it evolves, and cannot be apprehended outside the social context. This is why, CSR has recently been more involved in the interactions between people, the organization and society. Corporate social responsibility as a concept has been the subject of several definitions to raise awareness of the negative consequences that business activities can have on society and the environment. In this vein, Carroll calls it an 'umbrella concept' to mean that "CSR is a great term, it means something but not the same for everyone." (Carroll 1995).

Companies and individuals together must be more responsible and liable for their actions, especially that public demand for higher standards of social responsibility is in permanent increase. Besides, The notion of business ethics has also become greatly fuzzy; while it was only used in administrative terms of compliance with legal standards and adherence to internal rules and procedures. Now, with new contexts more and more attention is being given worldwide to the issue of business ethics and many companies are realizing that if they want to succeed, they must earn the respect and trust of their customers. Like never before, corporations are being asked to improve their business practices to emphasize their ethical conduct and compliance with the law. After those former scandals during the last decades, and the pitiful resulting crisis of confidence, there are now new initiatives for drastic change, like to create a sustainable culture of business ethics in the public and private sectors. The question of ethics arose in the 1990s as a reaction to the corruption of business life where business leaders are sentenced by the courts for misuse of company assets, exclusively for their personal purposes; or insider trading (when the manager uses confidential stock market information for their benefit); or money laundering.

Algerian companies are no more alienated from the approach of ethics and CSR. However, talking about CSR and ethics of Algerian companies at the pace of globalization would be a risky undertaking, because Algeria experiences an abuse in the field of the informal economy and a domination of interpersonal relations.

1- Corporate social responsibility (CSR): a necessity for companies in the age of globalization:

1-1 Definition of CSR:

Corporate social responsibility finds its roots partly in the social doctrine of the Church through the encyclical of Rerum Novarum.²

² The encyclical of Rerum Novarum: published on May 15, 1891 by Pope Leo XIII, and written in the face of the rise of the social question condemns "the misery and poverty which weigh on the working class", it also denounces the excesses of capitalism .

The paternalism that prevailed at the end of the 19th century and the beginning of the 20th century in Europe and the United States was characterized by a set of discretionary practices intended to retain the workforce³.

Some time later at the beginning of the 20th century, so-called ethical funds appeared when religious congregations sought to exclude alcohol, tobacco and gambling from their investments. But it was not until 1953 that an academic BOWEN⁴ developed the concept of CSR, and it was only at the end of the 20th century at the "Earth Summit" (Rio 1992) under the name of sustainable development that CSR was integrated into the concerns of the company.

In the space of ten years, CSR has acquired a major place in corporate policies, thanks to several factors⁵ related to globalization:

- 1-Ecological disasters: oil spills, the industrial disaster in Bhopal in India...
- 2-The diseases of the century: such as AIDS, mad cow disease or avian flu...
- 3-Multinational companies find themselves forced to help people in the countries with which they establish business relations.
- 4-The crisis of confidence due to the stock market scandals that have hit the headlines such as Enron (2001), Worldcom (2003)... has accelerated awareness for CSR

Interest is growing in CSR, so it seems necessary to address the following question: What is meant by corporate social responsibility?

CSR has several definitions:

- 1-According to the founding father of CSR Howard Bowen⁶: "CSR refers to the obligation for businessmen to carry out policies, to make decisions and to follow guidelines that respond to the objectives and values that are considered in our society " .
- 2-According to Drucker (1977): "It is the obligations that companies have towards society".

3-ISO as an international standardization organization, defines CSR as: "action of an organization to assume responsibility for the impact of its actions on society and the environment as long as its actions are consistent with the interests of society and sustainable development, based on ethical behavior, compliance with applicable law and government instruments, and integrated into the normal activities of the organization"⁷.

4-The best-known definition is that of the European Commission (2001), which describes the CSR as: "the voluntary integration by companies of social concerns and to their business activities and their relationships with their stakeholders"⁸.

³ CAPRON, M 2003 "private ethical economy: CSR put to the test of the humanization of globalization" ethical economy n°7 p.10

⁴ BOWEN.H.R (1953) Social responsibilities of the businessman. New York, Harper & Row.

⁵ Igalens.A (2007) Master in HR. Eska editions Paris p.375

⁶ Bowen, H, op.cit p6.

⁷ www.iso.org

⁸ Green Paper on the promotion of a European framework for CSR, European Commission Brussels, 2001 p.8.

So CSR means that a company must not only worry about its profitability and growth but also about its environmental and social impacts. It must also be more attentive to the concerns of its stakeholders: employees, shareholders, customers, partners, suppliers and civil society.

Thanks to these definitions we can retain the following elements:

- 1- Own initiative: voluntary
- 2-CSR must be considered as an investment and not as a cost.
- 3-CSR must take into consideration the interests of all stakeholders.

1-2Principles of CSR:

These are fundamental elements⁹ that should underpin or feed an organization's course of action and decision-making process:

- Observance of the law,
- Respect for internationally recognized instruments (treaties, conventions, etc.),
- Recognition of the rights of stakeholders,
- Responsibility to report (accountability),
- Transparency,
- Sustainable development,
- Conduct and ethical behavior,
- Precautionary approach,
- Primacy of respect for fundamental human rights,
- Respect for diversity.

1-3 CSR standards:

CSR assumes that the company respects the legal obligations of all the countries in which it operates, but also that it goes beyond by respecting the principles of action and developing more ambitious policies in the social and environmental fields. Where to find these principles? Many national and international texts aim to provide companies with principles and frameworks for action conducive to guiding CSR.

They do not all have the same legal status: some come from world-renowned organizations such as the UN or the OECD, others come under international standards from organizations such as the ISO, others are NGO initiatives. He There are cases where the company draws up a code of good conduct for its own needs which it distributes to staff.

Some examples of CSR standards:

- The Global Compact: Launched in 1990 by the Secretary General of the United Nations at the Davos Economic Forum, the Global Compact initiative was initially based on nine principles and, at the request of the French President, a tenth relating to corruption was added later in 2004. Companies that subscribe to the "Global impact" pact must do so in the form of a letter addressed to the secretary of the united nations, they must inform their stakeholders, integrate the ten principles into their practices and communicate regularly on the progress made in integrating the principles.

Suez, which was one of the first companies to commit to the global pact, sent its report to United Nations Secretary Kofi Annan and published it on its website¹⁰.

⁹ CSR definitions, issues, draft international standards. ACI (catholic action of independent circles February 20, 2009).

¹⁰ www.suez.com, sustainable development section "Memberships and partnership".

NGOs find that this mechanism lacks means of control¹¹ and denounce certain companies which, although having subscribed to the Global Compact, violate such and such a principle. The ten principles that companies undertake to respect are as follows¹²:

- 1-Promote and respect human rights in their spheres of influence.
- 2-Ensure that their own companies are not complicit in human rights violations.
- 3-Support and respect freedom of association and recognize collective bargaining rights.
- 4-Encourage the elimination of all forms of forced or compulsory labor.
- 5-Join the fight for the effective abolition of child labor.
- 6-Eliminate discrimination in employment and occupation.
- 7-Apply the precautionary approach to problems affecting the environment.
- 8-Undertake initiatives to promote greater environmental responsibility.
- 9-Encourage the development and dissemination of environmentally friendly technologies.
- 10-Act against corruption in all its forms, including extortion and bribery.

• OECD Guiding Principles and Fundamental Labor Rights:

The OECD Guidelines are a set of non-binding recommendations addressed to multinational enterprises.

They cover "all the major areas of business ethics, including employment and relations with social partners, human rights, the environment, disclosure of information, the fight against corruption, consumer interests, science and technology, competition and taxation"¹³(OECD Guidelines).

Developed in 1976 and then revised in 2000, these guiding principles now apply to companies regardless of where they operate, including in countries where governments have not subscribed to them.

In 1977, representatives of employers and workers drew inspiration from the OECD guidelines in a tripartite declaration on multinational enterprises and social policy. In 1998, the ILO Declaration on Fundamental Principles and Rights at Work was adopted.

The eight ILO conventions considered by the International Labor Office (ILO) as fundamental cover four rights: freedom of association, the abolition of forced labour, non-discrimination and the elimination of child labour.

• Standards, certifications and ratings:

A standard is a text drawn up on the basis of a consensus after broad consultation¹⁴. The standard is voluntary, it facilitates international trade, gives confidence to stakeholders and the company insofar as it contains commitments, it sets a framework for improvement and progress.

Standards such as ISO 9001 relating to quality or ISO 14001 relating to environmental management are also benchmarks and can serve as the basis for a certification process (attestation that the company and its system comply with the requirements).

¹¹ See Igalens. J & Roger.A (2007) op.cited p378.

¹² Same as p.379.

¹³ www.oecd.org

¹⁴ Ibid p.379

The certification must be regularly renewed. In the field of CSR, there are many standards, some were built on the basis of the ISO 9000 series quality standards, they apply to management systems and lead to certification.

2- Business ethics:

As recently as ten years ago, many companies viewed business ethics only in administrative terms of compliance with legal standards and adherence to internal rules and procedures. Today the situation is different. More and more attention is being given worldwide to the issue of business ethics and many companies are realizing that if they are to succeed they must earn the respect and trust of their customers. Like never before, corporations are being asked to improve their business practices to emphasize their ethical conduct and compliance with the law.

Business ethics became a major issue in the 2000s in the face of the resurgence of financial scandals and behaviors that went against ethical principles. It has thus become a major issue in companies for economic development. In the eyes of society, the company must now be a model of honesty to ensure the sustainability of its activity and develop lasting relationships with all of its partners.

The notion of ethics has flourished since the second half of the 20th century. Ethics is a broad concept. In ancient philosophy, ethics was approached under the term morality.

Considered in the Middle Ages by Saint Thomas Aquinas¹⁵ in particular, it appeared more precisely as a science of morality with the work of Descartes¹⁶, ultimately it is Kant who will lay the foundations of ethics as we consider it today, an ethics that is based on notions such as morality and duty. Habermas continued Kant's¹⁷ work and distinguished between morality and ethics.

The Protestant has integrated ethical concerns into economic life. According to Max Weber: profit changes into a sign of blessing and work is coated with an ethical act, it was during this period that "ethical investment funds" were born.

Business ethics is part of what is called "applied ethics" which brings together our modern considerations on social, commercial and environmental issues¹⁸.

There is a tendency to distinguish two complementary approaches to business ethics.

The first, of Anglo-Saxon inspiration, is normative (through the concepts of morality), these are the notions of "business ethics"¹⁹. The second corresponds to the so-called 'European' approach and is made up of a more practical and positive ethics: the notion of "real ethics"²⁰. The trend of the last decades has been to increasingly integrate these notions within companies.

Business ethics as applied ethics invites subjectivity, depending on whether it is seen through the eyes of the employee, the state or society. This generates conflicts of interest on questions of business ethics, however this must be looked at with the aim of reconciling these potential conflicts of interest.

¹⁵ Thomas Aquinas (1222-1274) was a Dominican monk famous for his theological and philosophical works.

¹⁶ Descartes (1596-1650)

¹⁷ Kant (1724-1804)

¹⁸ Kerhuel, C. 'A look at business ethics' in the Gavox of 29/11/2009 p02

¹⁹ Idem p03

²⁰ Idem p 03

The field of business ethics overlaps with business philosophy, one of whose objectives is to identify the fundamental purposes of a company.

According to the report of the French mission “Gauzere” the word ethics is defined as follows: “Faced with new knowledge, man must make new choices. He must exercise new freedoms and assume new responsibilities. He must in fact determine himself and adopt a behavior to respond to the new scientific, technical and social conditions and to the progress which confers on him unprecedented powers. This ethical choice can only result from a questioning by reference to moral, philosophical or religious values.

For J. Benoit ²¹ is ethical what is:

Altruistic (relation to others): respect, listening, solidarity, service, primacy of duty over law.

Loyal: honest, in good faith, sincere.

Universal: non-selective on the affective, philosophical and geographical level.

Free (relation to oneself): do not expect anything in return except the pleasure of doing otherwise we are in manipulation.

Ethics can then be defined as the search for good in human action, it offers the choice and the distinction between good and evil.

Table (1): Distinction between morality and ethics²²

Morality. Latin: morals.	Ethics. Greek: ethicos.
1-Morality has a connotation religious.	1-Ethics has a secular connotation.
2-Morality states difficulty.	2-Ethics refers to the negative.
3-Morality is (values).	3-Ethics is specific.
4-Morality is "we".	4-Ethics is "I" or "we".
5-Morality favors to one's self.	5-Ethics privilege report A the other.
6-Morality is reference.	6-Ethics is discernment
7- perversion = fanaticism.	7- perversion= handling

To dare to speak of ethics in management would turn out to be absurd, because for some observers the business world only obeys the law of profit. Also, ethics and business cannot go together in an environment where competition is fierce and where the struggle for survival leaves little room for moral considerations: “The end justifies the means”.

²¹ Benoit, J. (2005) “Pedagogy of ethics” Ems editions p. 38

²² J, BENOIT opcit p45.

Despite this, ethics has been the subject of many concerns in recent decades due to numerous scandals and slippages in the economic system.

We have chosen a few definitions in order to understand this notion:

Having its place in the dictionary business ethics is defined as being “the set of values and moral principles that are essential in business life”²³

De George (1987): “Business ethics deals with the interaction between business and society”²⁴.

Carroll (1989): “Business ethics deals with the degree of good and evil conveyed by the behaviors, decisions or actions of people who work in companies”²⁵.

Having its meaning in the dictionary, business ethics is defined as being “the set of values and moral principles that are essential in business life”. De George (1987): “Business ethics deals with the interaction between business and society”. Carroll (1989): “Business ethics deals with the degree of good and evil conveyed by the behaviors, decisions or actions of people who work in companies”. It can also be defined as: “the analysis of the modes of application of the moral standards of individuals to the decisions taken in the company, whether these are the decisions of the individual actors or that of the company considered globally”.

In business, ethics concerns the practice of management in all its fields of action such as strategic management, information management, marketing, accounting, human resources, etc. We talk about ethical issues that arise specifically in areas of business, for example issues of corruption, child labor, layoffs, executive salaries, working conditions; product safety... These questions can be raised both at the macro level (the economic system itself) and at the level of organizations (on practices) or at the individual level (on the personal ethics of people who evolve within the organizations).

Business ethics can be viewed from several perspectives, including the perspective of the employee, the business enterprise, and society as a whole. Very often, situations arise in which there is a conflict between one or more of these stakeholders, for example a situation which responds well to the interests of one of the parties but to the detriment of one or more others. For example, something good for the employee but negative for the company or for society as a whole.

Table(2): Difference between CSR and business ethics.²⁶

	logic of business ethics	logic of Corporate Social Responsibility CSR
repositories	standard economic theory	sustainable development
	theories of the ethical moralist current moral responsibility of the	reflections on the reform of the company at the origin of the social report

²³ Office of the French language (1999) www.granddictionnaire.com

²⁴ Quoted by Dessler, G. (2009) “The management of organizations” 2nd editions ERPI p. 93

²⁵ Same p. 9.

²⁶ M.MANOJ «Business ethics and corporate social responsibility » Journal of management vol2 n°5, may 2012 P35..

	company + paternalism	in 1977 then a corporate citizen in the 1980s
targets aimed	focuses on individual behaviors on business leaders	deals with businesses as a community
purpose	distinction between good and evil moralizing business	effectiveness and sustainability of CSR requests
scope of liability	limited to compliance with contractual commitments	understood beyond the obligations by voluntary commitments in time (intergenerational) and in space (subcontractor) and suppliers
governance design	financial referential agency theory (Berle and Means, 1970): shareholder/manager separation purely economic conventional rationality based on control heritage approach	sustainable reference stewardship theory (Donald Son 1990): no shareholder/manager conflicts consideration of a set of stakeholders multiple rationality, values based on consultation partnership approach
strategy	financial dominant	Multidimensional

3- CSR and Business Ethics in Algeria:

It is universally accepted that corporate social responsibility (CSR) is the voluntary integration of companies' social and ecological concerns into their business activities and their relations with internal and external stakeholders in order to fully comply with applicable legal obligations and to investing in human capital.

But talking about corporate social responsibility or business ethics in Algeria at the pace of socio-economic changes is a risky business. According to a study by the International Labor Office, the situation of Algerian companies seems to be at odds with accepted practices in this area. It is however a postulate accepted by all. According to the same study, the transition from an administered economy to a market economy governed by the rules of commerciality is very recent and all the indicators of the market economy are not yet in place. In addition, in

an unfinished competitive economy, the Algerian company suffers the perverse effects of the generalized weakness of institutions to establish the mechanisms of good governance and to restrict the abuses of the informal sphere and the domination of interpersonal relations by influence groups. on the requirements of the rule of law. The extent of the phenomenon of corruption in our country continues to grow. Indeed the level of corruption remains high in Algeria. The 2005 Corruption Perceptions Index (CPI), compiled annually by Transparency International and made public in Berlin and London, gives Algeria 2.8 out of 10. In 2003 and 2004, Algeria scored 2.6 and 2.7. In two years, therefore, Algeria has only evolved by... 0.2. "The authors of the CPI consider that a score below 3 means the existence of a high level of corruption", estimates the Algerian Association for the Fight against Corruption (AACC). Out of 159 countries, Algeria is ranked 97th. It shares this bad position with Madagascar, Malawi, Mozambique, Argentina and Serbia and Montenegro. The AACC, in a press release, said it was not surprised by the score recorded by the country. "The socio-political and economic situation that has prevailed in Algeria for several years now has continued to favor the conditions for the explosion of corruption - small and large - at all levels and everything is done by the power in place, so that the generalization of this scourge continues on a large scale", notes the association. "The return in force of a police state, authoritarian, repressive and libticial is one of the main indicators of this maintenance among the dunce countries of corruption within the international community", adds AACC.

Through the analysis of the data collected, our descriptive results are already rich in lessons on CSR and business ethics in Algeria. It is on this basis that we can, therefore, advance the following conclusions:

- The notion of CSR is not very well perceived by the executives of Algerian companies, for the majority it is a set of obligations while it is a voluntary approach.

- Importance is given to some stakeholders and not to others when it should be given to all of the company's stakeholders.

- Many Algerian companies do not respect the standards and do not adapt any code of ethics.

- Algerian companies do not disseminate information related to their CSR policy.

- Algerian companies are not very concerned about the environment.

We must also note in Algeria the absence of control in terms of CSR and business ethics, the proof of which is for example the growing presence of all kinds of corruption.

We therefore wonder how to make the Algerian company able to assume its role as a social and economic actor? Are there even minor mutations that evolve in the sense of corporate social responsibility? In a first operational priority, according to a study carried out by specialists, it is a question of advancing in the preliminary reorganizations, through a series of multidimensional reforms, structured in order of priority, and undertaken by the public authorities, to make the company evolve, under favorable conditions of competitiveness, social regulation and investment incentives. Then as a second priority, pilot companies that have met the upgrading requirement to accredit their performance, acquired in relation to an international benchmark of triple quality (technical know-how, internal organization, protection of the environment and product safety) and finally, as a third priority, accredited companies will be required by effective control mechanisms to comply with social labor

standards as described by the texts of the laws in force and not by a universally accepted standard reference such as the SA 8000 standard, for example. That said, this observation seems to be the recent illustration of a new challenge, given globalization and the free trade agreements with the European Union and the WTO which require, in order to access their market, a upgrading of the Algerian company through a recovery program linked to employment, profitability, operation in accordance with international standards, quality management systems, environmental protection and respect for fundamental rights of man.

Conclusion:

Faced with the gradual consideration of CSR issues by the social partners and associations for the defense of the environment and human rights, CSR remains an ongoing balance of power, a “process of institutionalization”. Its analysis makes it possible to historicize the construction of the rules of rights and to characterize the regime of action of firms. The term CSR is a fashionable theme in the field of management sciences and arouses a lot of interest, CSR means that a company must not only worry about its financial profitability and its economic growth but also their environmental impacts. and social. It therefore introduces into its approach all the stakeholders who may be affected by the company's decisions with the aim of seeking cohesion by reconciling economic and social aspects. CSR has become an imperative to preserve the image of the company.

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