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**CORPORATE SOCIAL RESPONSIBILITY***Received 01 May 2025; accepted 15 May 2025; published 04 August 2025*

**Abstract.** *This article addresses the importance of social responsibility in a country's economy. It explores how ethical behaviour in public and private sectors supports societal welfare and reinforces economic development. The discussion highlights the need to foster a work environment based on respect for ethics and a commitment to collective well-being. A case study is presented involving an employment aid scheme in Algeria that failed due to the lack of compliance with ethical and operational standards. The failure illustrates the consequences of neglecting social responsibility and the need for joint-stock company rent, accountable practices in economic initiatives. The study emphasizes that sustainable development requires aligning employment programs with ethical principles and societal needs.*

**Keywords:** *responsible conscience; responsible community; societal responsibility; conscious responsibility; ethical employment; social welfare policy.*

**Citation:** Imekhelaf, R. (2025). CORPORATE SOCIAL RESPONSIBILITY. Economics and Finance, Volume 13, Issue 3, 108. [http://doi.org/10.51586/2754-6209.2025.13.3\(108\)](http://doi.org/10.51586/2754-6209.2025.13.3(108))

**Introduction**

Whatever its size, legal form, or sector of activity, being a good company is not just about making good sales; it's also about having a sense of responsibility towards society and the environment.

Corporate social responsibility (CSR), also known as corporate social responsibility, is defined by the European Commission as “the voluntary integration of social and environmental concerns by companies in their business activities and in their relations with stakeholders. Being socially responsible means not only complying fully with applicable legal obligations but also going beyond them and investing “advantage” in human capital, the environment and stakeholder relations” (Commission des communautés Européennes, 2001).

In other words, CSR represents companies' contribution to the challenges of sustainable development, and putting this social responsibility into practice means seeking to have a positive impact on society while remaining economically viable.

On the other hand, the ISO (International Organization for Standardization), the organization responsible for defining international standards governing business, defines CSR, in a document published by the ISO 26000 working group, as “the responsibility of an organization for the impacts of its decisions and activities on society and the environment, reflected in ethical and joint-stock company behaviour that contributes to sustainable development, including the health and well-being of society; - takes into account stakeholder expectations; - complies with applicable laws and international standards of behaviour; and – is integrated throughout the organization and implemented in its relationships” (International Organisation for Standardisation, 2010).

Seven core themes are defined by ISO 26000:

- Corporate governance;
- Human rights;
- Labour relations and conditions;
- Environment;

- Fair practices;
- Consumer issues;
- Communities and local development.

Based on the above definitions, we have turned our attention to the social aspects of corporate social responsibility, focusing on the two thematic areas covered by ISO 26000: fair business practices and human rights. Fair practices, also known as business ethics, are linked to human behaviour, whether innate or acquired, and concern the conduct of individuals in society. It encompasses the fight against corruption, awareness-raising throughout the value chain, respect for property rights, joint-stock company, and fair competition, while at the same time guaranteeing principles of integrity and honesty between the company and its stakeholders, particularly its staff. To see the impact of this loyalty in companies, we carried out a field survey in an organization dedicated to promoting employment and combating unemployment (Agency for Support and Development of Entrepreneurship), through a scheme set up by the Algerian public authorities to help people enter the job market.

### **Literature Review**

#### ***Background of the employment assistance scheme professional integration assistance program scheme***

This scheme offers young first-time jobseekers opportunities for integration into public and private companies and public institutions and administrations, with financial support from the State (monthly salaries, social security contributions and 60% of the cost of training jobseekers to adapt them to employment positions), which represents a real benefit to hiring companies and an opportunity for professional integration for young jobseekers (graduates of universities and specialized institutions, as well as those with no training or qualifications). The company benefits from the scheme through a procedure lasting at least 5 years, and with a ceiling for benefiting from these contracts set for each employee in accordance with article 7 of decree 08-126 so that it does not exceed 15% of the number of employees in the establishment concerned (and 25% for companies in the southern wilayas) so as not to over-exploit the scheme provided by the device free of charge (Decree 10-277, 2010).

The agency offers a subsidized employment contract that includes a contribution to the wage cost for young first-time jobseekers, as well as the introduction of tax and semi-tax incentives. The contracts are as follows:

- The graduate insertion contract for young people who have completed higher education;
- The professional integration contract for young people with secondary education and graduates;
- Training-Integration Contract for young people with no training or qualifications.

The State's contribution (Decree 07-386) takes the form of:

1) Recruitment under the assisted employment contract and benefiting from a state contribution on the monthly job wage for three years at the rate of:

- 12.000 DZD for higher education graduates.
- 10.000 DZD for senior technicians and graduates of applied university studies.
- 8.000 DZD for secondary school and vocational training graduates.
- 6.000 DZD for unskilled applicants.

2) 50% reduction in overall income tax on salaries paid by companies that create new jobs.

3) 5% reduction in tax on taxable profits.

4) Reduction of the employer's share (Decree 10-71, 2010) by paying instead of 25%:

- 15% for the recruitment of a job seeker who has already worked.
- 5% for the recruitment of a first-time job seeker.
- 2.5% for recruitment in the high plateaus and southern provinces.

5) Monthly assistance of 1,000 Da, for a maximum of three years, for recruitment on open-ended contracts.

6) Micro-enterprises created under the auspices of the National Agency for Support and Development of Entrepreneurship and the National Unemployment Insurance Fund can hire two first-time job seekers under the Professional Integration Assistance Program scheme.

7) In the event of recruitment after the integration period, 60% of the cost of training to bring the employee up to standard and adapt to the position will be financed for a period of 6 months.

### ***The reality of professional integration assistance program scheme application***

To determine the importance of this aid scheme and its effectiveness in the field, we carried out a study in the local employment agency of Es-senia, Oran, which includes 03 communes (Es-senia- Sidi Chahmi - El Karma) and has 03 major industrial and activity zones in the Oran region. We took a sample of 20 companies that benefited from the professional integration assistance scheme during the period (2015-2018).

The tables below represent the percentage of the beneficiary share and the actual share of beneficiaries of the professional integration scheme and the number of integrand within public and private economic companies (Agency of Employment, 2015/2018).

**Table 1. Share of beneficiaries of the professional integration support scheme and actual number integrated into 10 public sector legal organizations**

In N°: This means the actual number of people

In %: This means the percentage relative to the total

Company name and characteristics	Number of employees registered with social security	Percentage entitled to the scheme 15% of the number of employees		Actual proportion of professional integration assistance program scheme beneficiaries		Number of integrated employees	
		Number of workers before professional integration assistance program scheme benefit					
		In N°	In %	In N°	In %	In N°	In %
<b>EGSA</b>							
Type of activity: management of airport services	700	105	15%	49	46.7%	49	100%
Legal form and status: industrial and commercial companies							
<b>Algeria post</b>							
Type of business: financial and postal operations	896	134	15%	41	30.5%	41	100%
Legal form and status: industrial and commercial companies							
<b>ENRI OUEST</b>							
Type of business: services provided to civil engineering groups.	62	9.3	15%	9	100%	9	100%
Legal status: public economic company							
<b>ATM Mobilis</b>							
Type of business: telecommunications	77	12	15%	6	51.9%	6	100%
Legal form and status: joint-stock company							
<b>Air Algeria</b>							
Type of activity: air transport	603	90	15%	34	37.6%	34	100%
Legal form and status: joint-stock company							

**TEXALG**

Type of activity: textile industry	124	19	15%	17	91.4%	17	100%
Legal form and status: public economic company/joint-stock company							

**EPGMGWO**

Type of business: management and rental of commercial structures	116	17	15%	14	80.5%	14	100%
Legal form and status: industrial and commercial companies							

**ERMS 2RM**

Type of business: renovation of specific equipment	34	5.1	15%	6	118%	6	100%
Legal form and status: industrial and commercial companies							

**Groupe GICA SODISMAC**

Type of business: distribution and marketing of cement and other building materials	20	3	15%	3	100%	3	100%
Legal form and status: public economic company							

**SNTE**

Type of business: rail transport	153	23	15%	9	39.2%	9	100%
Legal form and status: industrial and commercial companies							

Source: Data from the local employment agency in Es-senia, Oran

**Table 2. Share of professional integration assistance program scheme beneficiaries and actual number of integrated employees in 10 companies in the private legal sector**

Company name and characteristics	Number of employees registered with social security	Percentage entitled to the scheme 15% of the number of employees		Actual proportion of professional integration assistance program scheme beneficiaries		Numbers of integrated employees	
		In N°	In %	In N°	In %	In N°	In %
<b>El Forsane</b>							
Type of business: food industry	78	12	15%	33	282%	6	18.18%
Legal form and status: limited liability company;							
<b>BITUMELK</b>							
Type of business: oil processing and sales	160	24	15%	38	158%	7	18.42%
Legal form and status: joint-stock company							
<b>GEO PHARM</b>							
Type of business: import and distribution of pharmaceutical products	92	14	15%	30	217%	8	26.67%
Legal form and status: limited liability company							
<b>BISCORIMA</b>							
Type of business: food industry	45	6.8	15%	37	548%	4	10.81%
Legal form and status: joint-stock company							
<b>SINGLE-MEMBER LIMITED LIABILITY COMPANY NIA</b>	25	3.8	15%	17	453%	3	17.65%
Type of business: services							

Legal form and status: single-member limited liability company <b>SERVGEC</b> Type of business: construction and public works Legal form: BTP Legal status: single-member limited liability company <b>POLYTUBE</b> Type of business: plastics and chemical industry Legal form and status: single-member limited liability company <b>NEW TREFILAGE</b> Type of business: manufacture of steel wire and nails Legal form and status: limited liability company <b>BATICIM</b> Type of business: metal industry Legal form and status: joint-stock company <b>ALGERINOX</b> Type of business: manufacture of equipment and materials for hotels, cafes and restaurants, laundries and dry cleaners Legal form and status: limited liability company	13	2	15%	10	513%	2	20%
20	3	15%	4	133%	0	0%	
30	4.5	15%	7	156%	0	0%	
81	12	15%	25	206%	12	48%	
85	13	15%	30	235%	7	23.33%	

*Source: Data from the local employment agency in Es-senia, Oran*

From the data in the Table 2, we can see that public-sector companies have not taken up all their quotas, despite the large proportion authorized by law, due to the large number of workers in these companies. On the other hand, we note that all employees have been integrated into the scheme.

According to the data in Table 2, we can see that in private companies, quotas have been fully exploited, even exceeding the share authorized under the legal framework of the scheme. The number of employees integrated through the integration scheme has not exceeded 25%, and in some companies, it remains zero (0% integrated).

This said, integration in private companies is very weak and far from effective compared to its application in public companies. This raises the question: why are these private companies seeking to benefit from the professional integration aid scheme when the number of integration cases remains low or non-existent?

### Methods

A study was conducted in the local employment agency of Es-Senia, Oran, which covers three communes: Es-Senia, Sidi Chahmi, and El Karma. This area includes three major industrial and activity zones within the Oran region. A sample of 20 companies was selected, all of which benefited from the professional integration assistance scheme during the period from 2015 to 2018.

### Results

A study of the results obtained in a sample of 20 companies, 10 of them public and 10 privates, revealed the following effects:

Regarding the success and effectiveness of the job integration program policy, private and public economic enterprises offered jobseekers the opportunity to acquire skills and experience in the relevant field of activity.

As far as the objective of combating unemployment is concerned, public economic enterprises have contributed to employment by integrating jobseekers into the labour market and to reducing unemployment on a permanent basis, while private economic enterprises have contributed to reducing unemployment on a temporary basis, and seem to have exploited State funds for strictly personal gain, forgetting the main objective of the scheme, which is to contribute to employment and reduce unemployment.

As far as the jobseekers who benefited from the professional integration assistance program scheme are concerned, we note that the over-exploitation of the authorized share of the scheme (15%) in private companies enabled a large number of jobseekers to gain experience in the field of activity in question, but on the other hand these temporary employees not only lost the opportunity to benefit from the scheme in another company, but also lost their stability in professional life and their trust in state schemes, which represents a real brake on the country's governance. In return, public-sector companies have offered jobseekers integrated into the scheme a degree of professional stability.

With regard to the privileges associated with the profit-sharing scheme for economic enterprises, we note that public enterprises have been able to benefit from State financial aid in a fair and measured way, and have also benefited from a workforce with university and specialized institution qualifications, with a limited proportion that on average does not exceed 50% of the authorized quota, sometimes giving up the right to tax and semi-tax privileges, as well as a reduction in social security contributions due to the excessively long administrative procedures required. For this reason, it is important that the managers of these companies accept to benefit from the privileges associated with the scheme, by treating the question from a managerial point of view and not as part of the State.

Public-sector companies have followed a rigorous recruitment policy and subsequently provided training for jobseekers through professional integration assistance program scheme, so that they can improve their qualifications in line with the positions they are to fill.

On the other hand, private-sector companies have largely benefited from state funding under the aid scheme, and have even over-exploited these funds, given the large number of jobseekers who were admitted more than the authorized quota (15% of the workforce) without being integrated at the end of the period. On the other hand, these companies benefited from tax and semi-tax privileges and reduced social security contributions, despite the lengthy administrative procedures involved.

These companies did not follow a rigorous employment policy, some employing more people than their size and recruitment capacity and failing to undertake training policies to adapt professional integration assistance program scheme jobseekers to the required positions.

Finally, we note that the State takes a share of the responsibility for the smooth running of the professional integration assistance program scheme and the achievement of its objectives. The result seems ineffectual in the absence of the State as controller and regulator of the labour market, failure to and negligence on the part of public authorities to ensure that companies comply with the procedures required under the scheme, such as exceeding the quotas stipulated in the contract, and hiring on a temporary basis instead of on a permanent basis. the professional integration assistance program scheme, requiring companies to respect their commitment to the scheme and to comply with all conditions, such as meeting the legal quotas proposed by the scheme, and respecting the size of the company benefiting from the scheme and its legal form, giving priority to large companies capable of hiring a greater number of jobseekers.

### ***Perspectives***

The consequences of failing to respect Corporate Social Responsibility (CSR), particularly regarding fair practices and human rights, can be serious for both society and businesses. Possible repercussions include:

Damage to the reputation of companies that neglect CSR and disregard ethical practices and social and environmental standards. This can trigger negative consumer reactions, including

boycotts of the company's products or services, leading to reduced sales and revenue (Porter & Kramer, 2006).

Loss of trust from customers, employees, business partners, and investors, resulting in lower loyalty, decreased sales, and a damaged reputation.

Companies may face fines and penalties for failing to comply with laws on human rights and fair business practices. This can lead to lawsuits and legal action from employees, consumers, or NGOs (McBarnet etc. al., 2007).

Loss of trust and poor reputation can lead to scepticism among responsible investors, who may withdraw their investments, affecting the company's liquidity and financial stability (Eccles etc. al., 2014).

Disregard for human rights can result in poor working conditions, such as excessive hours, insufficient wages, and lack of workplace safety.

Lack of fairness in practices can create an environment of distrust and resentment among employees, leading to lower motivation and productivity.

Violations of human rights can increase staff turnover and recruitment costs due to reduced employee commitment (Freeman etc. al., 2007).

Unfair practices and breaches of human rights can lead to conflicts with trade unions and strikes, disrupting business operations.

Local communities and human rights organisations may respond negatively, organising boycotts or public denunciation campaigns against the company (Crane etc. al., 2013).

Respect for CSR and human rights is essential for the long-term success of businesses. Failing to meet these responsibilities can result in serious legal, financial, and reputational consequences, while also harming employee well-being and the public's perception of the company. Active engagement in ethical and responsible practices is essential to avoid these negative outcomes and to contribute positively to society.

## **Discussion**

From this case study, we can see that the problem of this scheme not working could be explained by two reasons: the weakness of the control system, which is the responsibility of the public authorities, and the lack of loyalty on the part of certain opportunistic companies who have not hesitated to take advantage of the benefits offered by the scheme while not respecting either the contract procedures or the rights of the people hired, and have therefore failed in their responsibility to their company.

## **Conclusion**

As part of the drive to promote employment and combat unemployment, the Algerian authorities have attempted to set up a system to help people integrate into the workforce. This will enable jobseekers of all qualifications, and even those with no qualifications at all, to enter the world of work for a better future and improve their living conditions. And on the other hand, to enable companies to benefit from recruitment while reducing the costs of this operation through financial assistance from the State for a fixed period, while at the same time benefiting from the skills and qualifications of the new recruits.

The objective of the scheme has not always been achieved, however, due to the lack of responsibility on the part of companies, most of them private, which have shirked their commitments to jobseekers and the State by abusing and over-exploiting the funds and time offered by the latter. Public-sector companies, for their part, have partially honoured and complied with the integration provisions, but have not been able to use up the entire quota, and should seek to benefit more from the privileges that come with professional integration assistance program scheme.

The first is the public authorities' lack of control and monitoring, since the effectiveness and proper conduct of employment policy can only be achieved through a rigorous policy that ensures compliance with the procedures and conditions stipulated in the laws and mechanisms put in place to achieve the well-defined objectives of employment policy. The second cause is linked to certain

companies which have not respected the contract and have failed in their responsibility by not being loyal to the practices and not respecting the rights of the people who have been recruited within the framework of the professional integration assistance program scheme.

**Funding:** This research received no external funding.

**Conflicts of Interest:** The author declare that no potential conflicts of interest in publishing this work.

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