

The Role of Social Responsibility Disclosure in Achieving Sustainable Development: Overview of Contributions by Various Countries and Business Organizations to Sustainable Development through the Activation of Social Responsibility Roles

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Abstract:

This study aims to underscore the pivotal role of corporate social responsibility (CSR) and its disclosure in promoting sustainable development, particularly in the wake of global crises that have depleted public resources and escalated significant international challenges. The exigencies of these crises have spurred business organizations to embrace a profound sense of responsibility and actively engage in sustainable practices. Notably, this shift has substantially enhanced the profitability of these organizations. By disseminating information through annual reports, these organizations have successfully engaged various stakeholders and civil society, thereby garnering extensive support.

This study employs a descriptive methodology to explore key concepts of CSR disclosure and sustainable development. It assesses the impact of CSR on sustainable growth, examines contributions from selected countries and corporations, and highlights the specific gains accrued by Algeria from these global practices. The findings underscore the urgent need for a globally standardized and effective framework to assess the costs and benefits of CSR. It also identifies a limitation within Algerian enterprises, which tend to restrict their CSR activities to philanthropy, with developmental initiatives largely confined to state-affiliated entities.

Keywords: Social Responsibility, Social Responsibility Disclosure, Sustainable Development, Experiences.

JEL Classification: M14, G14.

1. Introduction:

The discourse surrounding social responsibility and its contributions to the sustainable development of nations has intensified towards the close of the twentieth century and the onset of the twenty-first century. Fueled by global openness and a surge in awareness, it has become imperative for business organizations to contribute not only to their internal growth but also to their communities.

Immersed in a myriad of international problems and associative demands, these organizations are compelled to adapt swiftly to both global and local expectations. Prominent issues such as global warming and pollution have spotlighted the need for business organizations and major companies to curtail toxic emissions and initiate pollution combat programs.

This is particularly true following the supportive measures enacted by various countries and global associations. In this dynamic scenario, business organizations have realized key facets of sustainable development: the environmental and social dimensions through their corporate responsibilities, which have transitioned from optional to essential, spurred by global consciousness and collective advocacy.

Furthermore, they have embraced the economic dimension, marking a comprehensive approach to sustainable development. This shift has transformed the role of business organizations in development, from being predominantly government-led to being active and permanent contributors to sustainable development initiatives.

Within this framework, a considerable number of business organizations have embraced international standards of sustainability and social responsibility. Sustainability reports, which focus on the disclosure of social and environmental responsibilities along with corporate governance, have seen significant uptake.

The evolution in the prevalence of these reports is notable: in 1999, approximately 39% of global companies published sustainability reports, a figure that soared to 95% by 2011 (Al-Hawari and Nahed, 2015). This trend has not only enhanced the competitiveness of these organizations but also spurred the adoption of social responsibility accounting models that are now routinely included in annual financial reports. The disclosure of social responsibility has evolved from a voluntary action to a quasi-mandatory obligation, underscored by the impressive outcomes of such transparency.

Despite these advances, Algeria appears somewhat detached from this global trend. While open to international practices, the majority of Algerian business organizations remain engaged primarily in voluntary charitable activities, which are far removed from the broader objectives of sustainable development, a realm still largely dominated by the state and its associated entities.

Study Problem and Hypotheses:

Building upon the insights detailed above, the primary research question emerges as follows:

- What is the role of social responsibility disclosure by states and business organizations in fostering sustainable development?

Study Hypotheses:

In accordance with the problems and objectives outlined in this study, the paper seeks to test the following hypotheses:

- States can stimulate their business organizations to contribute to sustainable development by mandating the disclosure of social responsibilities in their annual reports.
- Business organizations enhance their contribution to sustainable development to appeal to both local and international public opinion.
- The disclosure of social responsibility plays a pivotal role in the realization of sustainable development objectives.

Study Significance:

This study is significant as it scrutinizes the facets of social responsibility and the imperative of both measuring and disclosing social performance in corporate reports, akin to other reports that offer value to stakeholders. It further probes the roles of states and business organizations in nurturing sustainable development alongside their societal contributions, which in turn positively impacts their developmental pursuits.

Study Objectives:

This research endeavors to delve into the pressing and relevant topics concerning social responsibility, the methodologies of its disclosure by business organizations, and its impact on achieving sustainable development within the communities they serve. This is complemented by an examination of the role of states in facilitating this process.

Study Methodology:

Given the research problem, objectives, and hypotheses, the study employs a descriptive approach, focusing on defining the key variables: social responsibility disclosure, and analyzing its impact on sustainable development.

2. Social Responsibility Disclosure:

2.1 Social Responsibility Disclosure:

This section explores the concept of social responsibility disclosure, its significance, and the practices adopted by corporations in the disclosure process.

2.1.1 Concept of Social Responsibility Disclosure:

Social responsibility disclosure is perceived as a mechanism for assessing the social performance of companies through non-mandatory reports. However, with societal progress and evolving notions, companies are increasingly driven to compile such reports. Notably, the number of companies issuing social responsibility reports for the first time rose from approximately 500 in 2006 to 1000 in 2010, indicating a global shift towards embracing social responsibility disclosure. This part will discuss several pivotal definitions:

Gray (1987) posits that social responsibility disclosure involves communicating the social and environmental impacts of companies to stakeholders, particularly within the community and more broadly, society. This extends their accountability and also supplements financial information provided to shareholders. This definition underscores the idea that companies' responsibilities extend beyond mere profit generation.

Hackston (1996) observed that social responsibility disclosure encompasses the presentation of both financial and non-financial information concerning the company's interactions with its social and physical environments. This can occur within annual reports or through separate reports specifically crafted for this purpose.

Haron (2004) added that social responsibility disclosure should entail providing details about the social performance of companies, normally through the revelation of such information, regardless of whether it is positive or negative.

Thus, social responsibility disclosure manifests in reports prepared by the company and disseminated to stakeholders about the company's social endeavors and its engagement with the community, maintaining full transparency in how it conveys information about its performance within the community.

2.1.2 Reasons for the Growing Interest in Social Responsibility Disclosure:

The surge in interest towards social responsibility disclosure can be attributed to several factors (Al-Azhar, 2017):

- Governments' desire to regulate corporate behavior to achieve community welfare, which alleviates their role in economic and social life as it places part of the responsibility on companies.
- The significant increase in industrial damage by companies to the community and the environment in which they operate, prompting environmental advocacy groups to call for protecting the environment from such waste, especially after raising the issue of global warming. This has led governments to follow suit and issue directives necessitating the adoption of environmentally friendly programs.
- The significant role of social responsibility in the decision-making process, as most investors now base their investment decisions on the extent to which companies uphold their social responsibilities towards the community they operate in.
- Protecting workers' rights; companies are now required to protect their workers from potential harms, given the increased pressure from unions and associations on companies regarding their employees, considered a valuable resource that must be preserved. Based on the foregoing, social responsibility disclosure contributes to balancing responsibilities, as companies, which once monopolized power and profit, are now required, following the spread of social awareness, to embrace a spirit of responsibility and assist governments in activities that were previously exclusive to them.

2.2.3 Methods of Social Responsibility Disclosure:

Various methods exist for disclosing social responsibility, encompassing annual reports, articles, brochures, and other publications issued by companies. These are typically manifested in the form of social responsibility reports, sustainable development reports, corporate responsibility reports, or corporate citizenship reports (Murray, 2010).

In regard to the methods of social responsibility disclosure within financial reports, research has identified three main trends (Al-Abji, 2010, p. 60), (Al-Sayed, 2001):

A. First Trend: Accounting Disclosure of Social Performance:

This method integrates social performance disclosure within traditional financial statements. Advocates argue that it facilitates the seamless amalgamation of financial and social information of the company without requiring any modifications to the traditional accounting system, as the social activities of the company inherently influence its economic activities and thus reflect on the financial statements.

However, a notable drawback is that this approach tends to complicate financial reports, making them less accessible and potentially impeding stakeholder decision-making processes.

B. Second Trend: Separate Reporting:

This approach favors the preparation of separate reports distinct from financial statements and their appendices. Proponents suggest that the inherent difficulties in measuring the benefits and costs of social responsibility justify separate disclosures due to the distinct nature of financial and social information. Reports under this trend can be classified into three forms:

- **Descriptive Reports:** These are based on qualitative descriptions rather than quantitative or monetary evaluations. They enumerate all social performance activities conducted by the company. This model is noted for its ease of implementation and low cost, requiring minimal financial and human resources. An example is the American Scovill company, which is recognized for its leadership in descriptive reporting.
- **Input Reports:** These reports disclose the social costs incurred by the company without accounting for the benefits derived. They are useful for year-over-year or inter-company comparisons. The Linowes model is an illustration of this type, highlighting the positive and negative impacts in three areas of social responsibility: human resources, natural resources, and product quality.
- **Input-Output Reports:** These aim to disclose both the costs and benefits associated with the company's social activities. Regarded as the most comprehensive, these reports attempt to match every social cost with a corresponding benefit, although quantifying these benefits poses significant challenges since they are often intended for external parties. Notable examples include the Estes model, which assesses the net social contribution of the company by balancing social costs against social benefits, and the Seidler model, which calculates the present value of net additional income generated for the community, rather than merely aligning revenues with expenses.

C. Third Trend: Integrated Corporate Reporting:

This method involves disclosing social information within the company's annual reports under the section titled "Corporate Social Responsibility," included in the management report alongside traditional financial disclosures. This is currently the most widely adopted method, providing a holistic view of the company's performance by integrating both financial and social responsibility metrics.

3. Role of Social Responsibility Disclosure in Achieving Sustainable Development

Recently, there has been increasing criticism of financial statements, leading to dissatisfaction that has cast doubt on the viability of economic decisions based on information in financial reports, which are no longer deemed sufficient. Hence, the focus has shifted to research on sustainable development and its disclosure, considering it encompasses environmental, comprehensive economic, and social aspects, which are seen as the main drivers of industrial change (Salem, 2015, p. 127). Before discussing the role of disclosure in achieving sustainable development, it is essential to explore some concepts about sustainable development.

3.1 Theoretical Aspects of Sustainable Development:

The issue of sustainable development has become a fundamental focus in societal issues. After initially being limited to state tasks, there is now discussion about the role of companies in activating sustainable development alongside social responsibility. What is the concept of sustainable development, its importance, and its objectives?

1.1.3 Definition of Sustainable Development:

The Brundtland Report issued by the World Commission on Environment and Development in 1987 defines it as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs within the environmental limits that society aims to achieve reasonably" (Al-Samarrai, 2019).

The United Nations defines it as the promotion of economic development along with the preservation of natural resources, ensuring the continuity of social, environmental, political, economic, and institutional development on an equitable basis, supporting the increasingly popular concept of human resource development (Izzat, 2017).

Moorinehart defines it not only as an environmental movement but also as a more comprehensive endeavor that covers society as a whole, aiming to meet current needs without compromising the ability to meet the needs of future generations (Barrlnus, 1994).

Several terms have been coined for sustainable development, such as solidarity development, continuous development, and inclusive development. As a general concept, sustainable development encompasses three fundamental approaches: economic, environmental, and social development.

These approaches are interconnected and integrated. The concept of sustainable development involves three equivalent components: environmental development, economic development, and social development, as well as the three dimensions of well-being: economic, environmental, and social.

From the above, it can be said that sustainable development is a process aimed at achieving the greatest possible growth at the level of the three systems—social, economic, and environmental—targeting the long term. It utilizes available resources wisely and rationally so that subsequent generations are not affected by resource scarcity.

3.1.2 Objectives of Sustainable Development:

All member countries of the United Nations have adopted the Sustainable Development Goals, also known as the seventeen global goals. These goals are a global call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. Below is a brief overview of the Sustainable Development Goals across five areas (Arabia, 2021):

A. People Domain:

- More than 800 million people still live on less than \$1.25 a day, many lacking basic necessities such as adequate food, clean drinking water, and sanitation. Therefore, this goal strives to eradicate poverty in all its forms.
- **Total elimination of hunger:** Rapid economic growth and increased agricultural productivity have reduced the number of people suffering from malnutrition by nearly half. The goal is to end all forms of hunger and malnutrition by 2030.
- **Good health and well-being:** Child mortality rates have decreased by 50 percent, and maternal mortality rates by 45 percent worldwide. More than 6.2 million people have been saved from malaria, and new HIV/AIDS infections have decreased by 30 percent. This goal commits to ending all epidemics by 2030.
- **Quality education:** The overall enrollment rate in developing regions reached 91 percent in 2015, and the number of children out of school has been reduced by nearly half. There has also been a significant increase in literacy rates, and more girls are attending school than ever before. The goal is to provide equal opportunities for education.
- **Gender equality:** Eliminating all forms of discrimination against women and girls is crucial for accelerating sustainable development. It has been proven that assisting women and giving them the same rights as men has a multiplying effect on this.

B. Planet Domain:

- **Clean water and sanitation:** Water scarcity affects more than 40 percent of the global population with rising global temperatures due to climate change. Dozens of countries are on the verge of depleting their supplies of renewable freshwater, and ensuring everyone has access to drinking water requires increased investments in infrastructure, provision of sanitation facilities, and promotion of sanitary hygiene.
- **Sustainable production and consumption:** Achieving this goal of sustainable development depends on the effective management of shared natural resources and the ways toxic wastes and pollutants are disposed of and recycled.
- **Climate action:** This goal aims to mobilize \$100 billion annually to meet the needs of developing countries to scale up mitigation and adaptation measures to climate change.
- **Life below water:** By sustainably managing and protecting marine and coastal ecosystems from pollution, as well as addressing the impacts of increasing ocean acidification.
- **Life on land:** Through the conservation and restoration of the use of terrestrial ecosystems such as forests, wetlands, drylands, and mountains. Halting deforestation is vital to mitigating the effects of climate change.

C. Prosperity Domain

- **Affordable and Clean Energy:** Utilizing cost-effective standards across a broad range of technologies can reduce global electricity consumption in buildings and industry by 14 percent.
- **Decent Work and Economic Growth:** By encouraging entrepreneurship and creating job opportunities, and implementing effective measures to eliminate forced labor, slavery, and human trafficking for all men and women by 2030.
- **Industry, Innovation, and Infrastructure:** Investments in industry, infrastructure, and innovation are crucial for economic growth and development.
- **Reduced Inequalities:** The richest 10 percent of the world population earn up to 40 percent of total global income while the poorest 10 percent earn only between 2 percent and 7 percent of global income. Addressing these disparities requires the adoption of sound policies to empower the lower-income groups and enhance economic inclusion for all.
- **Sustainable Cities and Communities:** Sustainable development cannot be achieved without significant changes in how we build and manage our urban spaces. Efforts are needed to make cities safe, sustainable, and improve the environment of impoverished neighborhoods.

D. Peace Domain

- **Peace, Justice, and Strong Institutions:** High levels of armed violence and insecurity have devastating effects on country development, and nations must take necessary measures to protect the most vulnerable populations.
- **Partnerships:** The Sustainable Development Goals aim to enhance cooperation between North and South countries, and among Southern countries, by supporting national plans to achieve all goals and promote international trade.

The following figure illustrates the five areas of the Sustainable Development Goals:

Figure 1: The Five Areas of the Sustainable Development Goals



Source: Dr. Nadia Abdul Jabbar Al-Sherida and Dr. Ammar Essam Abdul Rahman Al-Samarrai (2019), Disclosure of Social Responsibility of Islamic Banks Using the List of Sources and Uses of Funds of Zakat, Charity, and Al-Qard Al-Hasan and its Role in Achieving the Sustainable Development Goals 2030 Bahrain Islamic Bank in the Kingdom of Bahrain as a Model, Zakat and Comprehensive Development Towards Activating the Civilizational Role of Zakat in the Reality of Contemporary Societies, Kingdom of Bahrain, First International Conference, October 15-17, p. 15.

3.1.3 Importance of Sustainable Development:

People are the primary factor driving campaigns for sustainable development, hence the importance of sustainable development can be viewed from this perspective: (Bani, 2021) (Bilal, 2021)

- **Provides for Basic Human Needs:** The population explosion means that people will have to compete for limited life necessities like food, shelter, and water. Adequately providing these basic needs almost entirely depends on infrastructure capable of sustaining them long-term. If governments insist on using fossil fuel-based energy sources instead of renewable and sustainable options, the cost and environmental impact of providing these basic needs become a challenging task.
- **International Cooperation:** One of the key features of sustainable development is that its programs, development plans, and goals are not limited to a specific country or continent and do not conflict with the interests of any country nor are affected by international political disputes. It is a global plan believed in and shared by all countries in the world.
- **Agricultural Requirements:** Finding ways to feed more than 8 billion people is challenging if unsustainable agricultural practices continue. These practices have proven to be a financial burden given the expected depletion of fossil fuel resources. Sustainable development focuses on sustainable agricultural methods like efficient seeding techniques and crop rotation to enhance high yields while maintaining the soil integrity that produces food for a large population.
- **Climate Change Management:** Mitigating climate change through sustainable development practices involves reducing the use of fossil fuel sources such as oil, natural gas, and coal, which are unsustainable as they will deplete in the future and are responsible for emitting greenhouse gases.
- **Financial Stability:** Sustainable development practices have the potential to create more financially sustainable economies worldwide. Developing countries that cannot access fossil fuels can benefit from renewable energy forms to power their economies. By developing renewable energy technologies, these countries can create sustainable jobs instead of relying on limited jobs based on fossil fuel technologies.
- **Biodiversity Sustainability:** The ecosystem is designed in a way that species depend on each other for survival. For example, plants produce oxygen needed by humans to breathe. Unsustainable development practices, such as the emission of greenhouse gases into the atmosphere, kill many plant species, which leads to a reduction of oxygen in the atmosphere.
- **Understanding Regulations and Incentives:** By utilizing various tax credits and incentive programs tailored for different levels of sustainability in the development program, a larger part of the project can meet sustainability requirements. This approach towards creating a fully sustainable development option also allows for the reality of implementation costs to be considered, providing options that do not hinder progress.

3.1.4 Dimensions of Sustainable Development:

Sustainable development is structured around three primary dimensions—social, economic, and environmental, complemented by an additional technical dimension to accommodate the imperative of modern technologies. These dimensions are intricately linked to ensure the holistic achievement of sustainable development. Each dimension is detailed below: (Abayat, 2021)

A. Technical Dimension:

The advent of information and communication technologies has significantly propelled advancements in enhancing organizational performance. These technologies have bolstered research activities and facilitated the modernization of new institutional frameworks that include technology incubators and technological cities.

This progress has spurred economic growth and generated numerous employment opportunities, which in turn contribute to the reduction of poverty and unemployment. Furthermore, these technologies support the implementation of programs aimed at transitioning society into an information society, and are pivotal in striving towards the achievement of the Millennium Development Goals. Additionally, rural radio, aimed at community development, has played a crucial role in educating and training farmers.

B. Environmental Dimension:

Sustainable development aims to achieve several environmental objectives, chiefly the rational utilization of depletable resources. The objective is to leave a viable and comparable environment for future generations, acknowledging the scarcity of alternatives for these resources.

C. Economic Dimension:

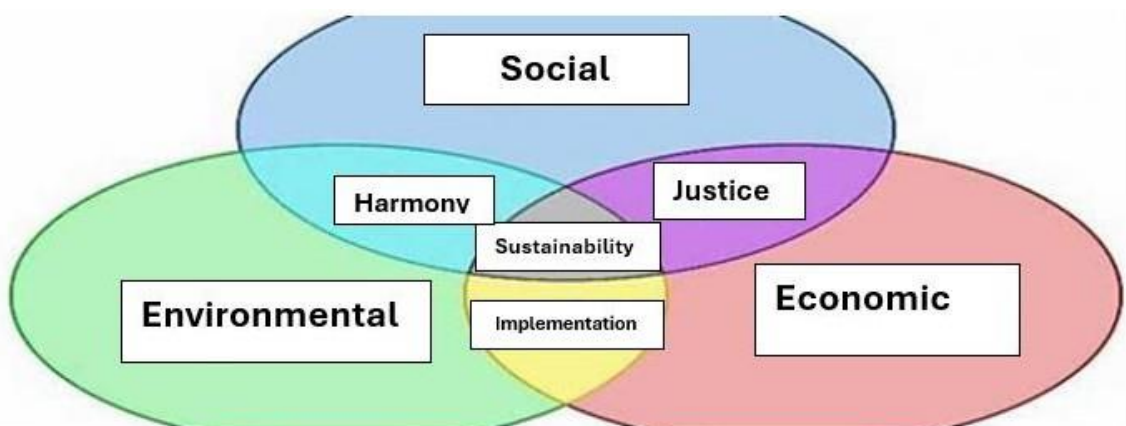
Economic development in affluent nations targets successive reductions in the consumption levels of natural resources and energy. For instance, the consumption of energy sources such as gas, coal, and oil in the United States is 33 times higher than that in India, necessitating measures for rationing consumption.

D. Social Dimension:

This dimension focuses on human development, particularly improving the standards of education and healthcare, as well as fostering community involvement in developmental decisions that impact equality and equity. It is crucial to distinguish between two types of equity: intergenerational equity and equity among the current population. The latter refers to the uneven access to social services and natural resources among contemporaries, thereby underscoring the need for initiatives aimed at enhancing educational opportunities, supporting informal economic sectors, and improving healthcare accessibility for women and all community members.

The interaction of these dimensions is illustrated in the following conceptual figure, highlighting how they intertwine to achieve the Sustainable Development Goals. It is noteworthy that the technical dimension, while distinct, is integrally woven within the other three dimensions to foster a comprehensive approach to sustainable development.

Figure 2: Dimensions of Sustainable Development



Source: Ola Abayat, Dimensions of Sustainable Development, accessed on August 25, 2021, <https://mawdoo3.com>.

3.2 Relationship Between Social Responsibility and Sustainable Development:

A seminal study by the International Federation of Accountants (IFAC) in March 2011 explored the dimensions of the sustainability concept, noting that sustainability reporting encompasses three dimensions which, when adequately addressed, maximize value for shareholders.

It is important to clarify that the concepts of sustainability and social responsibility are distinct; sustainability pertains to reporting on growth across various forms of resources—financial, social, and natural—over the long term, whereas social responsibility often focuses on more immediate, short-term impacts. Social responsibility acts as a vehicle for achieving sustainable development and represents one of its critical dimensions (Al-Hawari and Nahed, 2015). The interconnection between these concepts is illustrated in the following figure:

Figure 3: Relationship between Sustainable Development and Social Responsibility



Source: Al-Hawari and Nahed Mohamed Yousry (2015), Determinants of Accounting Disclosure for Preparing Integrated Reports and Their Reflections on Stakeholders' Decisions in the Egyptian Environment: A Theoretical and Field Study, Dar Al-Manthuma, Shams University, Volume 19, Issue 04, p.652.

3.3 Role of Disclosure of Social Responsibility in Achieving Sustainable Development:

The disclosure of social responsibility by organizations plays a pivotal role in garnering community support for their developmental goals and mission, acknowledging their practices, and contributing to the success of their strategies. It also addresses the evolving needs of the community (Ahmed, 1997) and its fundamental requirements, as well as fostering job creation through charitable and social development-oriented projects.

Reynaud (2003) emphasizes that organizational efficiency encompasses economic competencies, environmental competencies, and social efficiency, and has developed a set of indicators for the latter. Further studies have shown that organizations implementing programs to enhance employee living conditions, such as insurance and various facilities, have seen reductions in absenteeism, improved employee retention, increased worker productivity, and reduced costs associated with new recruitment and training.

Consequently, disclosing these positive indicators in annual reports on the social performance of the organization can significantly boost its profitability, particularly for those listed on stock exchanges, thereby achieving the economic and social dimensions of sustainable development. Moreover, adopting pollution control programs and utilizing renewable energy sources can fulfill all dimensions of sustainable development.

Annual reports that transparently and accurately disclose organizations' activities related to their social dimension are crucial for enhancing and activating the economic and social performance of the organization, thereby propelling development within its sector and country.

This positively impacts the work environment and enhances the competitiveness among companies, fostering participatory sustainable development among various business organizations, especially under the current financial pressures stemming from investments allocated to social responsibility and the complexities of calculating and reporting it. This competitive environment encourages companies to adopt international standards of social responsibility and sustainable development.

A Corporate Social Responsibility magazine issued a ranking of the top 100 companies for 2011 based on their social responsibility disclosures. The ranking evaluated company practices across seven key areas: environmental impact, climate change, human rights, philanthropy, employee relations, financial performance of the company, and governance (Yin Abdul Aziz and Yousifawi, 2016). Below is a table listing the top 20 companies that excelled in disclosing their social responsibilities.

Table 1: Top 20 Companies Disclosing Their Social Responsibilities in Corporate Social Responsibility Magazine

Rank	Company	Rank	Company
01	Jonhson Controls Inc	11	Gap, Inc
02	Campbell Soup Co	12	General Mills Inc
03	International Business Machines Corp	13	Intel Corp
04	Bristol-Myers Squibb Co	14	Coca-Cola Co
05	Mattel, Inc	15	Pinnacle Xest Capital Corp
06	3M Co	16	Avon Products, Inc
07	Accenture PLC	17	Consolidated Edison, Inc
08	Kimberly-Clark Corp	18	Spectra Energy
09	Hewlett-Packard Co	19	E.I. Du Pont De Nemours & Co
10	Nike, Inc	20	Johnson & Johnson

Source: Dr. Sofiane Ben Abd El Aziz and Suad Yousifawi (2016), "Successful International Models in Socially Responsible Investing (Overview of International Corporate Experiences)", Contemporary Economic Studies Magazine, University of Béchar, Issue 01, p.68.

3.4 Obstacles to Disclosing Social Responsibility:

Like any process undertaken by an organization, disclosing social responsibility faces challenges that can impede the correct implementation of the process and thereby reduce the effectiveness of achieving sustainable development. Among these obstacles are (Arqoub and Taher, 2018, p 134-154):

- _ Difficulty in finding an effective model to measure the costs and benefits of social responsibilities and to generalize its use.
- _ Governmental restrictions.
- _ Shortage of human resources.
- _ The social behavior of company members focusing on technical and administrative solutions.
- _ Failure to integrate corporate social responsibility initiatives into development plans.

4. Examples of Contributions by Countries and Business Organizations in Achieving Sustainable Development through Disclosure of Social Responsibilities: We will present examples of some countries and global companies that have disclosed their social responsibilities to achieve sustainable development.

4.1 International Experiences in Disclosing Social Responsibility:

4.1.1 The German Experience:

Social responsibility reached Germany in its Anglo-Saxon concept only in the late 1990s, as the German system was a socialist one, relying on state intervention in all aspects of life. Thus, implementing the concept of social responsibility in its general form was not difficult for them. The federal government, through all its ministries, formulated a clear and transparent concept of social responsibility to regulate both the government and business organizations. Here we summarize the directives and initiatives of the government in applying social responsibility: (Allali and Nabo, 2022, p 8)

- In 2006, there was a focus on the environmental orientation of business organizations, and in 2007, there was an interest in sustainable development and management tools to help implement social responsibility.
- Conducting a roundtable to draft a code of conduct for German business organizations operating in developing countries.
- Requiring business organizations to include non-financial indicators in their annual reports and to respect global environmental and social standards.
- Establishment of the Sustainable Development Council to serve as the nearest advisory body to public authorities and business organizations, significantly impacting their approach to social responsibility.

4.1.2 The Japanese Experience:

Interest in social responsibility and its disclosure increased in the mid-1990s, and by March 2003, a report by the Japanese Association of Executives showed awareness of the importance of social responsibility and its disclosure by organizations. The Japanese Business Federation initiated discussions on ways to disclose social responsibility in annual reports, which are based on three main foundations: ethics, stakeholders, and sustainability, which together form the Japanese model for social responsibility, aimed at achieving social sustainability.

This model organizes business organizations according to seven main areas: environmental impact, climate change, human rights, philanthropy, employee relations, financial performance of the company, and governance. Due to this policy, Japan has the largest number of organizations that adopt social responsibility and publish their reports according to the principles of the Global Reporting Initiative. (Kasham and Shakrani, 2019, p 122)

4.1.3 The European Union Experience:

In the 1990s, the European Commission responded to calls for social responsibility by asking business organizations to respect social aspects. In 1999, the European Parliament issued a decision that included creating a code of conduct regulating aspects related to respecting the environment and labor and human rights by European organizations, supporting the topic of social responsibility as an important element in the Lisbon Agenda. In 2001, what is known as the Green Paper on social responsibility was issued, covering a range of topics including local community, business partners (suppliers and consumers), human rights, and environmental concerns.

The European Union defined seven main characteristics of social responsibility in the Green Paper: voluntary nature, sustainable orientation, and transparency. In 2002, a Multilateral European Forum developed principles for a code of conduct and exchanged expertise in the field of social responsibility, reaching an agreement on methods to evaluate social responsibility.

In 2006, the European Commission published a study titled "Partnership for Growth and Employment" to make Europe a hub of excellence in social responsibility to promote it, serving as a means to stimulate business organizations in sustainable development. In 2007, the European Commission continued its initiatives to develop the field of corporate social responsibility by organizing the "Responsible Entrepreneurship Cooperative," aimed at helping small enterprises become more socially responsible.

In 2011, the European Commission held a meeting in Brussels, resulting in the publication of a declaration titled "Corporate Social Responsibility: A New Strategy for the European Union for the Period 2011/2014," proposing a new program that complements the 2006 program, adding new elements that contribute to developing and strengthening the European Union's impact internationally in this field, giving it the ability to effectively defend its interests and values in its relations with other regions and countries. (Azouz and Toum, 2020, p 220)

4.1.4 The American Experience in Social Responsibility:

In the United States, the focus on social responsibility surged with increasing demands from public authorities and accounting associations for business organizations to disclose socially relevant data. This trend was catalyzed by significant developments in industrial finance and escalating pollution concerns.

These factors necessitated the disclosure of organizational performance to gauge the extent of their social responsibilities and initiated a trend towards considering social costs in calculating the true cost of business activities. The adoption and application of social responsibility in the U.S. vary widely among organizations; some have embraced social responsibility practices for many years, achieving a high level of professionalism and expertise, while others are still in the nascent stages of adopting these practices (Mohsen & Mahdadi, 2017, p. 171).

A Corporate Social Responsibility magazine initiated a ranking of the top 100 companies for 2011 that effectively fulfilled their societal responsibilities through various activities. This ranking evaluated company practices across several domains: environmental impact, climate change, human rights, philanthropy, employee relations, financial performance, and governance, thereby encouraging other organizations to embrace and disclose social responsibility in their annual reports.

4.1.5 Algeria's Openness to Social Responsibility:

Examining the trajectory of various reforms and policies implemented by Algeria from its independence to the present reveals a sustained support for the concept of social responsibility, initially integrated through the socialist system. Despite transitioning from socialism to a free-market economy, Algeria has maintained its commitment to social responsibility, now predominantly channeled through the state.

In contrast, civil society has traditionally embraced this concept voluntarily, without formal directives. The evolution from a purely charitable focus to developmental projects that aim for sustainability and comprehensive development is crucial for meeting future challenges.

This shift is underscored by a report on corporate social responsibility openness prepared by the "Respecto" Institute, which ranked Algeria 126th out of 195 countries, trailing behind other Arab and African nations such as Morocco, Tunisia, Egypt, Mali, Niger, and Chad. Interestingly, the United States ranked 149th, the United Arab Emirates 142nd, and Kuwait 152nd, partly due to their refusal to ratify many international treaties (Institute, 2018).

4.2 Business Organizations' Experiences in Achieving Sustainable Development:

Following the successful disclosure of social activities that have positively impacted their financial performance, major organizations globally are now actively competing to engage in voluntary charitable activities aimed at promoting sustainable development. Here are notable examples of such commitments:

- A. **Emirates Telecommunication Corporation:** This organization has made significant contributions to social solidarity projects, such as the "Zayed Housing" and "Charitable Marriage Fund" projects, demonstrating a commitment to supporting vital community initiatives (Yin Abdul Aziz & Yousifawi, 2016, p. 67).
- B. **IKEA:** Renowned for its support to communities in crisis, IKEA has been involved in various humanitarian efforts, including building schools and facilitating access to essential resources like drinking water. Notably, the IKEA Foundation recently allocated \$2.3 million to supply clean electricity to one million people in India and East Africa, illustrating its commitment to sustainable energy solutions.
- C. **BMW:** Acknowledged by the Dow Jones index as one of the most sustainable car manufacturers globally since 1999, BMW is celebrated for its educational programs and initiatives promoting intercultural understanding. One notable campaign is "Livelihoods for Youth," which supports 400 youths in India by providing basic computer training and English language skills.
- D. **Levi Strauss & Co.:** This company has embraced a robust approach to social responsibility, particularly through initiatives aimed at reducing water usage in manufacturing. Their techniques have been successful in saving up to 96% of water, with over one billion liters of water saved since the program's inception in 2011. Levi Strauss

anticipates that 80% of its products will be produced using these water-saving techniques in the coming years, a 25% increase from current levels.

- E. **General Electric (GE):** GE has implemented extensive programs focusing on housing and education and played a pivotal role in recovery efforts following the tsunami disaster in Indonesia. The company has also made strides in reducing indirect gas emissions and has been proactive in introducing environmentally friendly products, simultaneously increasing its revenue from energy-efficient technologies.
- F. **Intel:** As a leading entity in the computer chips and processors industry, Intel was ranked 12th in the 2011 list of top 100 socially responsible companies by the Corporate Social Responsibility magazine. The company has garnered over 80 international awards for its CSR activities, which include:
- **In Human Development:** Approximately half of Intel's workforce volunteered over one million hours in 2010, contributing their time to schools and nonprofit institutions.
 - **In Environmental Concern:** Intel has prioritized the production of energy-efficient products and was the largest consumer of clean energy in the USA from 2008 to 2010.
 - **For Future Generations:** Intel invested over one billion dollars from 2000 to 2010 to enhance educational processes globally in collaboration with governmental agencies. In 2010, it launched the "Education for Innovation" initiative with a total investment of \$200 million to improve science and math education in the American educational system.

G. Toyota Corporation:

Toyota is recognized as a leader among Japanese companies for its commitment to sustainable development, particularly in environmental education, action, and biodiversity conservation. Since 2001, Toyota has been proactive with its Toyota Eco Youth project, which involves establishing high schools near its branches to engage in and implement environmental improvement initiatives, focusing on electricity and water conservation.

Additionally, Toyota has pioneered the development of environmental technology across all its engines, leading to the production of 'green cars,' which are notably environmentally friendly, setting a standard in sustainable automotive technology.

H. Walmart Corporation:

In 2011, Walmart was ranked 95th among the top 100 companies globally for its social responsibility practices, as noted by Corporate Social Responsibility magazine. The company has engaged in numerous social initiatives including:

- In April 2010, Walmart announced a donation of \$3.4 million in grants to non-profit organizations dedicated to helping Americans re-enter the workforce through job training programs.
- In 2010, Walmart launched a comprehensive program to combat hunger in America, committing \$2 billion in cash and in-kind resources with the aim to eradicate hunger from 2010 to 2015.
- In August 2011, Walmart contributed to job creation in the American economy by employing over 15,000 employees across approximately 100 new stores by the end of the fiscal year.
- In 2010, Walmart invested \$89 million in educational and health programs for students and initiated the Teacher Rewards Program, distributing over 45,000 gift cards valued at \$4.5 million to teachers for purchasing classroom supplies for the 2009/2010 school year.
- In 2009, Walmart provided a grant of approximately \$1.5 million to the AARP Foundation to assist over 450 women aged 40 and above with various training programs to support themselves and their families.

I. Samsung Corporation:

Samsung, a global powerhouse in the digital and electronic devices sector, is deeply committed to community engagement through:

- **Social Care:** Samsung actively supports scientific education and creative thinking, particularly for children from low-income families, by enhancing educational infrastructure. This initiative is part of Samsung's broader commitment to fostering leadership skills among the youth.
- **Volunteer Services:** In 1995, Samsung initiated a social contribution program that encourages employee participation in community service, reflecting the company's commitment to corporate social responsibility.
- **Academic and Education Sector:** Samsung is a prominent supporter of the Youth Science Olympiad in Korea, a prestigious competition that stimulates scientific curiosity among students at elementary, middle, and high school levels. Additionally, Samsung sponsors the National Creativity Olympiad, which promotes innovation among students. Since 2001, Samsung has collaborated with the Friendly Family Environmental Movement to establish "Eco-Friendly School" models, which are designed to increase environmental awareness among children and empower them to take active steps in ecosystem protection.

4.3 Algeria's Utilization of Global Experiences:

Despite Algeria adopting a governance charter in 2009 that encourages the activation of social responsibility, it remains largely unimplemented. However, many Algerian organizations have followed the lead of global organizations not only in disclosing their social responsibilities but also in actively participating in social responsibility initiatives. Here are some experiences of business organizations that have implemented social responsibility:

4.3.1 Djezzy Mobile Company:

Contributed significantly to social responsibility, focusing more on charitable aspects than on sustainable development. Below are some of the initiatives undertaken:

- Organized medical surgery days in Ouled Djellal, Biskra from April 12-18, 2009, emphasizing the health of Algerian citizens and supporting medical scientific research.
- Launched a Ramadan solidarity campaign by offering gifts and valuable prizes to winners, and encouraged Algerian people to engage in charitable work through financial contributions made by customers during their service recharges to support the poor.
- Organized a global conference on information and communication technology at the computer center in Ben Aknoun on July 2-4, 2008, where a new service, the BlackBerry service, was introduced.
- Supported sports clubs and funded local and national teams.
- Organized the Arab Economic Forum for Investment to attract foreign investments to Algeria.
- Constructed religious corners in Adrar province and contributed to the promotion of some into religious centers.
- Donated twelve (12) mobile health clinics for the benefit of the deprived and those living in remote areas.

4.3.2 Sonatrach:

As one of the few companies in Algeria actively contributing to sustainable development, Sonatrach's social investment initiatives are designed to improve living standards, promote literacy, and reduce isolation. Notable contributions include:

- Improving work conditions and providing healthcare for workers and their families, reducing occupational diseases, and enhancing training, education, and awareness among employees.
- Elevating security levels, ensuring the safety of equipment, and providing industrial safety training for workers.
- Preserving natural resources and reducing toxic emissions by implementing international standards.
- Contributing to education and eradicating illiteracy, particularly in Southern Algeria, by providing school buses, textbooks, and pedagogical materials for needy students.

- Contributing to the provision of rural electricity, road construction, gas network connections, and supplying generators for areas not connected to the gas network.
- Constructing wells, water reservoirs, agricultural roads, providing water pumps, and supplying potable water to the southern regions.

By analyzing the activities of Algerian business organizations against global sustainability standards, it becomes evident that private companies predominantly engage in charitable acts of social responsibility. This approach is strategically aimed at garnering public support, prominently through promotional advertisements that highlight their charitable contributions.

This leads to intense competition among these companies during significant periods such as Ramadan and various local and national sports events, where they vie to create and maintain a positive public image. In stark contrast, state-owned companies in Algeria are deeply engaged in substantive sustainable development initiatives that support state objectives, reflecting a more integrated approach to social responsibility.

Conclusion:

The commitment of business organizations to adopt aspects of social responsibility has become crucial not only for ensuring the sustainability of their operations but also for benefiting future generations from the wealth they generate. As public support has increasingly rallied around organizations that actively disclose their social responsibilities, the significance of these disclosure processes on organizational outcomes has become increasingly apparent. This shift has spurred a global awareness and competition among organizations to adopt effective disclosure methods for their social activities.

The efforts of these organizations have evolved from mere compliance to actively contributing to sustainable activities, thereby advancing the wheel of sustainable development alongside their respective countries. Despite the challenges inherent in measuring such activities, the tangible and often remarkable results have strengthened organizations' commitments to their social responsibilities and enhanced their competitiveness in publishing detailed reports on their social performance. This commitment positions business organizations as a pivotal, and sometimes alternative, force to states in achieving social development, all while not forsaking their primary profit-oriented goals.

However, the non-mandatory nature of disclosure by states, which allows it to remain voluntary, poses a significant global risk. This risk is particularly acute as states have increasingly delegated some of their functions to these organizations. The absence of a clear global standard that mandates organizations to disclose sustainable activities that truly achieve sustainable development allows them the leeway to withdraw at any moment, potentially undermining the efforts made. Such a scenario highlights the delicate balance that must be maintained between voluntary participation and mandatory disclosure to ensure a steady progression towards global sustainability goals.

Results:

From the discussion above, we can draw the following conclusions:

- States encourage business organizations to adopt social responsibility and disclose it in their annual reports through various legislations, directives, and initiatives. However, this encouragement is non-mandatory, which contradicts the initial hypothesis.
- Organizations that apply sustainability and social responsibility standards have achieved their traditional goal of maximizing profits and ensuring longevity, supported by stakeholders of organizations that adopt and disclose social responsibility, validating the second hypothesis.
- The contribution of business organizations to certain social activities remains optional, with many focusing on charitable aspects particularly during festive seasons, which does not necessarily lead to sustainable development. The voluntary nature of these activities and the absence of a compulsory global framework for disclosing sustainable activities that achieve sustainable development make it possible for organizations to retract their commitments at any time, contradicting the third hypothesis.

- The application of models for measuring social costs and benefits in social responsibility is optional, allowing companies to choose the model that incurs the least cost. This can obscure the assessment of their social performance from stakeholders, complicating the evaluation process and benefits derived from it.

Recommendations:

Based on the analysis provided, to enhance the role of accounting for social responsibility and its disclosure in achieving sustainable development, the following recommendations are proposed:

- Standardize the forms of social responsibility reports and make them globally uniform and simple to facilitate their use and benefit by stakeholders without the need to resort to third parties.
- Mandate social responsibility accounting by states for business organizations and all active companies in the community.
- Mandate the disclosure of social responsibility by states for business organizations and all active companies in the community.
- Oblige states to collaborate with business organizations and companies in the field of sustainable development to reduce the costs injected by the state in driving the development forward and to allow the use of public funds for more significant issues.
- Provide more incentives to companies and organizations that perform accounting and disclose social responsibility to ensure their continuity and attract other companies.
- Grant privileges to companies listed on global stock exchanges that disclose their social responsibilities.

Future Prospects:

Having outlined various ambiguous concepts that typically precede any scholarly work, it is my pleasure to address some topics that our study did not cover:

- The role of social responsibility disclosure in achieving sustainable development in Algeria - a comparative study of private and state-owned companies.
- Adoption of social responsibility disclosure methods in Algeria - implementing a model for accounting social activities in an Algerian company.
- The role of social responsibility disclosure in enhancing the financial performance of Algerian institutions.

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