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A printed material intended for second-year Bachelor's students

Lectures in the Course of Business Ethics

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INTRODUCTION

In today’s world, ethics—knowing what is right and wrong—is more important than ever, especially in business and government. Ethics helps guide decisions, build trust, and support fair practices. When people or institutions ignore ethics, problems like dishonesty, unfair treatment, and corruption start to grow. For students preparing to enter the workplace, understanding ethics is essential to becoming responsible and trusted professionals. Promoting ethics is a key strategy in fighting corruption, especially in governments, business and public service.

Corruption is not something new or temporary. It is a serious and long-lasting problem that takes many forms. It exists in both rich and poor countries and affects both public and private sectors. Although the people involved and the reasons behind corruption may differ, its effects are harmful everywhere. Corruption weakens trust in the government, wastes money, damages institutions, stops economic growth, and slows down progress in society.

One of the most dangerous types of corruption is administrative and financial corruption. This type does not only hurt how organizations work, but it also damages moral values in society. Over time, corruption can become “normal” and accepted, making it harder to stop.

As this issue is becoming more common in our society and even seems accepted in some areas, this course has been created for second-year university students—not only in Finance and Accounting but also in other departments. It is part of the “Business Ethics” module. The goal is to help students understand ethics, recognize corrupt practices, and build the skills needed to face ethical challenges in their future careers.

This course shows how important ethics is—not only in our personal lives but especially at work. A person's behavior in the workplace reflects his inner values. These values shape his choices, actions, and the work environment—whether it becomes a place of honesty or corruption.

Teaching and promoting ethics within organizations is essential because it helps prevent corruption and builds a culture of trust, fairness, and responsibility. When ethical values are respected, institutions are more likely to succeed over the long term. Strong ethical behavior also encourages transparency, improves teamwork, and supports decision-making based on honesty and justice. For this reason, understanding ethics is not just a personal matter—it is a key part of creating healthy and effective organizations.

This course is organized into twelve main themes that gradually introduce students to the core ideas and issues related to ethics and corruption. The first three themes focus on the meaning of ethics, why it is important, and what ethical behavior looks like in both daily life and the workplace. Themes four and five explore how ethical principles apply to the way institutions are managed and how decisions are made. Themes six to eight examine the problem of corruption in more detail—its causes, types, and harmful effects on the economy and society. Theme nine introduces students to concepts like corporate governance and social responsibility, which encourage companies to act fairly and responsibly. Theme ten explains how organizational culture influences behavior inside institutions. Finally, the last two themes provide an overview of international and national efforts to fight corruption, including strategies, tools, and the role of different organizations.

Keywords:

Ethics, morality, Business ethics, code of ethics, Code of conduct, Corruption, administrative corruption, governance, functions of the organization, corporate, Managerial Functions, governance, Corporate Social Responsibility, Organizational Culture.

Section 1:
Introduction to Business Ethics

Ethics has emerged as a critical pillar of economic development, particularly in light of the rising tide of ethical scandals and growing wave of business leaders. As a discipline, ethics holds a distinguished place among the sciences, given that moral conduct is what fundamentally sets human behavior apart from that of other living beings. The notion of business ethics, though rooted in antiquity, has gained significant traction in the modern era, evolving into a key area of strategic focus for organizations across sectors. It intersects profoundly with themes such as corporate governance, financial performance, institutional accountability, and broader questions of social and ethical responsibility.

1. Meaning of Ethics :

The word Ethics is derived from the Greek word 'ethos' which means character or conduct. The word "Ethics" is defined as "Standards of conduct or moral behavior".[1] Ethics is also called as moral philosophy or philosophical thinking about morality. This morality has been further elaborated as an action and behaviour which is concerned with 'good' or 'evil', of particular traditions, groups or individual .

Ethics has been generally conceived as the study of what is good or right for human beings[2]. "Ethics is the indispensable interface between my desire to be happy and yours', said the Dalai Lama.[3]

According to Institute of Business Ethics (2005), "Ethics start where law ends" further adds, ethics is not about the right and wrong, but what is acceptable behavior based on the core values of society in general and an organization in particular[4]. Ethics is a branch of Philosophy that involves with defining morality[5] by guiding what is right and wrong, or set a standard of behavior which should be followed by the people[6]. Manuel G. Velasquez defined that, "The discipline that examine one's moral standard of a society to evaluate their reasonableness and their implications for one's life is referred as ethics ". The term work ethics considered as an area of "Applied Ethics"[7]. Work ethics is a commitment to the value and importance of hard work among potential employee and it is related with positive work attitude having moral values and norms[8]. Organization or work ethics also provides general guideline of the set of rules and regulation based on some standard for effective decision-making process. It is not only focused into development and success of individuals but also on the collective mindset of a nation or society which is looking towards the grasping new opportunity. Considerably, work ethics is a cultural norm that states in favor of being personally accountable and responsible for the work that one does and based on a belief that work has intrinsic value to the individual and followed by each level of the employee working in the organization.

[1] Oxford University Press, Oxford learner's pocket dictionary,3rd ed, Oxford University Press, 2008, p140.

[2] W.M. Hoffman, R.E. Frederick, & M.S. Schwartz (eds), Business Ethics-Readings and Cases in Corporate Morality, McGraw-Hill Education, 4th ed, New York, 2001, P156-160.

[3] K. Mofid, Business Ethics, CSR and Globalization for the Common Good, Shepheard-Walwyn, London, 2003, P11.

[4] Webley, S., & Polly, D, "Ethics at Work: A national Survey," Institute of Business Ethics, London,2005, p12.

[5] Halis, M., Akova O., & Tagraf, H, The Relationship Between Ethics and Quality: Conflicts and Common Grounds, Serbian Journal of Management, Serbia, 2007, P22.

[6] Kovacs. A, "The Research process: Essentials of skill development." F.A Davis Company: Mugenda A.G, Philadelphia, USA., 1997, P36.

[7] Mayowa, G., Samuel, O., Taiwo, S., & Kayode F, "Organizational Ethics and Employee Level of Productivity in Nigerian Private Universities", European Journal of Business and Management, No.28, International Institute for Science, Technology and Education, Canada, 2015, P15.

[8] Brauchle, P. E., & Azam, M.S, "Relationship between Selected Demographic Variables and Employee Work Ethics as Perceived by Supervisors", Vol. 41, N1, Journal of Industrial Teacher Education, USA, 2004.

Ethics is that science which is concerned with moral behaviour or with right or wrong and good or evil of human behaviour. It propounds those principles which make our conduct moral. It becomes clear when we explain the derivation of the words right and good. The word right is derived from Latin word ‘rectus’, which literally means ‘straight’ or ‘according to rule’. It means that we are concerned with those principles which make our conduct right or straight .
The analysis of the word ‘right’ explains one aspect of ethics. Rules are the means and whenever there are means, there must be an end or goal as well. If Right is the mean of conduct, then the question arises that what should be its end. We get the answer to this only when we analyse the word good which is derived from the German word ‘gut’. Gut means everything useful or serviceable for some end or purpose. When we say that such and such school is good, what we actually mean is that it is useful for children education.

Thus, in our daily life we do not interpret good as something which is useful for some end rather, we mean by it, the end or good itself. So, we arrive at the conclusion that ethics is concerned with end or goal of life. As we know in our life and in the lives of others there are innumerable things that can be regarded as good. Ethics as a science is not concerned with particular good of the individuals; on the contrary it is concerned with the supreme goal or the ultimate end with reference to which the entire life of individual is directed - the ‘Summum Bonum’.[1]

2. Historical background of ethics:

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[2].
Considered in the Middle Ages by Saint Thomas Aquinas[3] in particular, it appeared more precisely as a science of morality with the work of Descartes. Ultimately, it is Kant who will lay the foundations of ethics as we consider it today, ethics that is based on notions such as morality and duty.

Ethics keep changing from place to place, group to group, country to country and time to time. What is considered ethical today may have been considered unethical a few centuries back. What is ethical in one religious group may be considered unethical in some other religious group.[4]

So, ethics is time and place dependent. Ethics is what you have learned from the society as right or wrong behavior. Law of the land might change from time to time but ethics remain relatively constant over a fairly long period of time. Whatever is bound by the law, does not remain "ethics" any longer. An ethical practice today might be coded into a law tomorrow. That practice would loose the high ground of ethics from that moment because ethics is about "voluntarily conforming to a good behavior".

Ethics almost always appears on the fringes of the law; it might often cross the boundaries either way by small margins. What it means is that something which is lawful could still be unethical and even vice versa. Ethics is what a true human being is expected to do in a certain situation without the binding of law.[5]

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[1] Satish Kumar Sudan, Meaning, Nature and Scope of Ethics, University of Allahabad, Allahabad, India, p 3.
[2] Saurabh Agrawal, Business Ethics, SBPD publishing House, India, 2020, P 17.
[3] Thomas Aquinas (1222-1274) was a Dominican monk famous for his theological and philosophical works.
[4] J.S. Nelson, Business Ethics, Bridgeport National Bindery, USA, 2019, P14.
[5] Mercier. S, L'éthique dans l'entreprise, La découverte, Paris, 2004, p 34.

3. Distinction between morality and ethics:

Ethics is a system of moral values. Many thinkers believe that morals and ethics amount to the same thing and use them interchangeably. However, in order to clarify certain arguments, there are differences between morality and ethics. Morality consists of what persons ought to do in order to conform to society's norms of behaviour, whereas ethical theory concerns the philosophical reasons for and against aspects of the morality stipulated by society.

Morality is deemed then to be concerned with the norms, values, and beliefs embedded in the social processes that define right and wrong for an individual and a community, whereas ethics is concerned with the study of morality and the application of reason to elucidate specific rules and principles that determine right and wrong for a given situation. Ethics therefore represents an attempt to systematize and rationalize morality into generalized normative rules that attempt to offer a solution to situations of moral uncertainty."[1]

Morality "corresponds to the process by which an individual conforms to pre-established rules or standards to determine what is good or bad" [2]. As for ethics, it is defined as "the set of rules that govern a profession"[3] .

[1] A. Crane & D. Matten, Business Ethics, in From A to Z of CSR, John Wiley & Sons Ltd, United Kingdom, 2007, P54.

[2] Claude, J.F, L'Ethique au service du management, Editions liaisons, Paris, 2002, P50.

[3] Benbrahim. Z, Ethique et gouvernance : Entre intentions et pratiques, Management et avenir, vol 1, n° 7, Éditions Management & Avenir, France, 2006, P.45.

Table (1): Distinction between morality and ethics.

Aspect	**Ethics**	**Morals**
1	Definition: Ethics are the rules of human conduct recognized in a particular group, society, culture, etc.	Definition: Morals are principles on which one's judgments of right and wrong are based.
2	Source: Usually stems from external sources such as society, culture, religion, or profession	Source: Derived from an individual's personal beliefs, values, and principles
3	Flexibility: Can be more flexible and adaptable to various situations.	Flexibility: Tend to be consistent and unchanging over time for an individual
4	Scope: Often applies to groups or societies.	Scope: Generally applies to individuals
5	Examples: Professional ethics in medicine dictate a standard of conduct for doctors.	Examples: A person's morals might lead them to believe it is wrong to lie, regardless of the situation.
6	Who enforces: Often enforced by an external body or authority, such as professional organizations or laws	Who enforces: Enforced by personal conscience and reflection
7	Whether Objective or Subjective: More objective, aiming for a common ground among members of the society or group	Whether Objective or Subjective: More subjective, varying significantly from one person to another based on personal belief systems
8	Whether Public or Private: Public – Ethics are more visible and discussed within the context of society and specific groups	Whether Public or Private: Private – Morals are more about personal internal beliefs

Source: Alex Andrews George, Ethics, Definition and Concept, Retrieved September14, 2023, from Http//www.clearias.com.

4. Benefits of Studying Ethics:

Ethics is a very important subject for the individual as well as the society. It is with the help of this subject that we attain the ideals and virtues of life. Ethics provides guidelines for good behavior and character development, both for the individual and for society. The importance of ethics lies in telling us the difference between good and bad, right and wrong. In backward countries, like India, ethics is all the more important because it dispels the darkness of evil and helps in establishing the higher values and virtues of life[1].

The importance of ethics is reflected in two fields. First is its constructive value which lies in its ability to develop a critical and moral attitude in the individual. Moral sense is an important asset of human personality. Ethics must help us in overall development of personality. Second aspect of the importance of ethics is destructive. It is by virtue of this aspect that it removes and destroys the evils and ills that afflict humanity.

[1] Samita Manna, Suparna Chakraborti, Values and Ethics in Business and Profession, PHI Learning, New Delhi, India, 2010, p14.

In short, the following are the uses of the study of ethics:[1]

-**Development of character**: Ethics is greatly helpful to us in the development of character and personality. It is through this subject that we learn various values and virtues of life. It is the basis of all good conduct. Character also depends upon our desire, wish and will.

-**Knowledge of ideals, values and virtues**: In all society certain ideals and virtues are laid down for the individuals. A comprehensive knowledge about these ideals and virtues is given to us by ethics. Ethics deals directly with these ideals and virtues. In their absence, morality will come to an end. Ethics helps us to lead a virtuous life. The prime value of life as per ethics is self-realization. The character of individual depends upon values of life.

-**Responsibility and Duty**: Ethics is helpful to us in another way. It is with the help of moral rules that we come to know about our duties and responsibilities. We have duties towards ourselves as well as towards society. Every individual must have a code of personality. This is what we call the principles of life. Such a code should be self-imposed. Ethics can help us in framing this code. Secondly there are certain duties and responsibilities towards society also. Ethics can make us conscious of them.

- **Social problems**: Social problems exist in every society across the world. Every society faces social problems. The evils and problems such as crime, unemployment, drug addiction, over-population, child marriage, dowry system and women's oppression are found everywhere, more so in backward countries. In such circumstances, ethics as a subject can help us a lot in solving these problems. According to Prof. Dewey, "Ethics can go a long way in removing evils of humanity".

- **Law, Justice and Order**: In modern times, justice has acquired social and economic dimensions. Ethics is quite helpful in understanding the real meaning of the concept of justice as well as the maintenance of law and order.
- **Utility in Religious, Political and Economic fields**: Ethics teaches an individual to adopt the just means of earning. It discourages corruption. Ethics and religion are closely connected. Ethics checks religious dogmatism and purges it of impurities. It preaches morality and aims at bringing fine virtues in the political, economic and religious field.

-**Ultimate end**: The most important aim of ethics is that it makes one aware of the ultimate end or the summum bonum of life. It is the end which ultimately gives direction to all the activities of man.

- **Utility in the psychological field**: Ethics involves analysis of mental phenomena like desire, wish and will etc. Evaluation of the modes of the mind helps in the assessment of personality.

5. Definition of Business Ethics:

Business ethics, as a field of study and practice, concerns the application of moral principles and ethical standards to the conduct of business and organizational behaviors. It involves the critical examination of how business decisions and actions align with the values and normative

[1]Balbir Singh, Principles of Ethics, Jullundur, India, 1962, P23.

standards held by society. Business ethics stands at the intersection of ethical theory and business practice, making it a multifaceted and dynamic discipline[1].
To define business ethics comprehensively, it is essential to consider its foundational elements. At its core, business ethics deals with questions of right and wrong, fairness, justice, and values as they pertain to business conduct. Essentially, it examines what businesses ought to do in terms of ethical principles and what they should avoid. Typical ethical questions in business might include: Is it right to exploit labor markets in developing countries for cheap labor? Should companies prioritize profit over environmental protection? How should a company handle conflicts of interest?

Business ethics refers to a set of moral principles that guide behavior in business world, defining what is considered ethically good and right, and what is bad and wrong. Business ethics reveals standards for the conduct and decision making of employees and managers. They vary depending on the law though they agree in some situations. They involve the organizational principles, sets of values, standards and norms which influence the actions and behavior of an individual in the company[2]. They are a “form of applied ethics or professional ethics that examine the ethical principles and moral or ethical problems which arise in a business environment”[3]. Peter Draker focuses on the objective dimension of management ethics as a science and defines it as: “the science that deals with rational choices based on evaluation between means leading to goals”[4]. Management ethics refer to the integration of major mutual values in dealing, between the manager and the individual worker, such as honesty, trust, respect and justice as well as the policies and practices followed to reach ethical decision-making within the company. As for UNCTAD (the World Trade Organization), it gives them a broader definition, stating that they represent the company behavior with all stakeholders, and says that management ethics are "the direction of management and its behavior towards its employees and customers, shareholders and society in general, and the laws of the state related to regulating the work of companies"[5]. Carroll defines it as : “Business ethics deals with the degree of good and evil conveyed by the behaviors, decisions or actions of people who work in companies”[6].

The scope of business ethics is expansive and touches upon several key issues. Firstly, it encompasses the individual level, where it involves the ethical decision-making processes of business leaders, managers, and employees. It addresses how personal values and moral philosophies influence behavior within the workplace and in business dealings.

Secondly, business ethics extends to organizational level issues, which concern the ethical climate and culture within corporations. This includes corporate governance, codes of conduct, and the creation of ethical policies and programs to guide a company's operations. The aim is to cultivate a culture rooted in ethical awareness and responsibility, where ethical considerations are integrated into business strategies and practices.

Thirdly, business ethics also covers global and societal dimensions. This entails examining the broader impact of business operations on society, including corporate social responsibility (CSR) and sustainable business practices. Corporations today are increasingly held accountable

[1] Cybellium Ltd, Business Ethics: Concepts and Cases – A Comprehensive Guide to Learn Business Ethics, 2024, P3.
[2] Bibb. S, The right thing: An everyday guide to ethics in business, Wiley and Sons, Chichester,2010, P21.
[3] Buchholz. R, Evans. W, &Wagley. R, Management response to public issues, NJ: Prentice Hall, Englewood cliffs, USA, 1989, P30.
[4] Claude, J.F, L'Ethique au service du management, Edition's liaisons, Paris,2002, P14.
[5] Daft, Management, South-Western and College publishing, Canada, 1992, P10.
[6] Dessler. G, The management of organizations, 2nd editions, ERPI, Paris, France, 2009, P 93.

for their footprint on the environment, their role in social equity, and their contributions to the communities in which they operate. Hence, the scope of business ethics includes the responsibility of businesses to act in socially and environmentally sustainable ways while balancing the interests of various stakeholders, including shareholders, employees, customers, suppliers, and the community at large.[1]

Business ethics has been recognized as a management discipline, since the birth of the social responsibility movement in 1960s. Social awareness movements raised expectation where the businesses were expected to use their significant financial resources and public influence to address problems such as poverty, environmental protection, equal rights, public health and improving education. It was also asserted that as businesses made huge profits in the society, they were indebted to the cause of improving the society. It became an increasingly fashionable field of study in the 90s. This represented a reaction to the excesses of the 1980s, to the central emphasis on individual financial gain and the ostentatious display of wealth that characterized that decade. By the close of the 1980s, a range of factors from repetitive financial scandals to objective evidence of global environmental damage, helped to underscore the significance of ethical conduct in business. Solomon argues that without a sense of community and cooperation there would be simply no firm; indeed, without individual and corporate virtue, all success would be empty and transient. There are three main approaches to studying business ethics descriptive (describing practices, moral codes and beliefs), prescriptive (an attempt to formulate and defend basic moral "norms) and the conceptual study of ethics (analyzing central ethical terms such as right, good, justice, virtue, an attempt to distinguish what is moral and what is immoral).[2]

Business ethics are guidelines that define acceptable and unacceptable behavior in the workplace, distinguishing between what is morally right and wrong. They provide a framework for ethical decision-making by both employees and managers. Although ethics are not identical to legal rules, there are instances where they overlap. Business ethics include the values, principles, and norms that shape how individuals behave within an organization. They are considered a branch of applied or professional ethics that focuses on addressing moral issues and ethical dilemmas that occur in the business environment.[3]

6. History of business ethics

The influence, reach and importance of business ethics can be best shown by drawing the historical development of ethics and moral in the business context. Ethics has been part of business for much longer than many business people may believe. In 1907, first moral guidelines for business behaviour were developed and even managers of big corporations started to claim: "The greater the corporation, the greater its responsibility[4]. In the 1930s, Berle and Dodd discussed the responsibilities of multinational enterprises (MNEs) and their opinion was that big corporations are very powerful and will misuse this power, if they are not managed in the interest of the public, In the 1960s, due to the environmental decline and the Vietnam War, there was a change in consumers' position. The costumers started to realize that the superior position of corporations needs to be used for a positive change and that the MNEs needed to be more controlled. Especially due to the globalisation, the corporations started to

[1] Cybellium Ltd, Business Ethics: Concepts and Cases, P 04.
[2] Saurabh Agrawal, Business Ethics, P 47.
[3] Sroka, Włodzimierz, and Richard Szántó. "Corporate Social Responsibility and Business Ethics in Controversial Sectors: Analysis of Research Results." Journal of Entrepreneurship, Management and Innovation, vol. 14, no. 3, Poland, 2018, pp 111–126.
[4] Beauchamp Bowie, Ethical theory and business, Pearson Education, HP House, London, 2004, pp 28-38.

operate all over the world and were harder to control by governmental legislation. On the flipside, claims became loud that the only responsibility of corporations is to maximize the shareholder value and that the only social act in business is to increase the profits. The most important adherent of this viewpoint was Milton Friedman. In the 1980s, a series of takeovers and acquisitions started because of the overall increase in Foreign Direct Investment (FDI) at this time. Most of these took place without any social thought or moral behaviour. The most significant change facing business ethics took place at the end of the 1990s, at the beginning of the twenties century and at the end of the Cold War. New technologies occurred, which led to a higher productivity worldwide, but also an improvement in communication technologies and therefore better-informed consumers."[1] Another major factor influencing the increasing involvement of ethics in business topics was the signing of the General Agreement on Tariffs and Trade (GATT) after World War II and the development of other important trade zones. Capitalism started to grow and became a worldwide trend.[2] In the second half of the nineteen's century, the existence of multinational and global corporations increased. This delivered alteration because the activities of such big firms, which operate in different countries, exceeded the regular economically actions. Also, John D. Rockefeller mentioned factors that are importantly connected to the industry and corporations capital, management, labour and also the community. As one of the first, he realized that social responsibility of corporations obverse the community is just as important as profit making."[3] The 'evolution of expectations' showed that the social responsibility of MNEs is a moving target. The change in the expectations, what business is or should be all about, did not just make the consumers and non-governmental organisations sit up, but also the managers. In the course of the 70s, more and more managers began to acknowledge the social impact their companies have on the community and sought ways to demonstrate greater responsibility towards the stakeholders. During this period, the importance of ethics in business and codes of ethics got more visible than ever.[4] Due to the changes activated by globalisation and the scandals about unethical behaviour of multinational enterprises in the United States, international business ethics became more and more important.

7. Business Ethics in Islam

Trade in Islam is governed by ethical values that traders should follow. These values are summarized as follow:[5]

- **Honesty in financial dealing**: There are certainly many fraudsters and scoundrels who do not hesitate to lie in order to extract others money and make easy profits. These persons are just temporary winners. In business there are many examples of traders who won by cheating and become case studies in the lack of integrity such as Enron directors in the United States. Islam orders people to be honest with others and with themselves. A trader should be honest and strict in his monetary dealings with others. He has to be sincere by keeping his promises.

``O you who believe! Do not consume each other's wealth illicitly, but trade by mutual consent. And do not kill yourselves, for Allah is Merciful towards you. `` (Quran 4:29)

In addition, honesty means avoiding perfidy, deceit and violate others rights.

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[1] Beauchamp Bowie, Ethical theory and business, pp16-27.
[2] Adams, R. J, Business Ethics for the 21st Century, Mayfield Publishing Company, London, 1998, pp 25-27.
[3] Beauchamp Bowie, Ethical theory and business, pp 28-38.
[4] Adams, R. J, Business Ethics for the 21st Century, p 29.
[5] Imtithel Sendi Dhahri, Business Ethics and Investors` behavior in Islam, Governance, Social Responsibility and Sustainable Development Review, Volume: 03, N°: 01, Relizane, Algeria, 2021, pp 242-253.

``do not commit aggression; Allah does not love the aggressors.`` (Quran 1:190)

Furthermore, a honest trader must not give a false testimony. ``So stay away from the abomination of idols, and stay away from perjury. `` (Quran 22:30)

- **Not cheating in trade**: Cheating occurs when a seller knows something about the goods, that, if known by the buyer, would prevent the buyer from paying the amount of money for it. Cheating has many forms; it may appear in: Concealing faults in goods by deceiving people about the quality of a product; Mixing good products with bad ones; cheating in weight and measures. Many sayings in Quran condemned cheatings and warned about its consequences:

``1 Woe to the defrauders. 2 Those who, when they take a measure from people, they take in full. 3 But when they measure or weigh to others, they cheat. Do these not know that they will be resurrected?5 For a Great Day?`` (Quran 83:1-5)

- **Realizing earnings through lawful means**: in addition to financial performance, an investor should take into account social, environmental and ethical criteria. In Islam, almost all types of investments are considered as Halal (what is permissible under Islamic Sharia law) except industries that promote smoking, alcohol, pornography etc. and companies that derive their profits from interest, gambling, pork and hedging in silver and gold. - Justice: "Fair Trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. ``

Islam disapproves all transactions that involve injustice to the buyer or seller.

``O you who believe! Stand firmly for justice, as witnesses to Allah, even if against yourselves, or your parents, or your relatives. Whether one is rich or poor, Allah takes care of both. So do not follow your desires, lest you swerve. If you deviate, or turn away—then Allah is Aware of what you do.`` (Quran 4:135)

- **Trustworthiness**: is a quality of a person who proves the ability to be reliable, truthful and honest. In Islam, it means sincerity in work by avoiding fraud and deception, keeping promises and the obligation to honor one`s engagements by paying the creditor on or before deadline. This helps build trust and strong relationship with others.

`` Those who are faithful to their trusts and pledges. Those who safeguard their prayers. These are the inheritors.11 Who will inherit Paradise, wherein they will dwell forever. `` (Quran 23:8-11)

- **Alms-giving (Zakat)**: Zakat is one of the five Pillars of Islam which is considered as an obligation for Muslim especially for traders. It is based on incomes and the value of one`s possessions. This act is largely documented by literature showing that Zakat promotes more equitable redistribution of wealth and contributes in reducing poverty.

- **Patience with debtor**: Islam calls traders to be patient and tolerant with those who are poor or -those who cannot pay their credits on time and avoid calculating interest on the loan and on late payments.

Section 2:
Sources of Business Ethics and Means of Their Development.

The ethical principles that govern business conduct are derived from multiple sources, including cultural values, religious teachings, legal frameworks, and societal expectations. These sources shape the ethical foundations upon which organizations operate and influence how businesses respond to moral challenges. As ethical issues in the business environment grow more complex, it becomes increasingly important to understand where these values originate and how they can be systematically nurtured. This section focuses on identifying the main sources of business ethics and examining the key methods for their development within the corporate context.

1. Business ethics importance:

Business ethics is currently a very prominent business topic, and the debates and dilemmas surrounding business ethics have tended to attract an enormous amount of attention from various quarters. For a start, consumers and pressure groups appear to be increasingly demanding firms to seek out more ethical and ecologically sounder ways of doing business. The media also constantly seems to be keeping the spotlight on corporate abuses and malpractices. And even firms themselves appear to be increasingly recognizing that being ethical (or at the very least being seen to be ethical) may actually be good for business.

There are therefore many reasons why business ethics might be regarded as an increasingly important area of study, whether as students interested in evaluating business activities, or as managers seeking to improve their decision-making skills. Here then are the main reasons why we think that a good understanding of business ethics is important:[1]

- The power and influence of business in society is greater than ever before. Evidence suggests that many members of the public are uneasy with such developments. Business ethics helps us to understand why this is happening, what its implications might be, and how we might address this situation.

-Business has the potential to provide a major contribution to our societies, in terms of producing the products and services that we want, providing employment, paying taxes, and acting as an engine for economic development, to name just a few examples. How, or indeed whether, this contribution is made raises significant ethical issues that go to the heart of the social role of business in contemporary society.

-Business malpractices have the potential to inflict enormous harm on individuals, on communities and on the environment. Business malpractices, including corruption, fraud, and environmental irresponsibility, can cause significant harm on various levels. Individuals may face job insecurity, poor working conditions, and exploitation, while entire communities can suffer from increased inequality, loss of trust, and limited economic development. Moreover, unethical business practices often result in serious environmental degradation that can have lasting consequences. These negative impacts highlight the importance of understanding the root causes and effects of such malpractices. By doing so, we can work toward fostering ethical business behavior that supports social welfare and environmental sustainability.

[1] Crane. A, & Matten. D, Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization, 3rd ed, Oxford University Press, United Kingdom, 2010, pp11-13.

-The demands being placed on business to be ethical by its various stakeholders are constantly becoming more complex and more challenging. Business ethics provides the means to appreciate and understand these challenges more clearly, in order that firms can meet these ethical expectations more effectively.

-Few businesspeople in Europe and elsewhere have received formal business ethics education or training. Business ethics can help to improve ethical decision making by pro viding managers with the appropriate knowledge and tools that allow them to correctly identify, diagnose, analyse, and provide solutions to the ethical problems and dilemmas they are confronted with.

-Ethical infractions continue to occur in business. For example, in a recent UK survey of ethics at work, one in four employees said that they had felt pressure to compromise their own or their organization's ethical standards, and one in five had noticed behaviour by their colleagues that violated the law or did not accord with expected ethical standards. Table (02) provides details of the types of ethical misconduct that employees typically observe among their co-workers. Business ethics provides us with a way of looking at the reasons behind such infractions, and the ways in which such problems might be dealt with by managers, regulators, and others interested in improving business ethics.

Table (02): Types of misconduct observed by employees among their co-workers.

Type of misconduct of co-workers	Percentage of employees observing misconduct
Abusive or intimidating behaviour towards employees	21
Lying to employees, customers, vendors, or the public.	19
A situation that places employee interests over organizational interests.	18
Violations of safety regulations	16
Misreporting of actual time worked.	16
Discrimination on the basis of race, color, gender, age or similar categories.	12
Stealing or theft	11

Source: Ethics Resource Center, National Business Ethics Survey: Workplace ethics in transition, United Kingdom, Retrieved March 02, 2012 from https://www.ethics.org.

-Business ethics can provide us with the ability to assess the benefits and problems associated with different ways of managing ethics in organizations.

-Finally, business ethics is also extremely interesting in that it provides us with knowledge that goes beyond the traditional framework of business studies and confronts us with some of the most important questions faced by society. The subject can therefore be richly rewarding to study because it provides us with knowledge and skills which are not simply helpful for doing business, but rather, by helping us to understand modern societies in a more systematic way, can advance our ability to address life situations far beyond the classroom or the office desk.

1.1 Need of Business Ethics

Business generally faces choice between ethical and non-ethical actions. For example, whether an enterprise should employ some government officials to get favour from the official. Should a company entertain a potential customer lavishly so that he feels obliged to purchase from the company? Every business man will make choice in these situations depending upon his moral stance. In general, however, ethical behaviour is becoming increasingly significant in business due to the following reasons:[1]

-Social Pressure: Trade unions, customer forums, shareholders association and other groups are putting considerable pressure on business enterprises to abandon unethical practices. Unethical practices include false claims in advertisements, profiteering, exploitation of labour, etc. Environmental pressure has led many businessmen to realise that they are resources of society and that they must fulfill their social responsibilities through ethical behaviour.

-Legal Requirement: Business firms must observe the laws of the land, irrespective of whether it is in their interest or not. If businessmen disobey laws and government regulations, they are surely to lose their power and prestige. Their survival may be in danger. Laws reflect ethical conduct and businessmen must follow them. Various guidelines and regulations issued by the government with regard to minimum wages, safety at work place, health related instructions, employees' welfare etc., must be followed by business firms.

-Moral Consciousness: It is due to moral consciousness that majority of businessmen have avoided adulteration, overcharging, spurious goods, blackmarketing, false advertisements, etc., long before the law declared such practices illegal. Because like other members of society, businessmen are increasingly conscious that ethical business behavior is crucial for both good business practices and good citizenship.

-Self-interest: In the long run, ethical business conduct is in the self-interest of businessmen. If a business enterprise serves its customers with good quality and fair prices, treats its employees with respect and dignity, rewards its shareholders with handsome dividend and capital gain and pays its taxes honestly and in time its goodwill, sales and profits will increase considerably Business ethics ultimately results in customer satisfaction, sound industrial relations, healthy competition and social justice and peace.

Ethical behaviour is essential for long-term success in business. This is true from both a micro and macro-perspective. According to macro-argument, unethical behaviour distorts the market system, that leads to an inefficient allocation of resources. However, the micro argument highlights the importance of ethics to individual firm.

[1] Amit Kumar, Mukund Chandra Mehta, Corporate Governance Ethics & Social Responsibility of Business, SBPD Publications, India, 2012, pp 7-8.

1.2 Scope of Business Ethics

Business ethics covers each and every activity of business. All ethical issues in business may be classified into four categories as follows:[1]

Stakeholders Level: Stakeholders in a business firm include its employees, customers, shareholders, creditors, suppliers, etc. At this level, the main ethical question is how should business deal with its stakeholders? For example, should business keep its shareholders informed of the true financial position? Should a company state true quality of its product in advertisement? Should business enterprise provide its customers with goods at a fair price and of the right quality? Should a company provide equal opportunities of promotion and fair wages to its employees? All these questions pertain to various policy decisions of a business enterprise. The answers to all these questions must be ethical.

Societal Level: At this level, ethical questions are raised about overall functioning of the business system and its relevance to society-questions that may be asked include:
- Should business assume social responsibilities?
- Should the government intervene in the business?
- Is privatisation justified?
- Is globalisation justified?
- Is business promoting the concentration of economic power the hands of a few?

All the above questions relate to the basic nature of business system and its role in society. These questions represent an ongoing debate among business and other sections of society.

Internal Policy Level: At this level, ethical questions concerning employer- employee relations are raised. Following questions are generally asked:
- Is business promoting workers participation in management?
- Is company employing motivational techniques?
- Has leadership style benefited company in achieving targets?
- Are there sufficient facilities at workplace?

Internal working of a business enterprise is involved in the above questions.

Personal Level: At this level, ethics is concerned with how an individual should behave with other individuals in the organisation. Due to diversity of individual talent and emotional sensitivities some regulatory system (code to ethics) should be there. Following ethical questions may be asked:
- Should we be honest with one another irrespective of the consequences?
- What should be our role for satisfactory mutual relations?

These questions deal with day-to-day life in any business enterprise.

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[1]Amit Kumar, Mukund Chandra Mehta, Corporate Governance Ethics & Social Responsibility of Business, pp10-15.

2. Sources of Business Ethics

In every society there are three sources of business ethics-Religion, Culture and Law. The HR manager in every organization, thus, has to be well versed with the unique system of values developed by these three sources. These sources are discussed as follows:

-Religion:

Religion is the oldest source of ethical inspiration. There are more than 1,00,000 ethical inspirations from religions which exist across the whole world. but all of them are in agreement on the fundamental principles. Every religion gives an expression of what is wrong and right in business and other walks of life. The principle of reciprocity towards one's fellow beings is found in all the religions. Great religions preach the necessity for an orderly social system and emphasize upon social responsibility with an objective to contribute to the general welfare. With these fundamentals, every religion creates its own code of conduct.[1]

-Cultural Experience:

Culture refers to a system of learned values and norms shared among a group of people. These shared elements shape their cultural experiences and influence how they perceive and interact with the world. Culture constitutes a design for living.

Values refer to abstract ideas about the good, the right and desirable.

Norms indicate the social rules and guidelines which determine appropriate behavior in specific situations.

Mores are the norms central to the functioning of social life. Mores bring about serious retribution for actions like theft and corruption.

There are various determinants of culture namely, economic philosophy, political philosophy social structure, religion, language and education.

If the social structure is well-organized, the cultural standards are high. High mobility can promote better culture. If language promotes communication, the culture is bound to be progressive.

Basic values are developed only from culture. The cultural norms and values promote ethical business practices. Morals are extended to business too. Fair practices such as fair price, consumer care and after sales service are the results of positive cultural experience[2].

In the context of globalisation, business firms are interested in the basic values of human enrichment to protect the interest of various stockholders.

-Legal System:

Ethics is the source of law. What people believe in emerges as the code of ethics, and practices approved by the society are established as law. In order to bring about order in the functioning of the society and avoiding anarchy, a set of behaviour is agreed upon. The same turns out to be the law of the land. What shall be the law is dictated by the ideology to which the people of the country are committed to. Basic tenets of life like freedom, liberty, fraternity, dignity, etc., decide the civil and procedural codes.[3]

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[1] R.Maheshwari, Saurabh Agarwal, Strategic Management, SBPD publishing House, India, 2020, P151.
[2] S.Prabakaran, Business Ethics and Corporate Governance, Excel Book India, 2010, P11.
[3] K.Viyyanna Rao, G.Naga Raju, Business Ethics and Corporate Governance, I.K. International Publishing House, India, 2017, P 10.

3.Business ethics approaches

Ethical behavior faces many difficulties because it focuses on standards and principles that govern the behavior of individuals in different environments. Ethical behavior that is acceptable in one environment may not be acceptable in another. We can identify two main approaches – the instrumental and the philosophical ones. The basic difference between them lies in how business and ethics interact, specifically in determining which is primary and which is secondary. Ultimately, these perspectives are interconnected.

-Instrumental Perspective

The instrumental perspective of business ethics considers that business requirements come first, and ethical treatment follows. It doesn't mean that ethics are unimportant. The task of business ethics is to develop ethical tools that support business success and to provide knowledge of how to optimally implement such tools into business strategies, operations, and organizational design[1]. Globalization and technological advancement bring forth ever-new ethical challenges, for example, issues related to security and privacy, data storage and analysis, different normative requirements, and legal frameworks. The lack of ethical standards can result in company disadvantageous market position[2].

-Philosophical Perspective

Contrary to the instrumental approach, the philosophical one starts from the ethical vantage point. The questions are: What is the ethical meaning of business? What is the meaning of business or economic aspects within a broader ethical context? The ethical theories are derived from the works and thoughts of a number of key philosophers. Three major theories relevant for the field of business ethics – utilitarianism, deontology and virtue ethics – are discussed below.

-Utilitarianism:

Utilitarianism is concerned with consequences and the course of action that benefits the greatest number of people, regardless who these people are. The most decisive feature of utilitarianism is the one of impartiality; the ethically best action is the one that benefits majority of people. Distinction between ethical and unethical on the individual level lies in the harm or benefit inflicted. This does not just refer to physical pain and pleasure, but to all kinds of pain and pleasure, including psychological and economic ones. In order to apply the utilitarian method in a business situation, four subsequent steps are to be taken:
. Determination of all possible actions for a given case,
. Identification of all parties who are affected by each alternative action,
. Identification of the amount of harm inflicted to all parties,
. Summarize all the harms and benefits resulting from each alternative action, then identify the alternative that increases overall happiness. It would then be the morally correct procedure.

[1] Hellriegel, D., Jackson, S. E., Slocum, J. W., Staude, G., Amos, T., Klopper, H. B., & Oosthuizen. T, Management ,3rd South African ed, Oxford University Press Southern Africa, Cape Town, South Africa, 2008, p67.
[2] Johannes, A., Michael, C., & Claudette. N, Moral behaviour and ethical misconduct in Nigerian small businesses, International Business & Economics Research Journal, 12(9), 2013, pp 1087–1100.

-Deontology: Deontologists argue that the ends do not always justify the means. For them only the act is important, not the consequences or intentions. People should follow rules and never deviate[1].Scottish philosopher W. D. Ross developed the hierarchy of obligations. He identified seven major facie obligations: fidelity, reparation, gratitude, justice, beneficence, non-malfeasance, and self-improvement. Nonetheless, there can never be a true ethical dilemma, Ross would argue, because one of the main facie duties in a given situation is always the weightiest and over-rules all the others. This is thus the absolute obligation or absolute duty, the action that the person ought to perform[2].

-Virtue Ethics: Virtue ethics is a normative ethical theory about the definition and realization of virtues and human excellence. In contrast to utilitarianism and deontology, virtue ethics is not focusing so much on the single ethically right action, but more on questions such as: What is a good person? What is a good character? What is human excellence? What is a good life? These are fundamental ethical questions of everyday life. The roots of virtue ethics come from Aristotle. He proposed 12 virtues: courage; temperance; liberality; magnificence; pride; honor; good temper; friendliness; truthfulness; wit; friendship; justice. These virtues matter for many business activities: they help individuals get along with customers, co-workers, suppliers, and other stakeholders in an exemplary way, and, by this, support business and professional success. Loyalty can also be regarded as a virtue in business ethics. Effective leadership presupposes such virtues as courage, responsibility, fairness, or care. Further, there are virtues that are specific to a profession or a certain job[3].

4. Unethical Behavior in Business:

Unethical business practices are activities taken by managers or employees of an organization which are contrary to minimum business standards. They are behaviour exhibited in business that are morally wrong. It is a big challenge to many businesses to maintain ethical standard as a result of their unrealistic expectation to succeed as well as lack of necessary training to make employees understand what behaviours are unethical[4]. Some unethical organizations believe that they can make numerous ill-gotten gains without being recognized for their deception.

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[1] UNCTAD, General business policies and basic organizational structures, international approach of the United Nations conference on trade and development, The Arab society of certified accountants, Amman, 2001.

[2] Vevere. V, Svirine. A, Business ethics and corporate social responsibility, EKA, 2017.

[3] Wlodzimierz. S, &Szanto. R, Corporate social responsibility and business ethics in controversial sectors: Analysis of research results, Joneurshipurnal of entrepreneurship, management and innovation, vol 14, 2018, pp. 111-126.

[4] Freeman, R. E. & Reed, D. L, Stockholders and Stakeholders: A New Perspective on Corporate Governance, Oxford University Press, Oxford, 2003.

A business practice which is against the moral principles laid down by the society is termed as unethical. Chhabra, Rajput and Kaur gave the following as examples of unethical behavior on the part of business:[1]

-Against the Consumers and Society

Adulteration of goods, e.g., mixing of papaya seed with Mack pepper, colouring of wood piece and selling as turmeric, sale of spurious product, e.g., contamination of glucose bottle, plain water in injection, sale of duplicate products under popular brand names, deceptive advertisement and false claims in advertisements, pollution of environment, charging unfair prices from the customers.

-Against the Employees

Paying salaries lower than those fixed by the government to the employees, poor working conditions, e.g., poor lighting, inadequate circulation of air, non-availability of pure drinking water etc, lack of safety measures for workers and lack of provision for welfare facilities.

-Against the Government

Evasion of excise duty, sale tax, income tax etc., smuggling of goods, offering bribes to government officials and politicians for getting favours.

Consequences of Unethical Behavior on Organization

Ethical misconduct in any organization can lead to very serious consequences potentially costing the organization significant time and money in trying to repair their business reputation and address any legal issues that may arise, depending on the severity of the misconduct. Integrity breakdown can dramatically cost a business millions of naira and even prison time in some extremely serious cases.[2]

Freeman and Reed pointed out the following as some of the consequences of unethical behavior in business:[3]

. **Productivity Levels Decrease**: The main goal of any organization is to drive through sales from customers to maintain a strong presence in the business world. Unfortunately, when a level of unethical behavior starts to form, it can cause the productivity levels to decrease which surround the person or organization in question. When this happens, errors start to form in a once productive entity.

. **Loss of Respect**: in episodes where managers or leaders start to make unethical decisions, it can lead to employees losing a lot of respect for their bosses. When this occurs, it can be difficult for the leader to gain back the respect and trust that has been lost. It also causes problem for them to run a successful business when their team feels as if they are making

[1] Chhabra, T.N., Rajput, N. & Kaur. H, Politics, ethics and social responsibility of business, Sun India Publications, New Delhi, India, 2009, p54.
[2] Adeyeye, J.O, Effects of Workplace Ethics on Employees and Organisational Productivity in Nigeria, International Conference on African Development Issues (CU-ICADI), Social and Economic Models for Development Track, 2015.
[3] Freeman, R. E. & Reed, D. L, Stockholders and Stakeholders, p 75.

corporate choices. Employees may also feel resentful towards their leaders. This is because as a part of the organization, they feel their own reputations are being damage alongside that of the organization.

. **Loss of Credibility**: When unethical behavior occurs in a corporate setting, there is a high likelihood it will be publicized. This in turn can cause the organization to lose its credibility, resulting in customers abandoning sales with organization, bad mouthing the business and not holding respect for the organization any more.

. **Legal Issues**: In severe cases of unethical misconduct, it can lead to severe legal issues that result in loss of time, large fines and other penalties with possible jail term. The cost of legal battle can go on for months to years and can lead to wasting millions depending on the organization particular situation and level of unethical behavior.

5.Means of Developing Business Ethics:

Developing business ethics is essential for building sustainable and trustworthy organizations. As businesses face increasing ethical challenges, it becomes critical to implement structured and proactive measures that promote integrity, accountability, and responsible decision-making. The following are key means of fostering and strengthening ethical behavior in business environments: [1]

-Establish Ethical Decision-Making Frameworks

These frameworks serve as systematic tools to guide managers and employees in recognizing, analyzing, and resolving ethical dilemmas. They typically include steps such as identifying stakeholders, considering relevant laws and ethical principles, evaluating alternative actions, and choosing the most responsible course of action. Frameworks ensure consistency and integrity in decision-making, especially in complex or high-pressure situations.

-Implement Compliance Programs

Compliance programs are structured systems designed to ensure that organizations operate within the bounds of legal and ethical standards. These programs include policies, monitoring systems, reporting mechanisms, and disciplinary procedures. A well-designed compliance program reduces the risk of misconduct, supports regulatory alignment, and demonstrates the company’s commitment to ethical operations.

-Train Employees

Training initiatives are essential for instilling ethical awareness and competency across all levels of the organization. These programs typically cover the company's code of ethics, conflict of interest policies, anti-corruption laws, whistleblower protections, and case studies of ethical dilemmas. Effective training equips employees to recognize and respond appropriately to ethical challenges in their roles.

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[1] Ferrell, O. C., Fraedrich, J., & Ferrell. L, Business Ethics: Ethical Decision Making and Cases, Cengage Learning, 13th Edition ,2021, P34.

-Promote a Culture of Transparency and Accountability

Transparency involves openly sharing relevant information about business operations and decision-making processes. Accountability ensures that individuals are held responsible for their conduct and the outcomes of their actions. Together, these principles build trust among stakeholders, reduce opportunities for unethical behavior, and reinforce ethical norms across the organization.

-Develop Codes of Conduct

A code of conduct is a formal document that outlines the ethical standards, values, and expectations that govern employee behavior. It acts as a reference point for acceptable conduct and serves to align individual actions with organizational values. An effective code is clear, accessible, and reinforced through leadership and ongoing education.

-Communicate Values and Standards

Consistent communication of the organization's ethical values—through leadership messages, internal communication, and corporate branding—ensures that ethical expectations are understood by all stakeholders. This also involves integrating ethical principles into strategic goals, performance metrics, and customer relations to reinforce their centrality to the organization's identity.

-Foster a Culture of Ethics

Beyond rules and compliance, ethical behavior must be embedded in the organization's culture. This involves leadership modeling ethical conduct, rewarding integrity, encouraging open dialogue about ethical concerns, and cultivating shared norms that prioritize fairness, respect, and responsibility. A strong ethical culture shapes daily behavior and long-term decision-making.

-Regularly Review and Update

Ethical guidelines must evolve in response to new legal developments, social expectations, and emerging business risks. Regular assessments—such as ethical audits, stakeholder feedback, and policy reviews—ensure that the organization's ethical practices remain relevant, effective, and aligned with its strategic goals.

Section 3:
Professional Ethics and the Code of Conduct.

In any professional environment, ethical behavior and adherence to a clear code of conduct are fundamental to maintaining trust, accountability, and integrity. This section explores the essential principles that guide professional conduct across various fields, emphasizing the importance of ethical standards in decision-making, communication, and daily operations. By examining both universal ethical principles and industry-specific codes of conduct, the chapter aims to provide a comprehensive understanding of how professionals are expected to behave and the consequences of ethical violations. Furthermore, it highlights the role of ethics in promoting fairness, respect, and responsibility, which are critical for sustaining a positive and productive workplace culture.

1. Definition of Professional Ethics

Professional ethics can be defined as 'a set of moral principles or values'[1], whereas others have described them as a system of norms to deal with both the morality and behaviour of professionals in their daily practice[2]. Alternatively, Bayles advocated that professional ethics revolve around a systems of norms wherein day-to-day behaviours and morality can be managed and regulated.[3]

Professional ethics pertains to the ethical standards and principles that guide behavior within a specific profession or field of work. Unlike personal and social ethics, professional ethics is often codified in formal codes of conduct established by professional organizations and regulatory bodies. These codes provide guidelines for ethical behavior and decision-making within the workplace, ensuring that professionals uphold the integrity of their practice and maintain public trust. Professional ethics governs a range of conduct, from confidentiality and honesty to fairness, accountability, and competence. It is designed to protect the interests of clients, colleagues, and the wider community, and to ensure that professionals act responsibly and ethically in their roles. Professionals are expected to balance personal beliefs and values with the ethical standards of their profession, often navigating complex situations where personal, professional, and societal ethics intersect.

While these three types of ethics-personal, social, and professional-can overlap, each serves a distinct function in guiding human behavior. Personal ethics governs individual conduct, social ethics shapes societal norms, and professional ethics ensures the integrity of practices within specific fields. Understanding the relationship between these forms of ethics is critical to making ethical decisions in both personal and professional contexts.[4]

[1] Trevino, L.K. and Nelson, K.A, Managing Business Ethics, Third edition, John Whiley and Sons, USA,2004, P25.
[2] Abdul-Rahman, H., Karim, S., Danuri, M., Berawi. M., and Wen. Y, Does professional ethics affect construction quality? Retrieved November 24, 2021from www.sciencedirect.com.
[3] Abdul-Rahman, H., Wang, C., and Yap, X.W, How professional ethics impact construction quality: Perception and evidence in a fast-developing economy, Scientific Research and Essays 5 (23), 2010.
[4]Chhabra, T.N., Rajput, N. & Kaur. H, Politics, ethics and social responsibility of business, p19.

Table (03): Difference between Professional and Personal Ethics

Professional Ethics	Personal Ethics
Professional ethics refers to the rigid code of conduct and restrictions placed on employees in the workplace.	Personal ethics refers to a person's sense of right and wrong.
What matters here is how effectively you adbere to the company's procedure.	They are related to your ingrained principles, and how rigorously you adhere to them, shapes the type of person you are.
Such principles are learned when one becomes part of the corporate world.	Such principles are learned from family, friends and relatives since childhood.
The accountability is not only on the individual but also on the organization as well.	The accountability is on the individual alone.
Non-compliance to such rules may risk your reputation, as your behaviour will immediately be reported as unprofessional.	Non-compliance with them causes mental disharmony and personal dilemma.
An individual does not have the choice of changing his professional ethics.	An individual has the choice of changing his personal ethics.
Example: Industry Standards, Abiding by the law, Confidentiality, Worker Treatment, Worker Safety	Example: Honesty, Openness, Respect for Others, Loyalty, Friendliness, Fairness, Integrity.

Source: J. Ahamed, Meeran,S.A, Hisshoraa,M. Saranya, Professional Ethics and Values, OrangeBooks Publication, 2004, P8.

2. Definition of a Code of Ethics:

Academic literature on codes of ethics focuses particularly around organisational / corporate codes of ethics. Various attempts to define a code of ethics have been made. However, there is a lack of clarity around what exactly a code of ethics consists of, and there is confusion between a code of ethics and other ethics documents that comprise ethical guidelines. Codes of ethics may be variously described as codes of conduct, codes of practice, ethical codes, corporate ethical codes, ethical guidelines, business conduct, codes of professional behaviour, operating principles and so on.[1]

Several definitions of a code of ethics have been provided in the literature, such as the following:

· The Encyclopedia of Applied Ethics defines codes of ethics as those bundles of intentional or behavioural requirements that members of a profession or other group must comply with in order to remain part of the group[2].

-Melrose-Woodman define a code of ethics as…a statement setting down corporate principles, ethics, rules or conduct, codes of practice or company philosophy concerning

[1] Fisher. C, Managers' perceptions of ethical codes: dialectics and dynamics, Business Ethics, A European Review, 10 (2), 2001, P147.
[2] Chadwick, R.F, Encyclopedia of Applied Ethics, Academic Press, 1st Ed, 1998, P328.

responsibility to employees, shareholders, consumers the environment or any other aspects of society external to the company [1].

-Berenbeim defines a code of ethics as …a major vehicle for stating ethical principles[2].

-A written code of ethics is defined by Hosmer as …a statement of the norms and beliefs of an organisation … is an attempt to set the moral standards of the firm [3].

-Stevens states that codes of ethics are ...written documents or statements ranging from five to fifty pages … which are intended to impact employee behaviour … [within codes] companies attempt to manage and articulate ethics through these messages which are designed for both internal and external audiences … [they] are managerial tools for shaping change. They often demand from employees higher standards of behaviour than required by law.[4]

The above definitions of corporate code of ethics and / or professional codes of ethics share similar characteristics, such as:

-A code of ethics is a written and formal document;

-It consists of ethical guidelines and principles to be followed by employees / practitioners; and organizational leaders.

-It is designed to guide employees, practitioners, organisations behaviour or conduct.

3. The importance of a code of ethics

The purpose of the code is to provide members and other interested persons with guidelines for making ethical choices in the conduct of their work. Members of an organization adopt a code of ethics to share a dedication to ethical behavior and adopt the code to declare the organization's principles and standards of practice.

Due to the importance of maintaining high ethical standards in accounting, many international organizations and national accounting organizations (associations) have adopted or created their own code of ethics and enforce them. To name few, there is the AICPA[5], IMA[6], the SOCPASaudi organization for public certified Accountants as a pioneer in the Arab World, and The National Order of Certified Accountants, the National Chamber of Auditors and the national organization of Chartered Accountants[7] as national organization for professional accountants in Algeria.

[1] Schlegelmilch, B.B., Houston, J.E, Corporate codes of ethics in large UK companies: an empirical investigation of use, content and attitudes, European Journal of Marketing, 23 (6), 1989, P11.
[2] Schwartz, M., The relationship between corporate codes of ethics and behaviour: A descriptive exploration and normative evaluation, York University, North York, Ontario, 1999, P91.
[3] Hosmer, L.R.T, The ethics of management, Irwin Homewood, Boston, 1991, p185.
[4] Stevens. B, An analysis of corporate ethical code studies: Where do we go from here? Journal of Business Ethics, 13 (1), 1994, P64.
[5] AICPA Code of Professional Conduct, American Institute of Certified Public Accountants, Jersey City New York, 1985.
[6]Institute Of Management Accountants, New York, 1997.

[7] Code de déontologie de la profession d'expert comptable, de commissaire aux comptes et de comptable agree, Journal officiel de la république Algérienne, n[0] 24 du 17. 04. 1996.

In addition to IESBA[1]as an international association and IFAC[2]as a federation of all accountancy bodies throughout the world, which has established the IFAC Ethics Committee to develop and issue, under its own authority, high quality ethical standards for professional accountants for use around the world. Its purpose is to harmonize these standards and practices on a global perspective. All the above accounting organizations highlight the importance of integrity, objectivity, independence, confidentiality, credibility as fundamental principles in their ethical codes.

In ethics research, codes of conduct are a common proxy for ethical climate because organizations and members consider codes to be relevant and important in making ethical values explicit, informing members as to organizational standards on ethical behaviour, and establishing accountability for individual actions.[3]

Codes of ethics provide a framework that helps employees understand what is expected of them and therefore assists them to be able to evaluate different possible courses of action in a variety of situations. [4]It appears that the most common motivations for the adoption of a code of ethics can be appropriately truncated into seven reasons:[5]

- ensuring legal compliance and other statutory requirements;
- providing a guide for behaviour and formalized expectations;
- protecting and enhancing organizational reputation;
- ensuring employee, management, and supplier compliance and minimizing risk;
- ensuring consistency across global networks;
- creating and maintaining trust and confidence with stakeholders;
- communicating principles and commitments to stakeholders.

There are two terms to describe the management of ethical codes within an organization:[6]

- "implementation" of ethical codes, referring to the extent to which an organization attempts to communicate its code to employees and ensure compliance; and
- "embeddedness" of ethical codes, describing the degree to which the code is integrated into the organization's culture.

Both the implementation and embeddedness as described here connote what is expected of an organization in an attempt to ensure that ethical expectations are properly met within a company.

Code of ethics has the potential to create and shape an ethical and effective organizational culture. In many studies, the effectiveness of the codes of conduct is assumed to mean

[1] The International Ethics Standard Board for Accountants (IESBA), Retrieved July 23, 2001, from http://www.ifac.org/ethics.

[2] International Federation of Accountants, Code of ethics, Retrieved July 23, 2001, from http://www.ifac.org/code-of-ethics

[3] Curtis, M. and Williams, J, The Impact of Culture and Training on Code of Conduct Effectiveness, Research on Professional Responsibility and Ethics in Accounting, Emerald Group Publishing Limited, 2004, pp 1-3.

[4] Wood, G., Whyatt, G., Callaghan, M. and Svensson, G, "Codes of ethics content: the UK and Australian corporations", European Business, 2019, P67.

[5] Rodríguez-Domínguez, L., María García-Sánchez, I. and Gallego-Álvarez, I, "Codes of ethics in Spanish corporations", International Journal of Law and Management, Vol. 51 No. 5, 2019, p291.

[6] Ho, C. Oladinrin. O, "Evaluation of ethical codes implementation – a fuzzy approach", Facilities, Vol. 34 No. 13/14, 2016, P 924.

generally ‘influencing behaviour’. Effectiveness of the code of ethics in organizations as meeting three criteria:
- evidence of codes with content that explicitly states legal and ethical guidelines governing the behaviours of corporate agents e.g. employees, managers, and senior executives;
- at times of code violation, transgressions are reported, acknowledged, and promised to be addressed by the organization to prevent their repetition;
- the final decision and outcomes are consistent with the general ethical values and specific ethical guidelines outlined in the codes.
Among actors that enhance the effectiveness of corporate codes of ethics:
- the corporate code itself, specifically, how it was written and publicized, whether it was relevant, applicable to all levels of the organization, accepted and contained sanctions and rewards;

- top management actions of ethics, meaningful codes were supported by top management, along with communication that any unethical behaviour is not tolerated, as well as an overall commitment towards ethical behaviour at all levels of the organization;
- the extent of ethical problems within the organization, that is, how limited these problems are and the extent to which peers are perceived to behave ethically;
- the external environment, where industry competition is limited and the national culture supports organizational core values.

4. Distinguish between "Code of ethics" and "Code of conduct"

The terms "Code of Ethics" and "Code of Conduct are often mistakenly used interchangeably. They are, in fact, two unique documents. Code of ethics, which governs decision-making, and code of conduct, which governs actions, represent two common ways that companies self-regulate. They are often associated with large companies, and provide direction to employees and establish a public image of good behavior, both of which benefits businesses of any size.[1]

Code of Ethics: Sometimes referred to as a Value Statement, it behaves like the Constitution with general principles to guide behaviour; outlining a set of principles that affect decision-making. For example, if an organization is committed to protecting the environment and "being green", the Code of Ethics will state that there is an expectation for any employee faced with a problem, to choose the most green solution. It works on the bases of "treat others as you would like to be treated.[2] When faced with ethical dilemmas or debatable situations, what's articulated in the Code of Ethics can help guide decision making.

Code of Conduct: Provides the meat and potatoes to the Code of Ethics. The Code of Conduct applies the Code of Ethics to a host of relevant situations. A particular rule in the Code of Ethics might state that all employees will obey the law, a Code of Conduct might list several specific laws relevant to different areas of organizational operations, or industry, that employees need to obey.

[1] Disha Experts, Epitome of Ethics, Integrity & Aptitude for UPSC Civil Services General Studies, Repro Limited, 2019, p298.
[2] Mohit Sharma, IAS Mains General Studies Paper for Ethics, Arihant Publications limited, India, 2022, P356.

The Code of Conduct outlines specific behaviours that are required or prohibited as a condition of ongoing employment. It might forbid racial intimidation or viewing inappropriate or unauthorized content on company computers. Codes, along with other measures, have helped some companies dig themselves out of scandals, and have helped many companies build a healthier work climate and reputation.[1]

Table (3): Code of Ethics and Code of Conduct

Code of Ethics	Code of Conduct
A code of ethics is a set of principles or guidelines that outlines the moral values, standards, and expected behaviors of individuals or organizations. It provides a framework for ethical decision-making and guides actions in accordance with ethical principles.	A code of conduct is a set of rules or guidelines that governs the behavior and actions of individuals within an organization or specific context. It provides specific expectations for behavior, professionalism, and adherence to policies and regulations.
A code of ethics is more focused on guiding individuals or organizations to act ethically, upholding moral values, and promoting integrity in their actions and decision-making processes. It reflects the broader ethical framework or philosophy of an individual or organization.	A code of conduct is more specific and practical, outlining the expected behaviors, standards, and rules that individuals should follow in their day-to-day interactions and operations. It provides guidance on how individuals should conduct themselves in specific situations.
A code of ethics typically includes general principles and values that guide ethical behavior, such as honesty, integrity, respect, fairness, and responsibility. It provides a moral compass and sets aspirational goals for ethical conduct.	A code of conduct includes specific rules, policies, and guidelines that address expected behavior in various areas, such as professional conduct, conflicts of interest, confidentiality, use of resources, diversity and inclusion, and compliance with laws and regulations. It focuses on practical guidance for behavior and compliance.
A code of ethics is more concerned with overarching moral and ethical principles that should guide decision-making and behavior in a wide range of situations. It emphasizes ethical values and moral reasoning.	A code of conduct is more concerned with the practical application of ethical principles in specific contexts or situations. It outlines the expected behaviors and actions that individuals should follow in their day-to-day activities and interactions within a specific environment or organization.
A code of ethics often serves as a guiding document that helps individuals or organizations navigate complex ethical dilemmas, make ethical decisions, and maintain high ethical standards. It sets the tone for	A code of conduct serves as a reference and guide for individuals within an organization or specific context, providing clear expectations and standards of behavior. It helps promote a positive work environment,

[1] Disha Experts, Epitome of Ethics, Integrity & Aptitude for UPSC Civil Services General Studies, P299.

ethical behavior and promotes a culture of integrity.	professionalism, and consistency in behavior and actions.
A code of ethics is typically broad and principles-based, allowing for flexibility and adaptation to different situations and cultural contexts. It encourages individuals or organizations to uphold the highest ethical standards.	A code of conduct is more specific and rule-based, providing detailed guidelines for behavior and actions. It often addresses specific issues or risks relevant to the organization or context in which it is implemented.
A code of ethics is often developed by professional associations, industry groups, or organizations to guide the ethical behavior of their members or employees. It may be based on industry standards, philosophical principles, or legal and regulatory requirements.	A code of conduct is developed and enforced by organizations or institutions to promote desired behavior, ensure compliance with internal policies and external regulations, and establish expectations for employees or individuals in a specific context.
A code of ethics may not have specific enforcement mechanisms or penalties. It relies on individual commitment and adherence to ethical principles. Violations of a code of ethics may result in reputational damage, loss of trust, or professional consequences.	A code of conduct often includes provisions for enforcement, disciplinary actions, and consequences for non-compliance. Violations of a code of conduct may lead to disciplinary measures, ranging from warnings to termination of employment or legal actions, depending on the severity of the violation and organizational policies.
A code of ethics focuses on long-term ethical considerations, promoting ethical behavior as a core value and integral part of an individual's or organization's identity. It provides guidance for making ethical decisions even in the absence of specific rules or regulations.	A code of conduct focuses on immediate behavioral expectations and compliance with specific rules and policies. It helps individuals understand what is acceptable and unacceptable behavior within a given context, ensuring consistency and alignment with organizational values and expectations.
A code of ethics is often considered a higher-level document that reflects the moral compass and guiding principles of individuals or organizations. It shapes the ethical culture and reputation of an individual or organization.	A code of conduct is a practical document that outlines the specific behaviors and actions expected in a particular environment or organization. It helps ensure consistency, professionalism, and compliance with established norms and regulations.

Source: Soloviov, V, Code of conduct and professional ethics, Retrieved September 13, 2018 from https://www.linkedin.com/pulse/codes-conduct-professional-ethics

5. Overview of the code of ethics in Algerian universities

The codes of ethics of Algerian universities - emanating from a broad consensus of the university family- affirm general principles based on international standards and values of Algerian society, which are required to be an engine of learning and embodied in the university. The themes of this code of ethics focused on three axes: [1]

-Basic principles of code of ethics of Algerian universities:

- Academic Freedom;
- Integrity and sincerity
- Mutual respect;
- Scientific, objective, and critical thought must be observed: - Equity;
- Respect for the campus.

-Rights an responsibilities of the researcher- professor

The research professor has a role in forming the nation's human resources and contributing through research to the economic and social development of the country. To carry out his duties, the State must guarantee him a means of subsistence, and that he has access to employment in various public institutions of higher education.

-Rights and obligations of administrative and technical personnel in higher education institutions

The research professor and student are not the only active actors in the university but are closely associated with the administrative and technical staff, who, in turn, have rights accompanied by obligations**.** This Charter encourages all parties in the university to abide by this Charter through the last following paragraph: “The members of the university family are committed to upholding ethics and morals of the university by respecting this Charter text and spirit”.

[1] Ministry of Higher Education and Scientific Research, Charter of ethics and university deontology, Retrieved March 10, 2010 from http://www.univ-constantine2.dz/files/chartear.

Section 4:

Business Ethics and the Functions of the Organization

Business ethics plays a vital role in shaping how organizations operate, make decisions, and interact with stakeholders. This section examines the integration of ethical principles within the core functions of an organization—such as management, marketing, finance, human resources, and operations. By exploring how ethical considerations influence each of these areas, the chapter highlights the importance of aligning business practices with moral values and social responsibility. It also discusses the challenges organizations face in balancing profitability with ethical conduct, and the strategies they adopt to foster a culture of integrity and accountability. Through this analysis, the section aims to provide a deeper understanding of how ethics is not only a theoretical concept but a practical necessity in every functional aspect of organizational life.

1. The Practical Importance of Ethics in Finance

Amongst various functions of business, financial function is one of the most significant functions. It is the central point of all the business activities. This function cannot be ignored, substituted or removed by a business enterprise, as the lack of finance may prove to be disastrous and may even lead to its closure. The demand for finance is on-going and uninterrupted during the entire lifetime of a company. All organizations must manage their financial resources. These resources include cash, marketable investments, and accounts receivable. Finance is also responsible for managing the sources of these resources, such as notes and accounts payable, loans, and payroll. The finance function includes making and maintaining relationships with banks and other sources of funds for the organization.

Cash must be managed. This includes safeguarding it against misappropriation, ensuring that cash resources are handled efficiently, and ensuring that the organization has sufficient cash for its needs. In the finance function, financial managers consider the timing of cash inflows and outflows from the organization. If it becomes apparent that there will be insufficient cash at times to meet the organization's needs, arrangements must be made to get additional cash. This may require arranging for loans, pushing harder on fund-raising efforts, or in a for-profit organization, selling more shares of its stock.

Finance also actively works to maximize the benefits of accounts receivable. Accounts receivable are amounts owed to the organization for the services it has provided. These amounts might be owed by individuals, insurance companies, or the government. Careful management is required to ensure that the organization collects all possible receivables in a timely manner. Eventually, some receivables will prove uncollectible. All large organizations have bad debts. Active management, however, can minimize bad debts. Active management can also result in receivables being collected as quickly as possible. The sooner receivables are collected, the sooner the money is in the organization's bank accounts earning interest for it.

Trust predicates success in business and leadership. Without it, both eventually fail. Businesses large and small must earn a social license to operate within the communities they serve and inhabit. Leaders build coalitions in service of a mission. After that trust is earned, it must be maintained.[1]

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[1]Kelley School of Business, The importance of ethics in finance. Retrieved December 3, 2020 from https://execed.kelley.iu.edu/the-importance-of-ethics-in-finance
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For financial professionals, there are several reasons why ethics is essential in the financial management process: [1]

To begin with, adopting ethics is an excellent advantage for organisations that want maintain their reputation, but why? Well, it boils down to a simple equation: when an organisation behaves ethically, it gains the trust of its stakeholders and customers.

In a similar context, when a business acts ethically, it will be able to receive more business from existing clients or attract new ones who are looking for ethical companies to work with.

The second one is that it can help with public growth and profitability because people in various markets are more likely to recommend a company, they trust to have good relationships with, leading to increased sales and market share.

The third reason ethics is essential in the financial management process is that it helps organisations avoid costly lawsuits that could impact their profitability or even put them out of business altogether. Ethics is one of the Pillars of Financial Success.

2. Importance of ethics in professional accountancy:

ethics in professional accountancy are of utmost importance to accounting professionals and to those who rely on their services especially decision makers. Before arguing in favor of the topic, let's have a look at some basic concepts:[2]

-**Profession**: A profession is an occupation that re quires extensive training and the study and mastery of specialized knowledge and usually has a professional association, ethical code and process of certification or licensing. Each profession holds to a specific code of ethics and members are almost universally required professing to a higher standard of accountability and also extensive training in the meaning value and importance of its particular oath in practice of that profession.

-**Accountant**: Practitioner of accountancy is known as accountant, qualified accountant. Professional accountant is a legal ly certified accountant and financial expert. Like many other professions, there are professional bodies for accountants throughout the world.

-**Role of professional accountants**: Accountants are independent business advisors. Accountants can offer an extensive range of services. Accountants can be registered auditors, can set up clients accounting systems, can be advisors on tax planning or a detector of frauds and embezzlements, can do budgeting and financial statement analysis, advice clients on financing decisions, and can help maintaining an ethical environment.

[1] London Premier Center, The ethics of financial management: Making moral financial decisions, Retrieved September 22, 2022 from https://www.lpcentre.com

[2] Saee, G. Are ethics important for professional accountants? Retrieved September 15, 2015 from http://www.ezinearticles.com

It is important to integrate ethics into the accounting process for several reasons, the most important of which are:

First, the nature of the work carried out by accountants and auditors requires a high level of ethics.[1] Since Stakeholders (shareholders, potential shareholders) and other users (clients, credit grantors, governments, taxation authorities, employees) of the financial statements, rely heavily on the yearly financial statements of a company as they can use this information to make decisions, therefore, ethics in accountancy are invaluable to accounting professionals. Especially to those who rely on their services, because these latter perceive them as highly competent, reliable, objective and neutral people. Thus professional accountants must not only be well qualified but also possess a high degree of professional integrity.

Second, Knowledge of ethics can help professional accountants to overcome ethical dilemmas.[2]The accounting profession and the business sector as a whole is going through ethical crisis these days. From the 1980's to the present, there have been multiple accounting scandals around the world that were widely reported on the media and resulted in fraud charges, bankruptcy protection requests, and the closure of companies and accounting firms. Various companies had issues with fraudulent accounting practices including for example Nugan Hand Bank, Worldcom, Parmalat Food Company and AIG. In addition to the most widely reported violation of accounting ethics involved, Enron, a multinational company and their auditor Arthur Andersen, an accounting firm considered one of the "Big five" who signed off the validity of the accounts despite the inaccuracies in the financial statements. These scandals were the result of creative accounting, misleading financial analysis, as well as bribery. We the Arab States cannot consider ourselves immune to this crisis, although its impact remains limited or no sight because of the weakness of the financial market.

Third, the cascading effects of abusing professional ethics in accounting are severe.[3]When confidence and trust are broken; the financial market of a country begins to collapse gradually. And in no time, the economy of the country is shattered.

The above lines just summed how ethics are important to the profession. One fraudulent affair caused in accounting can derail the bulwark of any organization. Accounting ethics is definitely an unavoidable aspect of any organization, which must be followed at any cost. Furthermore, accounting as a profession is acceptable and relied upon only when ability to exercise professional judgment based on a foundation of ethics. Only then general public can trust the integrity of this profession.

3. Ethics in Marketing:

Ethics is an essential concept that has shaped different facets of human activities, including business and marketing. Business ethics is a subset of ethics that seeks to examine the moral principles that guide business operations. Marketing, on the other hand, is the process of creating and delivering value to customers through various marketing strategies. Ethics in marketing, therefore, refers to the moral principles and standards that guide the conduct of

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[1] Alexander,David, Anne Britton, Financial Reporting, Cengage Learning EMEA, 2004, P160.
[2] Duska, Ronald .Brenda, Shay, Duska, Accounting Ethics. Wiley Blackwell, 2003, P 28.
[3] Dey, L., & Rushe, D. Importance of code of ethics in professional accountancy, The Times Retrieved September 18, 2012 from https://asjp.cerist.dz/en/downArticle.

marketing professionals in their efforts to create and deliver value to customers. Marketing is a critical driver of a firm's success, and ethical marketing practices are essential for long-term profitability and survival of a business.

Marketing has a significant influence on the perception and behavior of consumers towards products and services. As such, marketers have an ethical obligation to deliver value to customers in a transparent and honest manner. An ethical marketing approach emphasizes the importance of fostering long-term relationships with customers by providing them with quality products and services that meet their needs and expectations. Ethical marketers ensure that their advertising messages are truthful and not deceptive, and they do not engage in manipulative practices that could mislead customers. Ethical marketing practices, therefore, are vital in building trust and credibility with customers.[1]

The four key ethical principles that guide marketing professionals include respect for autonomy, beneficence, non-maleficence, and justice. Autonomy refers to the respect for an individual's right to make independent choices without undue influence or coercion. Respect for autonomy is essential in marketing as customers have the right to make informed choices about the products and services they use. In this regard, marketers should ensure that they provide accurate and relevant information to customers that enable them to make informed decisions.

Beneficence entails promoting the well-being and interests of others. In the context of marketing, beneficence involves providing products and services that enhance customers' welfare and meet their needs. Marketers have an ethical obligation to ensure that their products and services are safe, effective, and of high quality. Non-maleficence refers to the ethical principle of avoiding harm or preventing harm to others. In marketing, marketers should not engage in practices that could be potentially harmful or deceitful to customers. Marketers should avoid making false claims about a product, misrepresenting the product's features or benefits, or engaging in pricing practices that could be deemed unfair or exploitative.

Lastly, justice in marketing refers to fairness and equity in the treatment of customers. Marketers have an ethical obligation to ensure that their marketing practices do not discriminate against any group or class of customers, Fairness and equity should be maintained in the pricing, distribution, and availability of products and services.

-Ethical Issues in Marketing

Marketing professionals face numerous ethical dilemmas when creating and delivering value to customers. One of the ethical challenges in marketing is the use of false or misleading claims in advertising. False advertising can be harmful to consumers as it could mislead them into making poor purchasing decisions. False advertising practices include exaggerating the product's features or benefits, using misleading statistics, or making false comparisons with competing products. False advertising could also involve concealing information about the product that could be relevant to customers' decision-making.

Another ethical concern in marketing is the use of manipulative advertising practices. Manipulative advertising is designed to persuade customers by using emotional appeals or creating a false sense of urgency. Such practices exploit customers fears or desires and could

[1] Gilad James, Introduction to Business Ethics, Gilad James mystery school, 2000, P14.

lead to impulsive purchasing decisions. An example of manipulative advertising in sing images of attractive models to sell products that have no relationship with beauty or attractiveness.

Pricing practices are also an ethical challenge in marketing. Unfair pricing practices could be exploitative and leave customers feeling cheated, Price discrimination is an unethical practice that involves charging different prices for the same product or service to different customers. Price discrimination could take different forms, including geographical pricing, quantity discounts, or discriminatory pricing based on customers' gender, race, or age.

Another ethical issue in marketing is the use of social media to promote products or services. Social media is a powerful marketing tool that enables marketers to reach a large audience at a minimal cost. However, the use of social media in marketing could present ethical challenges. Social media could be used to spread false or misleading information about a product, misrepresent the product's features or benefits, or engage in manipulative advertising practices.

-The Impact of Ethical Marketing

Ethical marketing practices have numerous benefits for businesses and consumers. Ethical marketing practices build must and credibility with customers, leading to long-term customer loyalty. When customers trust a brand, they are more likely to recommend it to others, resulting in increased sales and revenue for the business. Ethical marketing practices also create a positive corporate image that attracts customers who are conscious of corporate social responsibility.

Ethical marketing practices also contribute to social welfare by ensuring that products and services are safe and effective. Ethical marketing practices ensure that businesses do not engage in practices that could harm consumers, such as the use of deceptive advertising, false or misleading claims, or manipulative advertising. Additionally, ethical marketing practices ensure that businesses do not engage in exploitative pricing practices that could be harmful to consumers.

4. The Impact of Business Ethics on Human Resource Recruitment

Human resources in modern business organizations occupy a high position and play an effective role in an era in which change has become an inevitable and continuous necessity, as human resources are considered a competitive advantage for the organization, the human resource is now seen as renewable capabilities and creative features. The organization's management is supposed to give it all its attention and assume its social and moral responsibilities towards this important resource.[1]

The organization can exercise its social role and embody its moral responsibility through several means that cover the totality of the sub-activities of human resources management, including:

-**Mobilizing and sourcing human resources**: the organization can embody ethical behaviors during this process by committing to the correct search for candidates and securing their rights, reliability in procedures so that they should be characterized by integrity, transparency and

[1] Al-Amri, Saleh & Al-Ghalbi, Mansour, Social responsibility, business ethics and society, first edition, Dar Wael for Publishing and Distribution, Jordan, 2008, p54.

justice, fair dealing and equal opportunities in employment[1]. In addition to not withholding and advertising job opportunities to reach all segments of society[2].

-**Interview, selection and recruitment**: These procedures can be considered an investment in social aspects that will reflect positively on human resources if they are characterized by responsibility, credibility, transparency and justice. So that interviews should be based on objective grounds, free of bias, in addition to not underestimating the capabilities and personalities of the candidates, regardless of their personality or skill level. It is also advisable not to ask unwelcome questions regarding the candidate's age, nationality, or previous salary levels. Notably, most organizations do not explicitly ask about age, but many include inquiries about dates of education and year of graduation that can be used to infer a candidate's age[3].

As for the selection and appointment process, it should be on the basis of competence and suitability between the qualifications and capabilities of the candidate and the requirements of the vacant position, and on the basis of the results of the tests and their final evaluation, and avoiding bias in the selection process in favor of a particular gender without the other, with the need to give equal opportunities to all candidates to present their competencies and skills.

The selection and appointment process also requires skilled and appropriate decision making. The decision to appoint the right person for any vacancy is a measure that should not be taken lightly, so hiring managers should commit to creating an ethical climate for the organization that can in turn strengthen relationships, building a good reputation and thus achieving the ultimate success of the organization.

-**Training and development**: The organization is supposed to view training activities as an investment that enhances the capabilities of its members in the long run and contributes to building future leaders, and training is launched to enhance the culture of the organization and emphasize its ethical aspects. Considering that training is one of the important rights of employees, it should be directed to all members of the organization without excluding some of them for any reason, such as gender, race, color, religion, nationality, and others.

-**Employee performance appraisal**: The organization can adopt ethical behaviors in the framework of the performance appraisal process, such as moving away from bias in evaluation, objectivity, and moving away from giving an evaluation that is lenient to everyone or strict with everyone[4]. Providing explanations to employees especially regarding their negative outcomes and treating them with dignity and respect, in addition to giving rewards and incentives fairly.

-**The wages and rewards system**: wages and rewards are a very problematic issue as they are related to the organization and the laws and legislation issued by the state, and as they directly affect the interests of workers, they should be characterized by justice, transparency and equality. Therefore, the wages and rewards system should be determined on objective bases through which the relative value of each job is determined in relation to other jobs in the

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[1] Najm, Abboud Najm, Business Ethics and the Responsibilities of Business and Society, first edition, Dar Wael for Publishing and Distribution, Jordan ,2008, p 265.
[2] Villegas, S, Lloyd, R. A, Tritt, A., & Vengrouskie, E, Human resources as ethical gatekeepers: Hiring ethics and employee selection, Journal of Leadership, Accountability and Ethics, 16(2), USA, 2019, pp 80–87.
[3]Gusdorf. Myrna L, Recruitment and Selection: Hiring the Right Person, Society for Human Resource Management, USA, 2008.
[4] Al-Amri, Saleh & Al-Ghalbi, Mansour, Social responsibility, business ethics and society, p 63.

organization. And that the wage or salary is sufficient for the individual to meet all his necessary requirements. Compensation should also be paid to the employee equally on the basis of effort, skills and abilities. Whereas, if employees notice that the organization offers rewards based on production quantity rather than quality, this will lead to their morale declining, which leads to disrupt performance[1].

- Importance of Ethical Recruitment:

Ethical recruitment contributes to reducing employee turnover and enabling them to perform their jobs effectively. Ethical recruitment practices can also enhance the reputation of the organization, as we find that a good reputation based on fair policies can help in attracting and retaining the largest possible number of suitable candidates for the vacancy. The emergence of ethical recruitment is not just a matter for the Human resources analyst to consider in the context of avoiding criticism, but rather an opportunity to evaluate hiring practices in a comprehensive manner to ensure that the right people are serving in the right roles [2]. Whereas, if recruitment and selection are based on unethical issues such as nepotism, discrimination and bribery, this will greatly affect individual performance and the performance of the organization as a whole, and on the contrary, the organization's reliance on justice and fairness during the recruitment and selection process will motivate employees, raise their morale, reduce turnover or absence and get ethically upright employees. Discrimination costs the organization millions of dollars each year. A Texas company, for example, has paid a fine of 180 million dollars for discriminating between individuals on the basis of color. Not to mention the countless hours of wasted work time, in addition to employee stress and bad reputation that may be associated with the issue of discrimination. Therefore, the organization should focus most of its focus while making hiring and appointment decisions on the job skills and qualifications required by the vacancy.[3]

5. Relation Between Ethics and productivity:

Many business researches and studies are conducted to find out the key variables to increase the productivity in an organization. Employee's perceived outcomes such as performance satisfaction, job commitment and overall performance comes when organisation have proper ethical environment[4]. Most of the organization has their written ethical policy, which provides general guideline for the employee to perform task, based on moral values. Ethical practices performed by individual and company have great impact on the productivity of the organisation. Human factor considered as above all the factors such as machine, material, methods etc. because utilization of all resources depends upon the decision-making capability of human being. Meanwhile, the ultimate goal of any organisation is to attain maximum productivity. Now, the companies are more responsible for creating the ethical environment. Researches prove that those companies which follow fair code of conduct and fulfil all the responsibilities towards the society as well as for their employee producing highest quality of workforce. Ethical environment not only motivates the employee but also leads organisation

[1]Ombanda. Paul Olendo & K'Obonyo. Peter, Critical Analysis of Ethics in Human Resource Management and Employee Performance, International Journal of Scientific and Research Publications, 9(01), USA, 2019, p85.
[2] Franklin. A, Shaffer. Ed & Bakhshi, Mukul. JD, Business Case for Ethical Recruitment, Nurse Leader, USA, 2015, PP 40-48.
[3]Gusdorf. Myrna L, Recruitment and Selection: Hiring the Right Perso, p34.
[4] Kim. N. Y., & Miller. G, "Perceptions of the ethical climate in the Korean tourism industry", Journal of Business Ethics, 82(4), Netherlands, 2008, pp 941–954.

and individual to achieve the maximum productivity. It has been seen that motivated employees have greater level of job satisfaction and commitment[1]. Organisational ethics comprised of set of rules and regulations which can be used by top level authority to develop effective decision-making ability. Mayowa and al, in their study in Nigerian University, find the relationship between work ethics and employee level productivity. It was observed that, there was no significant role played by the Organizational Ethics towards enhancing the productivity. But it is suggested that, proper supervision and reward for their ethical attitudes at workplace by the management could generate employee's inclination towards the work ethics. Equal and fair treatment of employee no discrimination on the basis of any criteria of employees by the management, creates great level of satisfaction among them. A satisfied or happy employee further turns to be a productive employee for the organization.

[1] Palchoudhury. A, “Productivity & Ethical Conduct: A Correlation”, IOSR Journal of Humanities and Social Science (IOSR-JHSS), 21 (1), India, 2016, pp 93-94.

Section 5:

Business Ethics and Managerial Functions

Effective and ethical management requires a comprehensive understanding of administrative processes, their core components, guiding principles, frameworks, and especially their ethical dimensions. The fundamental administrative functions encompass planning, organizing, directing, and controlling. Absent a robust ethical framework, these functions risk losing effectiveness both economically and in their human impact. Consequently, business ethics play a critical role in reinforcing these functions, ensuring that management achieves organizational objectives efficiently and responsibly.

1. Necessity of Ethics in Planning Practices

Ethics are fundamental to the daily practice of planning, as well as, more profoundly, its underlying rationale. Planners' ethical values not only shape their views of what role and purpose planning and planners have, but also what kind of everyday life and community they wish to plan for. The planning process exists to serve the public interest. While the public interest is a question of continuous debate, both in its general principles and in its case-by-case applications, it requires a conscientiously held view of the policies and actions that best serve the entire community. Planning issues commonly involve a conflict of values and, often, there are large private interests at stake. These accentuate the necessity for the highest standards of fairness and honesty among all participants. Those who practice planning need to adhere to a special set of ethical requirements that must guide all who aspire to professionalism. Ethics is so crucial to planning practices, because:[1]

- First and foremost because "moral judgments and ethical questions pervade the daily practice of planning"

- Secondly, it's crucial, because ethical values are constitutive to planners' identity, choices, practices and obligations as civil servants.

- Thirdly, because institutional practices rely very much on taken-for-granted, a priori schemes that mark "the values and obligations which shape practitioners' views of their roles and purposes".

- Fourthly, ethical discourses form the ethos of planning institutions, and also societies' legal politicization of planning

- Ethical Principles in Planning

The ethical principles derive both from the general values of society and from the planner's special responsibility to serve the public interest. As the basic values of society are often in competition with each other, so do these principles sometimes compete. For example, the need to provide full public information may compete with the need to respect confidences. Plans and programs often result from a balancing among divergent interests. An ethical judgment often also requires a conscientious balancing, based on the facts and context of a particular situation and on the entire set of ethical principles. When evaluating public policy questions most people ask selfishly, "How does this affect me?" Planners, in contrast, should ask

[1] Litman. T, Planners' sacred trust, Retrieved March 12, 2022 from http://www.planetizen.com/node/48945.

selflessly, "How does this affect the community, particularly disadvantaged and underrepresented groups?". However, the general principles of planning ethics are as follows:[1]

Integrity: Provide professional services with integrity.

Integrity demands honesty and sincerity which must not be subordinated to personal gain and advantage. Integrity cannot co-exist with deceit or subordination of one's principles.

Objectivity: Provide professional services objectively.

Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which planners' function, they should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Competence: Maintain the knowledge and skill necessary to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Planners make a continuing commitment to learning and professional improvement.

Fairness: Be fair and reasonable in all professional relationships. Disclose conflicts of interest.

Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated.

Confidentiality: Protect the confidentiality of all client information.

Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Professionalism: Act in a manner that demonstrates exemplary professional conduct.

Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business-related activities. Planners should cooperate with fellow planners to enhance and maintain the profession's public image and improve the quality of services.

[1] Tanvir Ahmad, Ethics in Planning Arena: Necessity and Application, Journal of Bangladesh Institute of Planners, 9 (2), USA, 2016, pp 95-112.

Diligence: Provide professional services diligently.

Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Ethical considerations must be explicitly integrated within planning. Organizations should avoid purely utilitarian or cost-centric philosophies that seek maximal profit at the expense of fairness or social responsibility. Instead, plans must balance economic objectives with moral imperatives, ensuring equitable resource distribution, objectivity, and impartiality. This balance is crucial, especially given potential conflicts arising within the organization or external backlash from competitors, suppliers, regulatory bodies, or media, should ethical commitments be perceived as lacking.

2. The importance of ethics in the organizational process

Ethics plays a vital role in shaping the organizational process by guiding decision-making, shaping corporate culture, and fostering trust among stakeholders. In an increasingly complex and competitive business environment, ethical principles serve as a foundation for sustainable success and organizational integrity. This section explores the significance of integrating ethics into every level of the organizational structure, highlighting its impact on employee behavior, managerial accountability, and overall corporate reputation.

-Nature and process of organizing:

Organization is a mechanism or structure which helps the activities to be performed effectively. The organization is established for the purpose of achieving the business objectives. The business objectives may differ from one business to another. Whatever may be business objectives there is need for an organization. Organization is the detailed arrangement of work and working conditions in order to perform the assigned activities in an effective manner. Koontz O'Donnel: Organising involves the establishment of an international structure of roles through determination and enumeration of the activities required to achieve the goals of an enterprise and each part of it.[1]

-Importance of organization:

Sound organization is essential for the continuity and success of every enterprise. It is indeed the backbone or foundation of effective management. The main advantages of sound organization are given below:[2]

- **Increases the Management Efficiency**: Organising improves the efficiency of an organisation's management by optimally utilising the available resources. A good organisation enhances the productive capacity of material resources with the help of human resource efficiency. This can be achieved by an organisation by refraining from delay, duplication and confusion of work.

- **Optimally Utilises Human Resource**: For an organisation to be effective there should be right people at the right job. Effective organising facilitates coordination among the

[1] Tanvir Ahmad, Ethics in Planning Arena: Necessity and Application, pp 95-112.
[2] Rinku, Vikrant Verma, Management Process & Organisationnal Behaviour, Haryana NEP, Thakur Publication Private Limited,2021, P60.

employees and optimum utilisation of human resource. This in turn, increases the overall productivity of the organisation.

- **Helps in Organisational Growth**: When organising is done efficiently, it provides a great support for expansion, growth, and diversification of the organisation. Most of the large enterprises are the examples of efficient organising.

- **Provides Importance to Every Department**: Organisation divides the major organisational goals into activities and assigns them to different departments. Each department plays its different role towards the achievement of organisational objectives. Importance is given according to the role played by each department, irrespective of the level of activity or contribution made by it.

- **Improves Coordination**: Effective organising enables coordination among different departments. This in turn creates a sense of cooperation among different functional areas instead of competition.

- **Allows Judging the Abilities of Employees**: If employees are placed in different departments, it will allow the organisation to test their abilities according to which their training can be conducted. This will aid in judging the talent of employees and then placing them in the suitable departments,

- **Helps in Avoiding Corruption and Maneuverings**: A good organisation helps in developing principles of honesty, good morale, devotion and sense of belongingness with the organisation. This helps in avoiding corruption and maneuverings.

- **Generates a Sense of Creativity**: Organisation offering good working condition promotes a sense of independence and creative thinking within the employees. This results in the evolution of new and improved techniques or methods of conducting business activities.

-Ethical principles in organizing mandate:

-Managers accept responsibility with justice, honesty, integrity, and openness to constructive criticism.

-Assigning personnel and duties objectively, avoiding favoritism or clique formations that impair operational effectiveness.

-Establishing organizational units that bridge the company with its social environment, fostering transparency and positive societal engagement.

-Actively combating nepotism and undue influence.

-Recognizing the organization as an open system interacting dynamically with cultural, technological, and media ecosystems, which necessitates a commitment to transparency and ethical conduct.

3. Business Ethics in Directing

In describing the functions of management, Fayol stated that the manager must know how to handle people and must be able to defend his or her point of view with confidence and enthusiasm. The manager learns continuously and educates people at all levels for success in their assigned tasks.[1]

Directing or Direction function is said to be the heart of management of process and therefore, is the central point around which accomplishment of goals take place. A few philosophers call Direction as "Life spark of an enterprise". It is also called as on actuating function of management because it is through direction that the operation of an enterprise actually starts. Being the central character of enterprise, it provides many benefits to a concern which are as follows:[2]

-Pervasive Function - Directing is required at all levels of organization. Every manager provides guidance and inspiration to his subordinates.

-Continuous Activity-Direction is a continuous activity as it continuous throughout the life of organization.

-Human Factor- Directing function is related to subordinates and therefore it is related to human factor. Since human factor is complex and behaviour is unpredictable, direction function becomes important.

-Creative Activity - Direction function helps in converting plans into performance. Without this function, people become inactive and physical resources are meaningless.

-Executive Function- Direction function is carried out by all managers and executives at all levels throughout the working of an enterprise, a subordinate receives instructions from his superior only

-Delegate Function-Direction is supposed to be a function dealing with human beings. Human behaviour is unpredictable by nature and conditioning the people's behaviour towards the goals of the enterprise is what the executive does in this function. Therefore, it is termed as having delicacy in it to tackle human behaviour.

-Directing encompasses guiding, instructing, and motivating employees to execute their roles effectively, enthusiastically, and confidently. This function rests on three pillars: leadership, communication, and motivation.

-Leadership: The capacity to influence through exemplary conduct and strong character. Ethical leaders exhibit fairness, honesty, respect, and encourage participative decision-making. They regularly assess performance, ensure personnel placement aligns with capabilities, nurture successor leadership, and facilitate power transfer with flexibility and consensus.

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[1] H. Fayol, General and Industrial Management, Sir Isaac Pitman & Sons, London, United Kingdom, 1949, pp82-96.
[2] Prabhu LT, Management Function: Mastering the Art of Effective Leadership, Nest Fame Creations Pvt Ltd, p60.

-Communication: A process of transmitting information aimed at mutual understanding. Ethical communication systems require continuous scrutiny and promote official channels, minimizing informal negative exchanges such as gossip, misinformation, or exaggeration.

-Motivation: An ethically grounded and culturally congruent motivational framework aligns employee needs with organizational goals and resources. It links incentives and recognition to performance while upholding fairness in compensation and rewards. Such systems foster innovation and continuous improvement.

3. The importance of ethics in the control process

Ethics is a fundamental component of the control process within organizations, as it ensures that monitoring, evaluation, and corrective actions are carried out with fairness, transparency, and responsibility. An ethical approach to control helps prevent abuse of power, promotes compliance with legal and organizational standards, and fosters a culture of accountability. This section discusses how ethical considerations enhance the effectiveness of control mechanisms and support the achievement of organizational goals with integrity.

-Nature and Process of controlling

Controlling consists of verifying whether everything occurs in confirmities with the plans adopted, instructions issued and principles established. Controlling ensures that there is effective and efficient utilization of organizational resources so as to achieve the planned goals. Controlling measures, the deviation of actual performance from the standard performance, discovers the causes of such deviations and helps in taking corrective actions

According to Brech, "Controlling is a systematic exercise which is called as a process of checking actual performance against the standards or plans with a view to ensure adequate progress and also recording such experience as is gained as a contribution to possible future needs"[1]. The main characteristics of managerial control are:[2]

- Control is an essential function of management: This function is performed by every manager at all levels of the organisation. Control is in fact a follow-up action to the other functions of management. The other managerial functions cannot be completed effectively without performing control function.

- Control is an ongoing process: It involves continuous measurement results and review of standard.

-Control must transcend punitive uses, serving as a constructive mechanism for organizational learning, performance improvement, and talent retention

-Ethical control promotes creativity, critical dialogue, and transparency in evaluating outcomes.

[1]Prabhu LT, Management Function: Mastering the Art of Effective Leadership, p62.
[2] Tanvir Ahmad, Ethics in Planning Arena, p 105.

-Precision, honesty, integrity, and openness are indispensable attributes of effective control processes.

-Deficient or unethical control undermines employee morale and tarnishes the organization's reputation externally.

4. The importance of ethics in the control process:

The objectives of control systems are to assist managers to achieve the goals and objectives of the organization. A control system, in which all sub systems are designed to achieve these goals and objectives, is a goal-congruent subsystem. For a control system to be ethical, it requires an environment conducive to ethical conduct. This requires aligning with each stakeholder an environment that is congruent with ethical behaviour, business objectives and stakeholder objectives. Thus, the concept of fairness is stressed to achieve the environment which is conducive to ethical behaviour.[1]

Managerial controls that go by the concept of fairness tend to create stress for, and resentment among the employees. Unfair controls result in loss of employees' goodwill for the organization. One dangerous effect of unfair managerial controls is the distortion of control information. This leads to faulty decisions and misallocation of resources.

The ethics administrator should maintain disciplinary records to ensure that the ethics programme is perceived as 'fair' by the organizational participants. Unfair control systems undermine trust in organizations. Without trust, it becomes difficult to achieve the expected levels of performance. Loss of trust also results in defensive, bureaucratic and dysfunctional behaviour.

The concept of fairness should not be confined to the employees of the organization; it should be extended to the company's stakeholders too. For example, a customer is a stakeholder of the company and 'fairness' to the customer can be maintained by truthful advertising, to help the customer to make wise decisions. Employees should be informed about the financial condition of the organization and its plans for future. Fair wages and salaries should be paid to the employees to motivate them. Compensation and reward systems should be based on the principle of fairness. Employees should be given appropriate recognition and rewards for their performance.[2]

[1] R. Daft, D. Marcic, Understanding Management, 5th Edition, Mason, OH: South-Western Publishing Co, USA,2006, p134.
[2] R. Daft, D. Marcic, Understanding Management, p135.

Section 6:

Introduction to Administrative Corruption

Administrative corruption represents one of the most critical challenges facing institutions today, as it undermines good governance, weakens institutional performance, and erodes public trust. It is commonly defined as the misuse of public authority for private gain and manifests in various forms such as bribery, nepotism, embezzlement, and the manipulation of public contracts or appointments.

This section provides a foundational understanding of administrative corruption by exploring its core concepts, causes, and classifications. It will also examine the institutional and organizational conditions that enable its persistence. Furthermore, the section will address the broader economic and social consequences of administrative corruption, highlighting both local and international efforts to combat it. By introducing these essential elements, this section aims to equip learners with the analytical tools necessary to critically assess the phenomenon and contribute to the development of practical solutions for reducing corruption within administrative systems.

1. Definition of administrative corruption

Societies suffer from many pests, corruption in its various forms is considered the most dangerous one by the consensus of researchers and thinkers due to its negative effects, even though there is no inclusive definition of corruption agreed upon. Therefore, it is necessary to define the definitions related to the phenomenon of corruption and administrative corruption first.

Corruption has become a global phenomenon that all countries complain of, because of its danger to social and economic security, growth and administrative performance. Hence, this phenomenon has won the attention of all societies and all countries. Calls have been made to condemn it and limit its spread and formulate appropriate forms for that.

The definitions of the concept of corruption are multiplied in various ways and different directions, according to the different angles from which it is analyzed, and among the most popular definitions in practice, which deals with corruption as: "Abuse of power by a person in a public position with the aim of achieving a personal benefit". The draft United Nations Convention against Corruption defined corruption as: "To perform acts that represent an improper performance of duty, or abuse of a site or authority, including acts of omission in anticipation of a privilege, or seeking to obtain a promised advantage, or be offered, or directly requested, or Indirect, or the effect of accepting an advantage granted either to a person himself or to another person. Transparency International organisation defined corruption as: "Every act that involves using the public office to achieve a private, self-interest for himself or his group".[1]

Kuper and Clark define administrative corruption as "the misuse of public office or authority for personal, clique or self-benefit in an unlawful manner".[2]

While, Husain Al-Mohammedy has defined administrative corruption as "negative behavior that relies on exploiting the employee's position and the authority given to him to achieve a

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[1] Maabara, M. M, Administrative Corruption and Its Treatment in Islamic Law: A Comparative Study with Administrative Law,Dar Al-Thaqafa for publishing and Distribution, Amman, 2011, p73.
[2] Maabara, M. M, Administrative Corruption and Its Treatment in Islamic Law, p92.

special benefit that contradicts the laws, regulations and instructions that govern the organization's affairs".[1]

According to the draft of the United Nations Convention, corruption is "to represent an improper performance of duty or abuse of position and authority; including acts of omission, in anticipation of a privilege or in pursuit of a privilege that is promised, offered, or requested directly or indirectly, or the effect of accepting a privilege granted directly or indirectly whether for the same person, or for the benefit of another person. Administrative corruption is a functional behaviour that violates official laws and regulations and deviates from functional ethics, values, and social norms in order to achieve a personal or material interest.[2]It is also known, more inclusively for the linguistic meaning of the word corruption, as the nullification, something is damaged, disturbance and defect or causing harm.[3]

Corruption usually occurs when an employee accepts or requests or extorts a bribe to facilitate a contract or making a bid for public competition, as is done when agents or intermediaries of companies or private businesses offer bribes to benefit from public policies or procedures, to overcome competitors and make profits outside the framework of the applicable laws, and corruption can also happen through Exploitation of public office without asylum to bribery, appointing relatives or theft of state funds directly. "It is noted that this definition identifies two main mechanisms of corruption: [4]

- The mechanism of paying "bribery" and "commission" to employees, government officials, and the public and private sectors, to facilitate deals and facilitate matters for foreign businessmen and companies.

- Persuasive or "in-kind" bribery in the form of placing a hand on "public money" and obtaining advanced positions in the career apparatus, and in the business sector (public and private).

2. The Historical Dimension of Administrative Corruption:

Administrative corruption has existed since ancient times. It appeared in different forms across many civilizations and governments. Understanding its historical roots helps us see how it developed, what caused it, and how societies tried to fight it. This knowledge is useful for addressing corruption today.

Corruption has been arround since ancient times; it is not a phenomenon of the present day, nor is it confined to any particular place or time. Its origins trace back to the emergence of human society. The story of the two sons of Adam, "Qabil" and "Habil," is considered the first narrative of corruption on Earth, marking the first act of murder that took the lives of a quarter of the world's population at the time. This highlights that corruption is a human phenomenon

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[1] Al-Mohammadi. H, Administrative Corruption: The Language of Interests, Dar Al-Matbou'at Ai-Jami'ya, Egypt, 2008, P 13.

[2]Ittahine Ghania, Administrative Corruption "Algeria as a Model", Al-Hikma Journal for Social Studies, Journal of Academic Court, Vol. 4, No. 7, Kunooz Al-Hikma Foundation for Publishing and Distribution, Algeria, 2016, pp 254-255.

[3] Nabil Saqr, Qamrawi Ezzeddine, Organized crime, Smuggling, Drugs and Money Laundering in Algerian Legislation, Dar al-Hoda, Ain Mellila, Algeria, 2008, p 20.

[4]Mouni al-Hamsh, Political economy Corruption - reform – development, Publications of the Arab Writers Union, Damas, Syria, 2006, P14.

that has been present since the birth of mankind, fueled by human desires and tendencies to take what belongs to others. "The first counterfeit coin in history was a gold coin minted by Polycrates, the ruler of the Greek island of Samos, in 535 B.C., made of lead and covered with a thin gold layer[1]." In 1997, a Dutch archaeological team discovered cuneiform tablets at the site of Raqqa in Syria, revealing an administrative location that could be compared to a modern-day audit office, exposing cases of administrative and financial corruption, including bribery among officials at the Assyrian royal court thousands of years ago.[2]

The heavenly scriptures have given great attention to the problem of corruption, especially the Qur'an—the final scripture of Islam, which calls for justice and truth. It describes corruption in its comprehensive form in numerous verses, emphasizing its dangers to individuals, society, and the environment. Corruption leads to negative consequences and results, and Allah warns the corrupters in the Earth in nearly 50 verses, covering various types of corruption. For instance, Allah says: "And do not follow the path of the corrupters" (Quran, 7:56). Reflecting on the meanings of these verses, Allah narrates the story of Qarun, who was from the people of Moses. He was arrogant with the wealth granted to him by Allah and sought corruption, despite being warned by his people not to rejoice in his wealth, and to use it for the benefit of the Hereafter and to avoid corruption. "Indeed, Allah does not like the corrupters" (Quran, 28:76-77). Corruption is considered one of the most reprehensible and forbidden actions in Islam. Over time, it leads to tyranny on Earth, and Allah promises severe punishment and loss for the corrupters, showing their fate in history, where some were swallowed by the earth, some drowned, others destroyed, and some obliterated. Thus, it can be concluded that Islam uses deterrent measures to reduce and prevent this problem, including strengthening spiritual values and a greater connection with the Creator, which plays a significant role in guiding human behavior and regulating it in all aspects of life.

Since the latter half of the 20th century, particularly in the 1990s, with the increasing calls for economic liberalization and the efforts to boost the competitiveness of products, as well as the growing freedom of global financial flows, money laundering activities, and organized crime, corruption has spread globally in a manner that cannot be fully monitored or estimated. This has made combating corruption a necessity more than ever before. Corruption exists in both democratic nations and military dictatorships, and at all levels and within all economic systems—ranging from capitalist economies like the United States and Western European countries, to those that relied on central planning, such as the former Soviet Union and China, as well as weak economies in the Global South.

With the rise of globalization, especially after the Cold War, the activity of multinational corporations has increased, as has the role of organized crime in sectors such as drug trafficking, arms smuggling (especially to regions suffering from instability and extremist groups), human trafficking, money laundering, and other illegal activities. This has made corruption a global issue affecting all countries. It has evolved from being a national concern to becoming one of the key issues of globalization, which has been adopted by most international organizations (both governmental and non-governmental). These organizations now focus their efforts on addressing this problem.

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[1] Hashem Al-Shammari, Ithar Al-Fatli, "Administrative and Financial Corruption and Its Economic and Social Effects," Al-Yazouri Scientific Publishing and Distribution, Amman, Jordan, 2011, P62.

[2] Alaa Farhan Taleb, Ali Al-Hussein Hamdi, "Strategy for Combating Administrative and Financial Corruption – An Integrative Approach," Dar Al Ayam for Publishing and Distribution, Amman, Jordan, 2015, P25.

Among the primary methods for combating corruption is the public disclosure of corrupt activities. Conferences and seminars have been held globally, research and studies have been conducted to seriously address the various aspects of corruption, its causes, types, and ways to mitigate its negative effects. Numerous organizations have been established at the global, regional, and national levels to detect, measure, and expose corruption, as well as hold the perpetrators accountable.

3. Key Characteristics of Administrative Corruption

Administrative corruption is characterized by a set of characteristics, some of which are: [1]

-Administrative corruption includes all administrative levels, but its origin starts from the highest administrative body to the smallest.

-Administrative corruption is a global phenomenon that has a negative impact on the social situation economic development for specific communities is hindered as a result of weak regulatory bodies.

-It is difficult to detect and combat administrative corruption because those who practice it follow a well-planned strategy in terms of location, time and desired outcome.

-Methods and techniques used to carry out administrative corruption have become more sophisticated and complex.

-The accumulation of corrupt human resources within government institutions creates a corrupt organizational environment.

4. The causes and motives of administrative corruption:

Corruption is not a recent phenomenon and it is not limited to developing countries without developed countries, and it is not possible to know the extent of corruption in a region accurately and compare it to another, because most acts of corruption are rarely detected, especially those that occur in the higher official circles. The phenomenon of corruption is widespread in developing countries, including the Arab ones, and reasons for its growth can be summarized as follows:

-The economic causes of administrative corruption:

These principal economic elements in some countries significantly affect the propagation and penetration of corruption values. Countries that embrace a capitalist development policy that prioritizes considerations of unrestricted economic expansion over attaining distributive fairness see a rise in the effectiveness of these elements. This results in social layers with money but little political influence. Then, these strata turn to corrupt tactics, such as bribery,

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[1] Al-Shrabini, S. M, "Methods of Combating Administrative Corruption to Increase Organizational Performance in the Interest of Egyptian Taxes,". (S. C. Commerce) Scientific Journal of Commercial and Environmental studies, Egypt, 2017, P36.

kickbacks, and numerous temptations offered to officials, to achieve a direct political impact represented in parliament membership[1].

This type of corruption is anti-democratic. As the saying goes, absolute power ultimately corrupts. There is little doubt that there is a distinction between nations whose political systems employ methods of democracy and the development of participation and those with totalitarian, dictatorial tendencies. However, the exact causes contribute to the spread of corruption in both types of systems: The corrupt monarch (who is not representative of all individuals in society and is not subject to effective accountability by them). So that their hopes for a respectable existence are not realized, the country and the people will serve the interests of a group of influential people who hold the reins of power and money by force if the rule is overthrown. Similarly, to the lack of political role models, the spread of government bureaucracy, the over-centralization of government administration, and the poor performance of the legislative, executive, and judicial branches contribute to the proliferation of corruption.[2]

- Social and cultural reasons:

It is believed that social and cultural variables play a significant role in the creation and spread of administrative corruption in society. Some of the prevalent cultural values in developing nations emphasize the concept of an extended family. The individual's attachment to his family, relatives, friends, and village people. This is expected of him if he assumes a key administrative position in the state's executive body and delivers services to persons with whom he has close ties. These services include locating employment and educational possibilities to earn in-kind and moral rewards. The issue extends to the violation of the law or the concept of equal opportunity to benefit family and friends, and the subsequent growth of corruption in the exercise of public office.

- Administrative and legal reasons for administrative corruption:

Administrative corruption is frequently the outcome of administrative and legal considerations, such as the absence of structures and institutions and anti-corruption legislation. This gives bureaucratic elements, particularly the higher ones, carte blanche to execute their self-interests through various administrative corruption techniques.[3]

Arthur Lewis confirms this by stating, "When a person holds a ministerial position in developing countries, he has the opportunity of a lifetime to earn a fortune through corruption and abuse of power." In addition to the propensity of administrative leaders to use their public positions to advance their interests, money acquisition, bribery, and commissions are also prevalent. Or by giving bribes and commissions to the managers of bureaucratic departments, private capital owners — both domestic and international — can defend their interests and circumvent the bureaucratic departments' intricate routine procedures. These circumstances give rise to corruption in the exercise of public office—one of the unavoidable realities of administrative agencies.

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[1] Alaa Farhan Taleb, Ali Al-Hussein Hamdi, "Strategy for Combating Administrative and Financial Corruption, P34.

[2] A. Imad, Corruption and Good Governance in the Arab Countries, Center for Arab Unity Studies, Beirut, Lebanon, 2004, P27.

[3] M. Younes, The Impact of Corruption on Economic Performance, Tanmiat Al-Rafidain Journal, (101) 32, College of Administration and Economics, University of Mosul, Iraq, 2010.

Government departments, agencies, public corporations, export offices, and tax departments in South Asia are plagued by widespread bribery. Therefore, it can be claimed that when an employee is granted authority, there will be room for corruption, without which administrative work cannot occur.

The administrative component is the vulnerability of administrative and legal institutions to corruption and the contradiction between the organizational system and social life needs. It might be one of the factors contributing to corruption in society. Unquestionably, the proliferation of administrative corruption and the resulting erosion of national identity entails several outcomes, including inefficiency in performance and weakening of legal rules, as well as a quaking of the legitimate legal image, diminishing the capacity of institutions to carry out their duties to the maximum degree. In addition, due to the growth of nepotism and favoritism and the prevalence of corrupt activities, standards of efficiency and ability to perform are diminishing as a prerequisite for filling positions inside institutions. Those lacking the essential abilities and competencies gain access to these institutions. This reduces the ability and effectiveness of institutions.

Thus, academics publish studies to establish a connection between the rise of corruption and inefficiency, the spread of patronage and favoritism, and the problem of Brain Drain, also known as the emigration of scientific and technical talent. Other reasons led to the emergence of corruption in societies. Management and organizational behavior researchers emphasized:

- **Urban causes**: Some researchers argue that metropolitan factors contribute to administrative corruption. The existence of a gap between the urban values of society and the official work norms imposed by administrative entities is the urban cause. Here is the positive nature of administrative corruption in developing countries and its ignorance regarding the peculiarities of urban value systems in developing countries. The change brought by the proponents of this view, particularly the employees and the modifiers, cannot lead to an accurate and organized reduction of the gap between society and the administrative system. The anticipated negatives outweigh the potential positives, given that techniques borrowed from more developed nations are imprinted with the usual psychological and scientific methods for the reality of developing nations, which are the most secure in their favor against this type of administrative corruption. Therefore, the tedious formal norms of employment may have led to the widespread adoption of this strategy. This causes individuals to experience an increase in their financial need or to accept corruption as a usual occurrence or a payment in exchange for performing a service to someone who justifies buying it. Giving him a new and acceptable identity leads him to accept that he is beyond the reach of conscience's accountability.[1]

- **Structural reasons**: Supporters of the structural interpretation argue that the causes of administrative corruption result from ancient structures of state institutions that do not match individuals' values and ambitions and do not meet their demands, aspirations, and requirements. This would result in incompatibility between the concerned administrative agency and those individuals, causing them to pursue alternative avenues under the concept of corruption to overcome the limitations of the old structures and advance their self-interests at the expense of the concerned administrative body's interests. It is acknowledged that such cases exist and are applicable in many developing and developed nations. Still, they are far removed from the dilemma of value judgments in which supporters of urban change found

[1] Asar, F. A. L, The Impact of Functional Ethics in Reducing the Chances of Administrative Corruption in Governmental Jobs, Journal of Human Sciences, Issue 49, Sebha University, Libya, 2006, p34.

themselves, on the one hand, and from the official values and rules of work adopted in the administrative organs of the state, on the other.

- Value reasons: Supporters of the value interpretation believe that administrative corruption is a result of the collapse of the value system of individuals, which is represented by the inherited values, traditions, beliefs, and customs, and their replacement with not only deviant value frameworks or fragile value frameworks far from the values adopted in society, but also a shaky understanding of human sincerity, honesty, and integrity. If every one of us does our duties following the ethics of public office, corruption will recede to its smallest possible extent. As a result, self-honesty is the sign and motivation for many people to combat the phenomena of corruption. This is more prevalent in emerging nations than industrialized countries because the latter are more committed to their values and beliefs, while the latter has a more genuine sense of self. This phenomenon directly affects their country's reputation as a whole, regardless of those countries' social and economic status. Still, a tiny fraction of developing nations has a genuine psychological sense. This gives individuals the rationale to relocate without considering the country's social status and standard of living.

Section 7:

Dimensions of Administrative Corruption and Methods of Combating It.

Administrative corruption is a complex phenomenon with multiple dimensions that go beyond individual misconduct, reflecting deeper structural, cultural, and institutional challenges. A comprehensive understanding of these dimensions legal, organizational, ethical, socio-political is essential for analyzing the root causes and mechanisms through which corruption operates within administrative systems.

This section aims to explore these various aspects through a critical lens, while also examining the principal methods and strategies employed to combat administrative corruption. These include preventive measures, legal and institutional reforms, oversight mechanisms, and the promotion of transparency and accountability. The objective is to present an integrated framework that can support the development of practical and sustainable approaches to reduce the impact of corruption on administrative performance.

1. Forms of administrative corruption:

Negative actions of public officials that have minor and invisible effects on local government performance, such as: employees not committing to work schedules, neglect and laziness in performing administrative duties, disclosing professional secrets, and refusing to follow a collaborative approach to work [1]. If these issues are ignored and not dealt with appropriately, they will inevitably develop into more severe and complex forms of administrative corruption:[2]

-Bribery:

Bribery is the bestowing of a benefit in order to unduly influence an action or decision. It can be initiated by a person who seeks or solicits bribes or by a person who offers and then pays bribes. Bribery is probably the most common form of corruption known. Definitions or descriptions appear in several international instruments, in the domestic laws of most countries and in academic publications.

The 'benefit' in bribery can be virtually any inducement - money and valuables, company shares, inside information, sexual or other favours, entertainment, employment or, indeed, the mere promise of incentives. The benefit may be passed directly or indirectly to the person bribed, or to a third party, such as a friend, relative, associate, favourite charity, private business, political party or election campaign. The conduct for which the bribe is paid can be active: the exertion of administrative or political influence, or it can be passive: the overlooking of some offence or obligation. Bribes can be paid individually on a case-by-case basis or as part of a continuing relationship in which officials receive regular benefits in exchange for regular favours.

Once bribery has occurred, it can lead to other forms of corruption. By accepting a bribe, an official becomes much more susceptible to blackmail. Most international and national legal definitions seek to criminalise bribery. Some definitions seek to limit criminalisation to

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[1] Han. I, Causes of Administrative Corruption, Retrieved June 12, 2021 from https://www.aman-palestine.org/media-center/2819.html.
[2] Al-Kafi, M. Y, Media and Administrative and Financial Corruption and Its Impact on Government Work, Dar Al-Hamed for Publishing and Distribution, Amman, Jordan, 2016, p37.

situations where the recipient is a public official or where the public interest is affected, leaving other cases of bribery to be resolved by non-criminal or non-judicial means.

In jurisdictions where criminal bribery necessarily involves a public official, the offence is often defined broadly to extend to private individuals offered bribes to influence their conduct in a public function, such as exercising electoral functions or carrying out jury duty. Public sector bribery can target any individual who has the power to make a decision or take an action affecting others and is willing to resort to bribery to influence the outcome. Politicians, regulators, law enforcement officials, judges, prosecutors and inspectors are all potential targets for public sector bribery. Specific types of bribery include:[1]

- Influence-peddling: public officials or political or government insiders peddle privileges acquired exclusively through their public status that are usually unavailable to outsiders, for example access to or influence on government decision-making. Influence-peddling is distinct from legitimate political advocacy or lobbying.

- Offering or receiving improper gifts, gratuities, favours or commissions: in some countries, public officials commonly accept tips or gratuities in exchange for their services. As links always develop between payments and results, such payments become difficult to distinguish from bribery or extortion.

- Bribery to avoid liability for taxes or other costs: officials of revenue collecting agencies, such as tax authorities or customs, are susceptible to bribery. They may be asked to reduce or eliminate amounts of tax or other revenues due; to conceal-Nepotism: It occurs when officials use their authority or influence to favor or discriminate against a specific individual or entity, contrary to laws and regulations, for example, some officials who have a specific authority (either from a governmental or private institution) give benefits to their relatives or friends.

- Bribery in support of fraud: payroll officials may be bribed to participate in abuses such as listing and paying non-existent employees ('ghost workers').

- Bribery to avoid criminal liability: law enforcement officers, prosecutors, judges or other officials may be bribed to ensure that criminal activities are not investigated or prosecuted or, if they are prosecuted, to ensure a favourable outcome.

- Bribery in support of unfair competition for benefits or resources: public or private sector employees responsible for making contracts for goods or services may be bribed to ensure that contracts are made with the party that is paying the bribe and on favourable terms. In some cases, where the bribe is paid out of the contract proceeds themselves, this may also be described as a 'kickback' or secret commission.

- Private sector bribery: corrupt banking and finance officials are bribed to approve loans that do not meet basic security criteria and cannot later be collected, causing widespread economic damage to individuals, institutions and economies.

[1]Langseth. P, & Stolpe. O, UN Anti-Corruption Toolkit, United Nations Office on Drugs and Crime, Vienna, 2004, p45.

- Bribery to obtain confidential or 'inside' information: employees in the public and private sectors are often bribed to disclose valuable confidential information, undermining national security and disclosing industrial secrets. Inside information:

-Abuse of power:

It occurs when officials use their positions to gain personal or financial benefits, such as by accepting bribes or engaging in insider trading. This can lead to a lack of public trust in government and a lack of accountability for officials' actions.

-Embezzlement:

It refers to the takeover something of economic value by those who manage or maintain it. For example, an employee in the government sector may take control of a portion of the public assets owned by the people and exploit it for personal gain.

-Fraud:

It is the deception, trickery, or manipulation of information and facts to achieve personal gain. Fraud can be committed by individuals against each other and can be carried out by political or administrative officials.

2. The effects of administrative corruption:

There is no doubt that administrative corruption has many and multiple effects on society and the state, and the effects of corruption do not stop at a certain point, but rather diverge in many directions. These effects are as follows:

- The effect of administrative corruption on government revenues

Governments lose large sums of revenue due when state employees are bribed to ignore, for example, the assessment of taxes due, and governments waste a lot of their resources when support is provided to undue groups, but they can get it bribed, influenced, or by any other means, and this matter affects in turn, on the economic performance of the country.[1]

- The impact of corruption on economic growth

Administrative and financial corruption is considered one of the most important reasons for reducing investment rates and reducing the total volume of demand that reduces economic growth.

- The impact of corruption on poverty level and income distribution:

Corruption widens the gap between the rich and the poor, and this effect takes place in several ways, the most important of which:[2]

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[1] Ismail Mohammed Sadik, Abdel-Al Derby, Corruption crimes between the national and international control mechanisms, The National Center for Legal Issues, Cairo, 2013, p. 15.

[2] Ismail Mohammed Sadik, Abdel-Al Derby, Corruption crimes between the national and international control mechanisms, p16.

-Decreased economic growth rates lead to a decline in living standards.

- The rich may avoid paying taxes and engage in devious ways to evade bribery, and this helps to deepen the gap between the rich and the poor.

-Corruption leads to an increase in the cost of government services such as: education, housing and other basic services. This, in turn, reduces the size and quality of these services, which negatively affects the groups most in need of services.

Perhaps the most dangerous result of corruption and corruption practices is that serious imbalance that affects work ethics and the values of society, and finds excuses for it that justify its continuation, and helps in expanding its effect in daily life, as we note that bribery and commission, for example, are gradually forming the elements of the new incentive system in Daily transactions, which causes the individual to lose confidence in the value and feasibility of his original work, and thus accepts psychologically the idea of gradual negligence in the criteria for performing job, professional and supervisory duties.

3. Necessity of combating administrative corruption:

Corruption is a problem with which all world countries have been grappling to a larger or less-er extent. However, its type, depth and scale differ from one country to another just as its effects are different depending on the type of political and economic structure and the level of a nation's development. Anyway, corrupt leads to decadence, pits the policies of a government against a nation, squanders national resources and reduces the efficiency of governments in running the country's affairs. This erodes people's trust in government and non-government organizations and increases indifference and inefficiency in society. Corruption undermines beliefs and moral values in the society, increases costs of implementing projects and hampers the growth of competitiveness. It also thwarts efforts to combat poverty and leads to lack of motivation, pessimism and also weakens the morale of de-cent people. Administrative corruption is a hurdle to investment and creates many obstacles in the way of economic growth and development. It deviates talents and potential and non-potential human re-sources towards illicit activities to make easy money, thus paving the way for recession.[1]

On the other hand, wherever corruption takes root, it becomes rampant day after day and it will be very difficult to tackle it. In this way, corruption becomes more and more deep-rooted. For these reasons, fighting administrative corruption is an undeniable necessity.

Administrative corruption is one of a set of problems organizations experience during a peri-od throughout their life. The problems are mainly rooted outside the organization but they have an impact on the organization. These problems always pose a challenge to managers. The organization has no control over the root-causes of the problems. As a result, it can hardly handle them. Administrative corruption, to a large extent, is influenced by eco-nomic, social, cultural and political systems. For instance, high unemployment rate, the dominance of informal and traditional relationships on ties be-tween people, the maturity of the political system, etc. directly affect the scale of administrative corruption in any society. On the other hand, administrative corruption has a direct, adverse effect on the efficiency of administrative

[1] Al-Kafi, M. Y, Media and Administrative and Financial Corruption and Its Impact on Government Work, p41.

system, the legitimacy of the political system and the quality of socio-cultural system of the society. This creates a vicious cycle that finally leads the country towards decline.[1]

4. Reducing corruption: Reform Programmes.

As corruption is causing inefficiency and ineffectiveness in public management and is recognized as a major obstacle in the governance, it is important that steps are taken to prevent, control and eradicate this evil. There are four basic ways of fighting corruption: administrative reforms, political will, judicial control, and application of work ethics. These are not substitutes, but complements.

The first step to combat administrative corruption is to limit public officials' opportunities for corruption and increase the benefits of being honest and the costs of being corrupt. While dealing with measures to combat corruption in bureaucracy, Vittal "suggests a three-point strategy:[2]

- Simplification of rules and procedures so that the scope of corruption is reduced.

- Transparency and empowerment of the public.

- Effective punishment of the corrupt.

A reform strategy and approach are simply to eliminate laws and programmes that encourage corruption. For instance, if a subsidy is eliminated, the bribes that accompanied it will disappear. If a unit of public enterprise is a locus of corrupt pay-offs, privatizing it will eliminate corruption. It is observed that any reform that increases the competitiveness of the economy will reduce the level of corruption. Thus, policies that loosen controls on foreign trade, remove entry barriers for private industry and privatize parastatal in a way that increases competition will reduce incentives for corrupt behaviour. But any step towards deregulation and privatization must be done with care.

The integrity of privatization is especially important in transition economies. Thus, the privatization process should also establish a transparent and reliable legal environment. Laws must be clarified and streamlined in ways that limit officials' opportunities for corruption.

It is often found that low-level officials collect bribes and pass a share to the higher-level officials, perhaps in the form of an upfront payment for the job itself. Breaking such a corrupt system may require fundamental changes in the bureaucracy. A small number of honest officials can reform a corrupt system unless long queues develop in front of the honest officials.

Several countries have set up independent institutional arrangements to deal with corruption such as Independent Commission Against Corruption in Hong Kong, and Corrupt Practices Investigation Bureau in Singapore. These institutions have been effective to some extent in mitigating corrupt practices and behaviour, but have not always been in themselves

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[1] Parvaneh Mousavi, Masoud Pourkiani, Administrative corruption: Ways of tackling the problem, European Journal of Natural and Social Sciences, 2 (3), Retrieved Jun 14, 2013 from www.european-science.co.

[2] N. Vittal, P.K. Agrawal, Good Governance in the new millennium, Manas Publications, Delhi, India, 2005, p.109.

sufficient to control corruption in government and in administration. Where it is difficult to ensure legal and judicial reforms in corruption areas, reform should focus on reducing the incentives for pay-offs and on increasing the government's responsibility to citizens.

As the judicial and administrative systems for the redress of corruption are perceived to be ineffective and time consuming, concerned citizens in some instances have taken it on themselves to establish watchdog bodies. Initially. these private groups have organized monitoring teams to keep tabs on the operations of government agencies which are particularly graft prone. In many countries, this mechanism appears to be having the desired impact.

In order to deal effectively with bureaucratic corruption, there is a need to introduce reforms in the civil service. The first step in this area is that the conditions of civil service be reviewed and improved. Good governance requires better training and selection of civil servants, revision of career and salary structures, decentralization where appropriate, improvement of management information system, and strengthening of personnel and financial auditing systems.

Section 8:

Corruption Indicators and Governance.

Measuring corruption is a critical step toward understanding its scope, impact, and the effectiveness of governance systems. Over the past decades, various international organizations have developed indicators to assess the prevalence and perception of corruption across countries and institutions. These indicators play a key role in evaluating transparency, accountability, and institutional integrity.

This section examines the most widely used corruption indicators—such as the Corruption Perceptions Index (CPI), Worldwide Governance Indicators (WGI), and others—and analyzes their relevance in assessing governance quality. It also explores the relationship between strong governance structures and lower levels of administrative corruption, emphasizing the importance of data-driven approaches in policymaking and reform efforts.

1. Corruption Indicators:

Corruption indicators are tools or signs that help us understand how much corruption exists in a country, organization, or sector. These indicators give us useful information about the level, type, and effects of corruption. They are important because they help governments, researchers, and the public to measure corruption and take steps to fight it. We will now review the most important corruption indicators below.

-The Corruption Perceptions Index

The Corruption Perceptions Index (CPI) has emerged, over the years, as the most popular indicator of corruption at both national and regional levels. Developed and published annually by Transparency International, it scores and ranks countries or territories around the world based on surveys and assessments on how corrupt a country's public sector is perceived to be by experts and business executives (TI. 2020). It utilizes a scale of 0-100, wherein zero implies that a country is perceived as highly corrupt and 100 indicates that a country is regarded as very clean. Each country's score is a combination of at least three data sources drawn from 13 different corruption surveys and assessments that capture perceptions of corruption within the past two years. A country's rank is therefore its position relative to the other countries in the index. The regional scores are the regional average. The data sources are collected by a variety of reputable institutions, including the World Bank. The CPI is freely available and easily accessible online.[1]With the advent of the UN Anti-Corruption Convention in 2003, international efforts to curb corruption entered the phase of implementation and enforcement. International efforts moved on from the short-term goals of setting international standards and general awareness raising. The value of the CPI as an awareness raising tool is not called into question. 20 This new international context, however, has called for a reassessment of the functions and limitations of the CPI. The failings of the CPI can be grouped under seven headings. They are referred to as the CPI's seven failings:[2]

-Only Punishing the Takers, not the Givers or Abetters,

- Irregular and Uncontrolled Country Coverage,

[1] Kempe Ronald Hope, Corruption: Sustainable Development and Security Challenges in Africa: Prospects and Policy Implications for Peace and Stability, Springer Nature Switzerland, 2003, P62.

[2] Mark Philp, Boundaries and Functions of (Macro) Corruption Indices, Governance-Access-Learning Network, Chicago, USA, 2003, P17.

-Biased Sample: More Than 90 per cent of the World is Missing,

- Imprecise and Sometimes Ignorant Sources,

- Far Too Narrow and Imprecise a Definition of Corruption,

-Does not Measure Trends: Cannot Reward Genuine Reformers,

-Guilty by Association - Aid Conditionality.

- The Control of Corruption Indicator in the Worldwide Governance Indicators:

The Control of Corruption (CoC) is one of six composite indicators of broad dimensions of governance in the Worldwide Governance Indicators (WGI) developed at the World Bank. The CoC composite indicator, as stated by the World Bank, "captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture" of the state by elites and private interests." It also measures how strongly and effectively a country's institutional and policy framework prevents and combats corruption (World Bank n.d.). The CoC indicator is reported out in two ways: (1) in standard normal units, ranging from approximately -2.5 (high corruption) to 2.5 (low corruption); and (2) in percentile rank terms from 0 to 100, with higher values corresponding to higher governance outcomes (World Bank n.d.). The regional scores are also based on the regional average.

According to Hamilton and Hammer (2018), the CoC composite subjective indicator, along with the CPI, are the most appropriate corruption indicators as they represent the best beginning point of any empirical analysis, given that they are more comprehensive and thus more likely to capture all elements of corruption. Similarly, Bello y Villarino concluded that "both the post-2012 CPI and the CoC offer reasonably reliable and minimally valid measurements of perceptions of corruption which can be used with the relevant caveats as proxies for levels of prevalence of corruption in different jurisdictions.[1]

2. The concept of governance:

Numerous studies and reports prepared in the wake of the financial collapses and crises that have hit many international companies over the past years have revealed the failure of these companies in the process of preparing financial reports. The 1980s and 1990s are examples of failures, which have been associated with the names of major global companies, such as Maxwell, BCCI, Polly Peck in the United Kingdom and other companies. Perhaps one of the most prominent corruption cases is the collusion of Arthur Andersen, one of the world's leading accounting and auditing companies, which was behind the collapse of many companies in the United States of America during (2002-2001), such as Enron Energy, WorldCom Communications and Xerox, which specializes in textile machines. The recent focus on corporate governance stems mainly from the failure of corporate governance mechanisms to adequately monitor and monitor the decisions of higher-level managers. This position leads to changes in corporate control mechanisms, particularly with regard to efforts to improve the performance of boards of directors. The second and most positive reason is that this interest

[1] Kempe Ronald Hope, Corruption, Sustainable Development and Security Challenges in Africa, P63.

comes from evidence that a well-functioning control and control system at the unit level can create a competitive advantage for the company.[1]

The words 'government' and 'governance' are often used interchangeably, though they are not the same. Government is a group of people who rule or run the administration of a country. It is the body of representatives that governs and controls the State at a given time. It is the medium through which the power of the State is employed. Governance, on the other hand, is the act of governing or ruling. It is the set of rules and laws framed by the government that are to be implemented through the representatives of the State. Simply put, governance is what the governments do. [2]

The concept of governance has been in use at least since the fourteenth century. It was first used in France. It meant 'seat of government'. It has been derived from Greek word 'Kybernan' which means 'to steer and to pilot or be at the helm of things'[3]. Governance, in simple terms, means "the process of decision-making and the process by which decisions are implemented (or not implemented)". The Concise Oxford Dictionary defines it as an "act or manner of governing" and "the office or function of governing". Governance has also become a term used to describe a particular set of changes. It signifies a set of elusive but potentially deeply significant shifts in the way in which government seeks to govern.

The term 'governance' was first used by Harland Cleveland (1972). He used it as an alternative to public administration. According to him, what people want is 'less government and more governance'. He identified governance with a cluster of concepts. According to him, "the organisations that get things done will no longer be hierarchical pyramids with most of the real control at the top. They will be systems – interlaced webs of tension in which control is loose, power diffused and centres of decision plural…. Because organisations will be horizontal, the way they are governed is likely to be more collegial, consensual, and consultative. The bigger the problems to be tackled, the more real power is diffused and the larger the number of persons who can exercise it – if they work at it".[4]

The World Bank defines governance as: the manner in which power is exercised in the management of a country's economic and social resources for development.[5] The Worldwide Governance Indicators project of the World Bank defines governance as: the traditions and institutions by which authority in a country is exercised.[6] This considers the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies and the respect of citizens and the state of the institutions that govern economic and social interactions among them.

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[1] Ali Aboudi Nehme, Al-Jubouri, Administrative governance and its role in reducing financial and administrative corruption, Journal of El-Maqrizi for Economic and Financial, Volume:06, N° 02, Jorden, 2022, pp 625-630.
[2] Rosenau, J.N. & Czempiel, E.O, Governance without Governments: Order and Change in World Politics, Cambridge University Press, Cambridge, 1992.
[3] Medury. U, Public Administration in the Globalization Era, The New Public Management Perspective, Orient Black Swan, New Delhi, India, 2010.
[4] Fredrickson, H.G, Whatever Happened to Public Administration: Governance, Governance Everywhere: The Governance Discourse, Oxford University Press,2005, p 208.
[5] World Bank, Managing Development: The Governance Dimension, Washington, D.C, World Bank, 1991, p 11.
[6] World Bank, Managing Development, p12.

3. definition of corporate governance:

Corporate governance has evolved out of the need to protect those who provide external Finance to the corporation from those who have control over the firm. This clash of interest Between the mangers of the firm and the owners is usually referred to as the agency problem. The attempt to mitigate the effect of this clash has been the driving force behind the evolution of corporate governance.

The term "Corporate governance" does not easily lend itself to one universal definition. Different writers have defined it differently from different perspectives. It was defined as: "a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby, mitigating agency risks which may stem from the misdeeds of corporate officers".[1]

Gerrard Chareaux one of the pioneers in the field of corporate governance has defined it as: "The mechanisms which intend to determine the authorities and have an impact on the directors' decisions, in other word govern their leadership toward the corporate and set the scope of their authorities"[2]. Others writers have given definitions to the corporate governance as follows: The process carried out by the board of directors, and its related committees, On behalf of and for the benefit of the company's Shareholders and the other Stakeholders, to provide direction, authority, and oversights to management, "It means how to make the balance between the board members and their benefits and the benefits of the shareholders and the other stakeholders".[3]

4. Governance objectives

Governance seeks to achieve the following objectives: [4]

-Ensuring transparency, justice, equality and improving the level of economic and social development.

-Combating financial and administrative corruption and its consequent poverty and unemployment. Effective control over the performance of the enterprise and strengthening accounting accountability.

-Ensure a review of the operational, financial and monetary performance of the facility.

-Taking into account the interests of labor and workers and the distribution of powers and responsibilities to ensure enhanced control and internal control.

[1] Sifuna, Anazett Pacy, Disclose or Abstain: The Prohibition of Insider Trading on Trial. Journal of International Banking Law and Regulation, United Kingdom, 2012, P 04.
[2] Mimouni yassine, the development of SMEs and the good governance, magister memory, university of Telemcen,2012, P 15.
[3] M. Tarek Youcef, corporate governance, the Arabic organisation for administrative development, Egypt, 2007, P07.
[4] Ismail Mohammed Sadik, Abdel-Al Derby, Corruption crimes between the national and international control mechanisms, p37.

-Preventing nepotism and limiting the exploitation of power in the public interest.

-Comply with the provisions of the law and ensure that financial performance is reviewed and the cost of financing is reduced.

-Integrated management structures to ensure that management is held accountable to shareholders and stakeholders.

-Develop regulations to avoid or reduce fraud, conflicts of interest and actions that are materially, administratively and ethically unacceptable.[1]

-Develop control systems for the management of the organization and its board members.

-Develop regulations under which the organization is managed in accordance with a structure that determines the distribution of both rights and responsibilities among participants (board of directors and shareholders).

-Establish rules and procedures for the functioning of the organization, which include achieving the objectives of the governorship.

-Encouraging banks and financial institutions to implement special strategies for governance mechanisms and include them within their regulatory structures on the basis of scientific and practical justifications and to contribute to improving banking performance indicators and avoiding exposure to risks and crises that they may be exposed to to ensure proper distribution of responsibilities and decision-making centres.

-Overcoming the difficulties facing the implementation processes and implementation of governance mechanisms in the financial and banking institutions in Iraq, where a mechanism is put in place for effective dealing between the Board of Directors and senior management.[2]

[1] Abboud Salem Mohammed, Yaacoub Fayha Abdullah, Institutional Control, Dar Al-Dr. For Sciences, Iraq 2013, p. 145.
[2] M. Tarek Youcef, corporate governance, the Arabic organisation for administrative development, p44.

Section9:

Business Ethics, Governance, and Social Responsibility

In today's complex and dynamic business environment, the interplay between ethics, governance, and social responsibility has become increasingly significant. Business ethics provides the moral framework for decision-making, while corporate governance ensures accountability and transparency within organizations. Social responsibility, on the other hand, reflects the commitment of businesses to contribute positively to society and the environment. This section explores how these three concepts are interconnected and how they collectively influence sustainable business practices and public trust.

1. Corporate Social Responsibility:

Corporate Social Responsibility (CSR) refers to a company's responsibility to operate in a way that benefits society as a whole, beyond its financial obligations. This involves considering the social and environmental impact of business operations and taking action to mitigate negative consequences. CSR includes obligations to employees, customers, suppliers, the environment, and the wider community.[1]

The importance of CSR has grown in recent years as a result of increased public awareness of environmental and social issues, such as climate change, social inequality, and human rights. With this growing awareness, there has been an increasing expectation that businesses will take steps to address these issues and operate in a socially and environmentally responsible manner.

Corporate social responsibility (CSR) has gained an increasingly high profile in recent years. CSR can be defined as the ways in which a business seeks to align its values and behaviour with those of its various stakeholders. The stakeholders of the business include the employees, customers, suppliers, government, interest groups (such as environmental groups) and wider societal interests on whom the operations of the business may have an impact. Often it can be a difficult balancing act for a business to try to effectively consider the perceived needs of these often-disparate groups of stakeholders, and some companies appear much more successful in this regard than others.[2]

CSR is an area in which investors, especially institutional investors, are showing an increasing interest. The interest of institutional investors is often driven by the expectations of their clients, for example, the ultimate beneficiaries of pension funds, or by the pronouncements of industry body representative groups such as the Association of British Insurers (ABI); or by government-supported initiatives both at a national and an inter-national level. The United Nations Principles for Responsible Investment (UN PRI) are an important development in this area. In 2005 the UN Secretary General invited a group of the world's largest institutional investors to join a process to develop the Principles for Responsible Investment (PRI).

There is an increasing awareness that companies cannot function in isolation from the wider society in which they operate, and that they need to consider the interests of groups other than shareholders if their longer-term sustainability is to be maintained. The purpose of this volume is to highlight, through various case studies, how CSR has evolved in a number of countries around the world and to illustrate its application in specific countries and case study

[1] Gilad James, Introduction to Business Ethics, Gilad James Mystery school, USA, 2000, P02.
[2] Chris A. Mallin, Corporate Social Responsibility: A Case Study Approach, Edward Elgar Publishing, Cheltenham, UK, 2009, P10.

companies. The volume has four parts which focus on different regions and illustrate the ways in which CSR is developing, given different legal structures (civil law versus common law); different governance and ownership structures; and differing societal expectations regarding the importance of various stakeholder groups.

CSR has several definitions: -According to the founding father of CSR Howard Bowen: "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".[1]

-According to Drucker (1977): "It is the obligations that companies have towards society".

-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".[2]

-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".[3]

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.

2. The history of Corporate Social Responsibility:

Corporate social responsibility (CSR) is a controversial subject that continues to attract a lot of attention from those who argue that the whole issue is irrelevant to business, through those who see the relevance, but think it is a bad idea for business, to the vast array of writers who think that CSR is of strategic importance to business. The debate about the role of Strategic CSR in business is interesting, but few people have attempted a truly comprehensive history of CSR. Most of what passes around for the history of CSR only begins from the second half of the last century.[4]

In this chapter we shall attempt a more detailed account of the history of CSR. This is intended to be a guideline for a more detailed exploration of the subject. We are going to trace the historical roots of the concept from ancient times to the modern day.

Since our intention here is to search for the history of CSR, it is important that we look at the etymological definition of the term company. Like many contemporary English words, the word company has Latin roots. It is derived from two Latin words, cum and panis, which mean

[1] Bowen. R, Social responsibilities of the businessman, Harper & Row, New York, USA, 1953, P06.
[2] Bowen. R, Social responsibilities of the businessman, P07.
[3] Green Paper on the promotion of a European framework for CSR, European Commission Brussels, 2001, p8.
[4] Freeman, R. E., & Liedtka. J, Corporate social responsibility: A critical approach, Business Horizons, 34(4), USA, 1991, pp92–98.

breaking bread together"[1]. Therefore, the original idea of a company had communal or social connotation.

Tracing the etymology of the term company is relevant here because as the words corporate, social, and responsibility rightly suggest, CSR covers the responsibilities that companies or corporations have to the societies within which they are based and operate. From a practical perspective, CSR involves a business identifying its stakeholder groups and incorporating their needs and values within the strategic and day-to-day decision-making process.

There is a paucity of in depth literature on the history of CSR. In most cases, researchers or practitioners have simply referred to the history of CSR in a sentence or sometimes just in a paragraph or two. It is for this reason that it is important to present a more detailed account of the journey of CSR over time.

The history of CSR is as old as the history of business itself, even though the concept was not formally formulated until recently. Even then as we saw in Chapter One, when we reviewed the meaning of CSR, the concept is still evolving and there isn't complete agreement as to what the concept is all about.

The vagueness that characterizes the meaning of CSR influences its history because those who have a narrow definition of the term would exclude certain activities from what they consider CSR. We are going to divide the history of CSR into two broad periods - before 1900 and from 1900 to present. We are also going to examine the history of shareholder activism, given that it is an integral aspect of corporate responsibility.

CSR Activities Before 1900

The history of social and environmental concerns about business is as old as trade and business itself. For example, commercial logging operations and laws to protect forests can both be traced back almost 5,000 years. King Hammurabi of Ancient Mesopotamia, who ruled around 1700 BC, is known to have introduced a code in which builders, innkeepers, or farmers were put to death if their negligence caused the deaths of others, or major inconvenience to local citizens.[2]

Therefore, businesses in the times of Hammurabi were forced to be socially responsible because that was a license-to-operate. In addition to being legally bound to do good, it is possible that some businesses then would have seen the necessity of being good corporate citizens, not just because they were afraid of the legal consequences, but also because of their moral convictions.

Therefore, businesses in the times of Hammurabi were forced to be socially responsible because that was a license-to-operate. In addition to being legally bound to do good, it is possible that some businesses then would have seen the necessity of being good corporate

[1] Arndt. M, The origins and meaning of corporate terms: A linguistic perspective on business concepts. Journal of Business History and Ethics, 12(3), USA, 2003, pp 45–49.

[2] Brass Centre, The Business Responsibility for Social Performance, Cardiff University, Centre for Business Relationships, Accountability, Sustainability and Society (BRASS), UK, 2007, P56.

citizens, not just because they were afraid of the legal consequences, but also because of their moral convictions.

It is also recorded in history that Ancient Roman senators grumbled about the failure of businesses to contribute sufficient taxes to fund the military campaigns of the day. It is clear that these senators thought it was the responsibility of businesses to contribute to the war program, in much the same way as American businesses were called upon to contribute to the war program, in muen the same way as American businesses were called upon to contribute towards the Second World War.

In 1622 disgruntled shareholders in the Dutch East India Company, are said to have started issuing pamphlets complaining about management secrecy and "self-enrichment". This shows that shareholders were aware of their rights, and that they were grappling with more or less the same problems as we face in the modern economy. We have all heard of the exorbitant wages that many U.S. CEOs receive, even when they are not performing as well as expected. As in 1622, many current day American investors are demanding a reduction of some of the CEO compensation packages.

Talking to individuals, thinkers and business people in Africa, we found out that the CSR concept is very much part of their business history. Our research found that hunters in the Southern Cameroons, as well as other parts of Africa were expected to bring part of their catch to the chief (traditional rulers). Farmers in Eastern Nigeria (Igboland). brought their first harvest for the famous communal New Yam Festival. Professional craftsmen were seen as custodians of history and many of their artworks were kept in the palaces of the chiefs (they were not paid for such pieces of arts).

In all parts of Africa where we spoke with people, we found out that vital professionals such as doctors were not allowed to charge exorbitant fees for their services. In fact, their fees were normally so nominal that no one could say s/he was unable to pay. All these point to the fact that in traditional African societies, businesses were seen first and foremost as providing benefits for the whole society, and the individual businessperson came only second place.

A similar concept of business responsibility is strongly emphasized in the Qur’an, where justice, fairness, and care for others are central values in all aspects of life, including economic activity. The Qur’an consistently calls for honesty in trade, fair treatment of workers, and support for the poor and vulnerable. Verses warning against cheating in measurement and hoarding wealth, such as “Woe to those who give less [than due]” (Surah Al-Mutaffifin, 83:1), highlight the ethical responsibilities of businesses.

Furthermore, the Qur’an encourages spending in the way of Allah (infaq), supporting the community, and avoiding exploitation and excessive profit at the expense of others. These principles form a solid foundation for what is today known as Corporate Social Responsibility. Indeed, CSR can be seen as deeply aligned with Islamic ethical teachings, which emphasize the balance between individual gain and societal welfare.

With industrialization, the impacts of business on society and the environment assumed an entirely new dimension. The "corporate paternalists" of the late 19th and early 20th centuries used some of their wealth to support philanthropic ventures.

CSR Activities From 1900-Present

The idea of CSR can be traced back to the early 20th century, although it was not known by this term then. Business tycoons began donating to community causes, and some business owners (although somewhat reluctantly) reduced working hours and improved operational conditions, laying the foundation of responsible corporations. In the 1920s and 1930s, economists Howard Bowen began to discuss the responsibilities of businesses beyond mere profit-making. Bowen's seminal work, "Social Responsibilities of the Businessman" (1953), is often cited as the foundation upon which the modern understanding of CSR was built. He advocated that business decisions should align with societal needs and interests, laying the groundwork for future CSR development.

In the workplace, the concept of CSR as we understand it today was virtually non-existent. Workplace culture primarily emphasized industrial efficiency, with CSR initiatives not yet integrated into the fabric of corporate identity or employee relations. However, the initial steps taken by some business leaders to improve working conditions started to hint at the potential of CSR to influence workplace culture by demonstrating a commitment to employee welfare and community well-being. These early examples of corporate philanthropy, while rare and often seen as personal projects of the business owners, began to sow the seeds for a future where CSR would become integral to shaping a positive and responsible workplace environment.

Post-World War II marked a pivotal moment of transformation, with the emergence of the civil rights movement, environmentalism, and consumer advocacy groups laying the groundwork for a new era of societal values. These movements began to reshape public expectations of corporate behaviour, significantly impacting not just consumer rights and environmental protection but also sowing the early seeds for a change in workplace culture. Employees started to envision a workplace that not only provided job security but also operated on principles of fairness, equality, and respect for the environment. This period subtly initiated the shift towards employees expecting their employers to embody broader societal values, marking the beginning of a changing landscape in workplace culture towards greater corporate responsibility.

From 2000 to 2020, the Digital Age revolutionised Corporate Social Responsibility (CSR), with the internet and social media enhancing transparency and pushing for accountability in corporate practices. This era heightened focus on sustainability, ethical supply chains, and fair labour practices, mirroring widespread concerns over climate change and human rights.

In the workplace, employee expectations around CSR transformed dramatically. A notable study by Cone Communications in 2016 found that 64% of millennials weigh a company's social and environmental commitments heavily when choosing their employment, highlighting a shift towards workplaces that champion sustainability, diversity, and social responsibility.

Esteemed for their CSR initiatives, companies like Patagonia and Ben & Jerry's witnessed lower turnover and higher engagement, proving CSR's vital role in shaping workplace culture and employee satisfaction. On the consumer front, demand surged for businesses that operate responsibly. A Nielsen report in 2020 showed that 73% of global consumers would modify their habits to lessen environmental impact, with certifications like Fair Trade and B Corp guiding consumers towards brands that reflect their values. In this period, purchase decisions increasingly represented personal beliefs, driving a clear message that societal values significantly influence both the marketplace and the workplace.

Due to Enron and other companies scandals during 2000 and the financial Wall Street collapse of 2008, CSR continued to find legitimacy in business. Business ethics has become the hot topic of that period. Social responsibility has been left behind. However, UK and continental Europe continued to develop the concept (Moon, 2005). Also, "business case" was highly discussed at that time.

In the early 2000s, the business community became fascinated of the new concepts of sustainability or sustainable development, all of which became integrant part of the debates on CSR (Carrol, 2008, Oxford).

The Green Paper, a report prepared by the European Commission in 2001, stated that during that period most CSR definitions describe it as a concept whereby companies voluntarily Integrate social and environmental problems in their operations and in the collaboration with their stakeholders.

Gariga and Mele (2004) classify the theoretical conceptualizations on CSR Into four groups: Instrumental, political, integrative and ethical approaches. The instrumental approach sees CSR as a direct or indirect mean for ultimately making profits. Political theories emphasise social rights and activities associated with social organization power, while the integrative approach includes theories that argue that organizations should integrate the community's social needs because they depend on the society in order to continue their activity and develop. Finally, ethical theories assert that business environment and society are or should be driven by ethical values; therefore organizations should adopt social responsibility as an ethical obligation, beyond other considerations.[1]

Although several attempts have been made to construct a unified theory of Corporate Social Responsibility (CSR), the concept continues to evolve in multiple directions. On one hand, CSR is often seen as a voluntary initiative whereby companies choose to engage in socially beneficial activities beyond their legal obligations (Kotler and Lee, 2005). On the other hand, some scholars argue that CSR constitutes a moral obligation to meet society’s expectations (Carroll, 1979; Jones, 1980). These differing perspectives reflect an ongoing debate about the very nature and purpose of CSR in the business world.

As Martin (2002) noted, most prevailing theories of CSR are shaped by the social expectations arising from the company’s surrounding environment. Businesses today are increasingly aware that they are not isolated entities; instead, they are embedded in a broader network of social, political, and economic stakeholders who exert pressure in various forms—ranging from consumer activism and media scrutiny to investor demands and governmental regulation.

A particularly significant area of discussion concerns the relationship between CSR and financial performance. This debate has garnered attention from both academic researchers and corporate practitioners. While some critics argue that CSR initiatives divert resources away from core business objectives, CSR advocates and professionals often counter by emphasizing

[1] Laplume, André, Reginald Litz (Dec 2008). "Stakeholder Theory: Reviewing a Theory That Moves Us". Journal of Management (5), 2008, pp 152-189.

that social investments—such as charitable contributions, environmental sustainability efforts, and community development programs—can enhance corporate reputation, customer loyalty, and ultimately profitability. In this view, the resources allocated to CSR are not merely costs but strategic investments with the potential to yield long-term financial returns.

Today, examples of social responsibility include: reducing pollution to protect environment, sell safe goods, be honest with clients and fair with employees. Palazzo (2008) present social responsibility based on the link between stakeholders. Kotler and Lee (2005) characterise social responsibility as one that contributes to community prosperity.[1]

Today, the concept of CSR is discussed in terms of several approaches: the pragmatic/rational approach of CSR (companies assume additional responsibilities and engage in social projects to gain long-term competitive advantages); ethical approach of CSR (companies must assume additional obligations due to their special role in the community) and CSR approach in terms of social pressure (companies must respond to the growing social demands of the community in which they operate).

With these approaches already present in literature, Galbreath develops in 2006 four strategy models on CSR, each of them described and analysed by means of the 6 components: purpose, instrument, measuring unit, beneficiaries, corporate benefits and periods of time.

The first strategic model is based on the shareholders' strategy. It exclusively assumes maximization of shareholders' revenue. Some rules may force companies to engage in socially responsible strategies, but they are only initiated if they bring financial benefits. This approach is thought for short-term only.

The second model, the one based on altruistic strategy, starts from the idea that there must be a positive implication in the development of the community in which the company operates. Usually, this implication is only limited to donations or philanthropy. "Doing the right thing" is the company's thought. Company's benefits may not be measurable, and in this case the beneficiaries are community groups and causes.

CSR Model based on Reciprocal Strategy is represented by self-interest and is considered as a means to solve the conflict between economic objectives and social, environmental and moral pressures. CSR is associated with the corporation's central activities and is seen as a middle and long-term investment. The corporation's benefits consist in financial performance, achieving marketing objectives marketing and human resources development. CSR Instruments are partnerships, CSR forms and CSR activity is measured by its specific reports.

CSR Model based on Citizenship Strategy considers the convergence of the different interests of stakeholders and shareholders. However, the company fails to equally meet the requirements of all stakeholders and therefore they need to be prioritized. The measuring unit is "holistic" (considers social, environmental and economic objectives), and the corporation's benefits are tangible and intangible. With a long-term view, CSR is applied by means of corporate governance, business ethics and dialogue with stakeholders.

[1] N. Farcane, History of Corporate Social Responsibility, University of Timisoara, Romania, Retrieved March12, 2020 from https://www.researchgate.net/publication.

Under these circumstances, Maon and al ,in 2010, developed the integrative CSR model in seven stages. In turn, these are split into three cultural phases: (CSR reluctance, CSR grasp and CSR embedment), presenting also the dimensions of CSR development. The assumption underlying this model shows that the development of CSR in a company reflects some features of the company's cultural, morale, strategical and organisational sides.

The first phase 'CSR reluctance'; CSR is ignored and considered only in terms of restrictions. The second CSR grasp; the organization becomes familiar with the CSR principles. The third CSR embedment; the organization fully integrates CSR principles based on moral. which influence its results.

The model differs from previously developed frameworks in that it emphasizes the importance of cultivating an organizational culture that supports CSR rather than maintaining a culture that is unsupportive of CSR. This model advocates for the transformation of such environments into CSR-supportive cultures through the implementation of integrated CSR programs and policies.

3. Business Ethics and Social Responsibility

"The Business of Business is Business' was the motto of businesspersons in early times. Narrowly interpreted, it would mean that corporations have only one responsibility, the single-minded pursuit of profit. To economists like Adam Smith and Milton Friedman, in a capitalist society profit maximization by the continued increase of efficiency is the most socially responsible way of conducting business. This implies making quick money, with utter disregard for the responsibility of business towards society. This limited view of business would prove to be counterproductive in the long run. But on the other hand, the long-range view of business, which would imply an aim at the long-term gains rather than at quick returns, would take into account the important dimension of social responsibility. The ethical and social behaviour of corporations is essential for the generation of profit, owing its source to the reputation the corporation would acquire in view of its social behaviour.

James Burke, the chairman of the well-known consumer product and pharmaceutical company, Johnson & Johnson said this: "I have long harboured the belief that the most successful corporations in this country, the ones that have delivered outstanding results over a long period of time, were driven by a simple moral imperative, namely serving the public in the broadest possible sense better than their competitors".[1]If we are to compete effectively in the global market, corporations must take a long, hard look at their values, practices and assumptions. They need to question their accepted modes of behaviour, promulgating new values and set up new standards of conduct which are openly held and shared within the corporation, while proclaimed to the outside world.

-Difference between CSR and business ethics.

Corporate Social Responsibility (CSR) and business ethics are two fundamental concepts in the field of business management. Although they are closely related, they differ in scope and focus. Business ethics deals with the moral principles that guide individual and organizational behavior in the business environment, ensuring that actions are fair, honest, and respectful of

[1] A. C. Fernando, Corporate Governance, Principles, Policies and Practices, Pearson Education, New Delhi, 2006, p41.

stakeholders. On the other hand, CSR refers to the broader responsibilities that businesses have towards society, including environmental sustainability, social equity, and economic development. To clarify the distinction between these concepts, the following table presents a comparative overview of their main differences.

Table (4): Difference between CSR and business ethics.

	logic of Business Ethics	**logic of CSR**
repositories	standard economic theory	sustainable development
	theories of the ethical moralist current moral responsibility of the company + paternalism	reflections on the reform of the company at the origin of the social report 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

Source: Manoj, M. M. "Business Ethics and Corporate Social Responsibility." International Journal of Management Research and Review, vol. 2, no. 5, India, 2012, pp. 161–165.

-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 invest 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. 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.

Through the analysis of the data collected. 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. 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, an 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.[1]

4. Relationship Between Corporate Governance and CSR

Corporate Governance and Corporate Social Responsibility (CSR) focus on the ethical practices in the business and the responsiveness of an organisation to its stakeholders and the environment in which it operates. Corporate Governance and CSR results into better image of an organisation and directly affects the performance of an organisation.

The terms corporate governance and corporate social responsibility sound similar, but there is a very important difference between them. Both processes are important for corporations, industries and society at large. Both can have a positive or a negative impact on corporations and societies. The path to corporate profitability often rests with corporate social responsibility, which entails paying more attention to the issues that matter most to employees, customers and whole communities.

CSR principles aim to make todays larger public companies responsible members of the community. To ensure that, in addition to complying with the minimum requirements of the law, they conduct their activities in an environmentally sensitive manner, they pay their taxes in full and on time, they respect their employees and pay and treat them fairly wherever they may be based, they source their raw materials from companies that also follow sound labor and environmental practices, and they otherwise act ethically in their dealings with the outside world. Using our narrower definition, corporate governance is more concerned with the enhancement of shareholder value and the protection of shareholder interests. To ensure, through a variety of oversight mechanisms, that management is encouraged to develop the business in the best interests of the shareholders and is not allowed to waste or otherwise divert corporate assets. Arguably the best-known definition is that used in the Cadbury Report: 'corporate governance is the system by which companies are directed and controlled'[2]. However, a more informative description is the one used by the IOSCO Technical Committee Task Force on Corporate Governance, when it was recently referred to as 'a term used to describe a system of overlapping legal, regulatory, organizational, and contractual mechanisms

[1] Benamar Soumia, Social Corporate responsibility and business ethics in Algeria, Journal of Economic Integration Vol: 10 - N° 04, Algeria, 2022, pp 401-409.
[2] Bostelman, Lisa, et al. Public Company Deskbook: Sarbanes-Oxley and Federal Governance Requirements, Practicing Law Institute, New York, USA, 2009, p13.

designed to protect the interests of a company's owners (the shareholders) and limit opportunistic behavior by corporate managers who control the company's operations'.[1]

The manner in which CSR and corporate governance principles develop has also tended to differ. CSR principles often emerge over time through effective lobbying by and debates with interest groups and human rights and public interest lawyers (they are still often of a voluntary nature or softer), whereas corporate governance principles are more typically governmentally or shareholder inspired reactions to high-profile corporate failures, abuses and other crises (and are more often mandatory) that have harmed the investor community. In some cases, it is hard to distinguish between CSR and corporate governance. Although generally underpinned by detailed statutory provisions, environmental, labor and consumer obligations have more to do with CSR than corporate governance precisely because the largest companies are expected to set a good example for others; to do more than the law requires. Likewise, corporate governance is at times concerned with softer issues such as the promotion of ethical behavior by directors and managers, but this has traditionally been with the interests of a narrower constituency (the shareholders) in mind.[2]

To the extent that these distinctions still have merit, corporate governance is an increasingly important aspect of CSR. And, as they continue to develop, corporate governance principles will continue to provide the more solid foundations on which broader CSR principles - and business ethics - can be further enhanced.

[1] Michael Hopkins, CSR and Global Business Principles: What a Mess! MCH International, Monthly Feature, Switzerland, 2002, p36.
[2] Mark Walsh & John Lowry, CSR and Corporate Governance, Kluwer Law, Netherlands, 2011, pp 43-55.

Section 10:

Organizational Culture and Business Ethics

Organizational culture plays a crucial role in shaping ethical behavior within a business environment. It includes the values, norms, and practices that guide how employees interact, make decisions, and respond to ethical challenges. A strong ethical culture promotes integrity, accountability, and transparency, influencing not only internal operations but also the organization's reputation and long-term sustainability. This section explores the dynamic relationship between organizational culture and business ethics.

1. Defining Organizational Culture:

As one can observe, several of the benefits and issues mentioned about business ethics concern the organizational (or corporate) culture. Indeed, organizational culture is considered to be one determinant of the extent to which people behave ethically in an organization and has been increasingly documented. Giberson define organizational culture as "a collective phenomenon emerging from members' beliefs and social interactions, containing shared values, mutual understandings, patterns of beliefs, and behaviors that tie individuals in an organization together over time"[1]. The beliefs and assumptions that are considered valid or effective are passed down through the organization and taught to new members as the way they should perceive, feel and act in the organization.

In other words, it guides how things are done in an organization and indicates what should be important to the employees[2]. It helps explain what happens in organizations since the behaviors within the company should be consistent. As a result, the culture and corporate values help to create a sense of identity and enhance social stability. According to Charles O' Retlly, "Organisational culture is the set of assumptions, beliefs, values and norms that are shared by an organisation's members[3]."

2. The Impact of Organisational Culture:

Organisational culture prescribes some specific modes of behaviour for its members. These modes of behaviour affect the entire behavioural processes. Such behavioural processes create the following impacts:[4]

- Objective setting: Culture moulds people, and the people are basic building blocks of the organisation. Therefore, it must reflect the objectives of its members. Thus, profit maximisation may be objective for one organisation. but the same objective may be unworthy, mean, and petty for other organisations.

- Work ethic: Ethic is concerned with the principles of human conduct. Work ethic in an organisation is derived from its culture. Therefore, organisational culture determines the ethical standards for the organisation as a whole.

[1]Giberson, T. R., Resick, C. J., Dickson, M. W, Leadership and organizational culture; Linking CEO characteristics to cultural values, Journal of Business & Psychology, 24 (2), Netherlands, 2009, P 13.
[2] Carlson. D, S. Perrewe, Institutionalization of organizational ethics through transformational leadership, Journal of Business Ethics, 14(10), Netherlands, 1995, pp829-831.
[3] F.C.Sharma, Rachit Mittal, Business Ethics And Corporate Governance, SBPD Publications, India, 2001, p190.
[4] F.C.Sharma, Rachit Mittal, Business Ethics And Corporate Governance, p191.

- Motivation: Culture determines the way people approach their jobs. If organisational culture is geared towards achievement, people will find it quite motivating. In its absence, frustration will take place among the people.

- Organisational processes: Different processes like planning, decision-making controlling, etc., are determined by the organisational culture because these processes are carried out by the people in the organisation.

3. Creating an Ethical Organizational Culture

Robbins and Judge (2009) offer a nice list of what management can do to create a more ethical organizational culture. They suggest a combination of the following practices:[1]

-Be a role model and be visible: employees look to the behavior of top management as a model of what's acceptable behavior in the workplace. When senior management is observed (by subordinates) to take the ethical high road, it sends a positive message for all employees.

-Communicate ethical expectations: Ethical ambiguities can be reduced by creating and disseminating an organizational code of ethics. It should state the organization's primary values and the ethical rules that employees are expected to follow. However, a code of ethics is worthless if top management fails to model ethical behaviors.

-Offer ethics training. Set up seminars, workshops, and similar ethical training programs. Use these training sessions to reinforce the organization's standards of conduct, to clarify what practices are and are not permissible, and to address possible ethical dilemmas.

-Visibly reward ethical acts and punish unethical ones: Performance appraisals of managers should include a point-by-point evaluation of how his or her decisions measure up against the organization's code of ethics. Appraisals must include the means taken to achieve goals as well as the ends themselves. People who act ethically should be visibly rewarded for their behavior. Just as importantly, unethical acts should be punished.

-Provide protective mechanisms: The organization needs to provide formal mechanisms so that employees can discuss ethical dilemmas and report unethical behavior without fear of reprimand. This might include creation of ethical counselors, ombudsmen, or ethical officers.

The organizational culture is a critical aspect of a company's long-term survival. Organizational culture refers to the general beliefs and views of how things are done in an organization. Organizational climates, including ethical climates, are reflections of the basic organizational culture. Ethical culture refers more specifically to the norms and values that guide organizational members when faced with ethical dilemmas. Cultural norms and values related to ethics are reflected in the ethical climate or the employees' shared perceptions of how to deal with ethical dilemmas. The degree to which employees agree on their perceptions of the ethical climate indicates the strength of the ethical culture and how likely it is that the ethical culture will affect behaviors.

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[1] Nguyen. S, Creating an Ethical Organizational Culture, Business Ethics Resource Center, Retrieved June 15, 2024 from https://www.businessethicsresourcecenter.org.

Organizational cultures are very important for understanding ethics in companies. Organizational cultures often define what is right and wrong in companies and such aspects clearly govern how people behave in organizations. Furthermore, companies can impart employees with the essential moral principles and values that are conducive to ethics.

4. Relationship Between Organizational Culture and Business Ethics

Organizational culture and business ethics are not synonymous with each other, but business ethics is an important part of the organizational culture. In other words, when the culture of the organization is taken as a whole, business ethics is one of the parts that make up this whole. Ethical values and business ethics are the basis of organizational culture. In other wors, it defines who the organization is, what it believes in, and how it tries to achieve it; determines the principles of strategy, policy and behavior in this process; it shapes the beliefs, traditions and ways of working of the organization[1]. Determination of values; it is mandatory to announce these values to the employees of the organization, the public and other relevant stakeholders for the following reasons:[2]

-Draws the basic framework for managers and employees regarding their behavior and decisions.

-The vision of the business, strategic approach and implementation support.

-Stance of the enterprise toward the stakeholders; the positive image of the enterprise increases the trust and respect of the company in all stakeholders. Thus, employees are motivated; the customer's sympathy for the product/service increases; the interest of investors increases; the approaches and audits of relevant public supervisory bodies take place positively; suppliers can see what is expected of them more clearly; communication with non-governmental organizations and the media can be more comfortable and smoother.

As a result, values form the basis of organizational culture. In fact, successful organizations, such as Peters and Waterman (1982) in their In Search of Excellence, have laid the foundation for value. Respecting others, contributing to the quality of life of the society and being fair and honest in all relationships are the examples of values. Issues such as product/service quality and safety, accuracy and honesty in pre- and post-sales applications, health and safety of the workplace and employees, investors' interests, energy saving, environmental protection are sub-headings of these values[3].

Business ethics examines the problems that arise as a result of business activities in terms of ethical discipline (Trevino and Weaver 1994). These issues can be located inside or outside the business and can affect those who are directly involved in the business, as well as third parties who are not in any relationship. The company has responsibilities towards its

[1] Parker. M, Business, Ethics and Business Ethics: Critical theory and negative dialectics, Studying management critically, SAGE Publications, London, 2003, pp197-200.
[2]Ashkanasy, N. M., Wilderom, C. P., & Peterson, M. F. Handbook of organizational culture and climate, 2000, p23.
[3] Budd, J. W., & Scoville, J. G. Moral philosophy, business ethics and the employment relationship, The ethics of human resources and industrial relations, Cornell University Press, USA,2005, p 21.

employees, customers, the society as a whole and the natural environment in which they are located. How these responsibilities are perceived is related to organizational culture.[1]

In enterprises where some business values and rules are not shared by employees, forcing employees into a common culture can lead to dismissal strays from work and reaction behaviors. For this reason, in order to develop business ethics, it is necessary to create the organizational culture first. The creation of a group culture that constitutes a different element of behavior in the working life or in the social society, in other words, the subculture enables the development of business ethics and the determination of the values that constitute the majority of conflicting values; strengthens the sharing of ethical principles; it makes possible the positive development of self-regulation, criticism and discussion processes.[2]

Today, businesses are faced with the necessity to better understand different cultural expectations in order to gain legitimacy in social relations within the global market. Cultural differences in perceiving the ethical responsibilities of enterprises affect the management. Understanding the relationship between the perception of business ethics and culture contributes to the interpretation of ethical decisions and cultural trends.

The institutionalization of business ethics means that the subject is no longer official and external and placed in the daily business life. Institutionalizing business ethics will prevent negative impact on the reputation of both the business and the decision-maker. In order for business ethics to be institutionalized within the enterprise, the organization must first have a culture of organization in the enterprise. The common philosophy between business managers and their employees as a result of the organizational culture allows these two groups to determine what they expect of each other and meet them in a common step.[3]

The process of institutionalizing business ethics refers to conscious and systematic efforts to make ethical values more effective in organizational culture and to constantly observe them. If managers succeed in integrating ethical values into the organizational culture, ethics will be assessed at the organizational level, not at the personal level, affecting the attitudes and behaviors of all employees. Despite its increasing importance, institutionalization in enterprises is not a phenomenon that can be realized all of a sudden. The institutionalization of business ethics in enterprises takes place only within a certain period of time.

Businesses that want to create an ethical environment in their business and make business ethics a part of the organizational culture should organize ethical programs covering all business employees for this purpose. These programs should be comprehensively prepared to ensure that employees are sensitive to ethical rules, to prevent scandals, and to establish ethical relations within the enterprise and with the external environment of the business. The programs to be created must also comply with the rules of business ethics, which guide the attitudes and behaviors that employees in the enterprise must follow and define responses to behavior contrary to business ethics. In addition, in these programs, the basic management functions of the enterprise in other words; During planning, organizing, directing. coordination and control activities, it should be emphasized that ethical behaviors should be given organizational

[1] Ouchi, W. G., & Wilkins, A. L, Organizational culture, Annual Review of Sociology, 11(1), USA,1985, pp457-483.
[2] Petty, G. C., & Hill, R. B. Work ethic characteristics: Perceived work ethics of supervisors and workers, Journal of Industrial Teacher Education, 42(2), USA, 2005, pp5-20.
[3] Peters, T. J., & Waterman, R. R. H. Search of Excellence: Lessons from America's Best Run Companies, Harper & Row, USA, 1982, p46.

priority. Organizational participation is required in enterprises with organizational culture. Ensuring organizational participation is also achieved by employees' belief in the aims and values of the organization, efforts for the interests of the organization and efforts to become members of the organization. Therefore, participation in the objectives of the organisation will ensure compliance with ethical conduct.[1]

[1] Nakano, C. The significance and limitations of corporate governance from the perspective of business ethics: Towards the creation of an ethical organizational culture, Asian Business & Management, 6(2), Palgrave Macmillan, UK, 2007, pp163-168.

Section11:

International Efforts to Combat Corruption

Primarily corruption is a national problem and countries have to take action within their own boundaries. However, the globalised world of today with multinational businesses, transnational crime, international banking and finances, and the almost free movement of people and information necessitates international moves against corruption. This is due to the fact that countries have realized the gravity of the threat of corruption and its twin transnational crime. I must say that progress has been made in this front but far more needs to be done.[1]

1. The United Nations' Efforts in Combating Corruption

In the last thirty years, efforts of international, and non-governmental, organizations such as the United Nations (UN), the OECD, the Council of Europe, and Transparency International (TI) have sought to reverse this mentality, to promote a more uniform understanding and concept of corruption across the world and, following assessments of its costs to a nation, an orchestrated fight against it. The media and individual citizens have also played an important role in changing perspectives on corruption through revealing scandals, seeking to hold governments to account, political movements, and even uprising and the overthrow of corrupt governments. This has resulted in a 'war' against, and a significant shift in thinking towards, corruption.[2] There is now broad consensus that corruption causes economic and other harm (including to international trade), and constitutes 'a cancer' to be rooted out through a multipronged strategy including preventative techniques, a reshaping of many national anti-corruption laws through harmonization processes, and tying conditions to external aid and MDB infra structure loans.[3]

This has resulted partly from the adoption of a number of anti-corruption conventions. In particular, the United Nations Convention against Corruption (UNCAC), spearheaded by United Nations Office on Drugs and Crime (UNODC), seeks to prevent and combat corruption and develop a harmonized approach to-wards corruption across its numerous signatories and ratifying jurisdictions.[4]

UNCAC tackles demand-side and supply-side corruption issues, bribery of foreign public officials, and specifically applies to corruption within procurement, by requiring procurement systems to be based on 'transparency, com-petition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption[5]. It also contains provisions on: law enforcement and li-ability of persons, obliging Party States to adopt such legislative, and other measures as may be necessary to establish certain corrupt practices as criminal offences, including domestic and foreign bribery, and embezzlement of public funds in certain circumstances[6]; consequences of corruption, including annulment or rescinding of contracts, withdrawing concessions, and compensation for damages; international cooperation; asset recovery; and preventive policies, including the establishment of anti-corruption bodies, introduction of transparent recruitment processes, codes of conduct for public servants, and

[1] Ajit Joy, Global Corruption and International Efforts in the Fight against Corruption, United Nations Office on Drugs and Crime, Jakarta,2009, P05.
[2] B. Rothstein, Fighting Systemic Corruption: The Indirect Strategy, 147(3), Dedalus, 2018, p 39.
[3] World Bank, Voice of the World's Poor: Selected Speeches and Writings of World Bank President James D. Wolfensohn, Washington, 2005.
[4] The UN General Assembly adopted the resolution on 31 October 2003-G.A. Res. 58/4, United Nations Convention against Corruption (UNCAC) (31 October 2003). UNCAC has been ratified by a huge proportion of UN members, more than 180 governments from industrialized, emerging, developing, and least-developed economies.
[5] United Nations General Assembly Resolution. 58/4, Article 9, paragraph 1.
[6] United Nations General Assembly Resolution. Res. 58/4, n. 128, Articles 15-42.

promotion of transparency and accountability in public finance.[1] Implementation is monitored through the Conference of States Parties, a peer-review process, and a country-based database that is kept on the UNODC website. Although crucial to the Convention's success, maintaining an effective monitoring and review process of over 180 countries is challenging. Implementation reviews do reveal nonetheless that nearly all of the State parties have criminalized at least some acts of corruption as defined in the Convention.

Subsequently, the OECD has promulgated a set of 'Principles for Integrity in Public Procurement, designed to enhance integrity throughout the procurement process, many international trade instruments also require signatories to ensure their procurement processes are free of corruption and conflicts of interest[2] and the G20 has become an important voice in the fight against corruption.

2. The World Bank's Role in the Global Fight Against Corruption

The Bank Group works at the country, regional, and global levels to help build capable, transparent, and accountable institutions and design and implement anticorruption programs relying on the latest discourse and innovations. The World Bank Group's work revolves around sustainability and changing outcomes by helping both state and non-state actors establish the competencies needed to implement policies and practices that improve results and strengthen public integrity.

The World Bank Group's approach to fighting corruption combines a proactive policy of anticipating and managing risks in its own projects. The Bank Group subjects all potential projects to rigorous scrutiny and works with clients to reduce possible corruption risks that have been identified. The Bank Group's independent Sanctions System includes the Integrity Vice Presidency, which is responsible for investigating allegations of fraud and corruption in World Bank-funded projects. Public complaint mechanisms are built into projects to encourage and empower oversight, and projects are actively supervised during implementation.

When allegations of fraud and corruption are substantiated, companies involved in misconduct are debarred from engaging in any new World Bank Group-financed activity. Concerned governments receive the findings of World Bank Group investigations. To date, the World Bank Group has publicly debarred or otherwise sanctioned more than 1,000 firms and individuals.

In fiscal year 2020, the World Bank Group debarred or otherwise sanctioned 49 firms and individuals and recognized 72 cross-debarments from other multilateral development banks. At the end of fiscal year 2020, 372 entities have been sanctioned with conditional release, a process by which firms are afforded the opportunity to improve their internal compliance programs as part of their sanction.

[1] United Nations General Assembly Resolution. Res. 58/4, n. 128, Articles 5-14,43-59.
[2] F. Heimann, M. Pieth, Confronting Corruption: Past Concerns, Present Challenges, and Future Strategies, Oxford University Press, Oxford, UK, 2018, p 115.

3. The Role of the OECD in Combating Corruption

The OECD Anti-Bribery Convention currently counts 46 countries, referred to as 'Parties', that have committed to the fight against bribery in international business transactions. The drive against foreign bribery and corruption is also gaining traction in other countries, which are investing in reforms to build economic and social resilience, promote a level playing field for businesses and attract foreign investment.

The OECD engages in the fight against foreign bribery through a number of global programmes, regional initiatives and country specific technical assistance. This work involves strengthening law enforcement capacity and co-operation within and across borders, and promoting business integrity practices in global markets.[1]

Businesses and C-Suite Leaders play a central role in leading and maintaining pro-integrity cultural change. A commitment to anti-bribery and corruption compliance can be demonstrated by tone from the top; compliance policies and procedures, due diligence, training and reporting avenues are important no matter the business size.

The OECD has developed tools for use by private sector businesses and State-owned entreprises, to develop effective anti-corruption policies, drive compliance and due diligence programs. They include the Good Practice Guidance on Internal Controls, Ethics and Compliance.

The OECD Convention requires signatory states to criminalize the act of bribing foreign public officials and to cooperate with each other through mutual legal assistance. It also obliges states to eliminate the practice of allowing tax deductions for commissions (i.e., bribes), which was widespread in many OECD countries prior to the Convention's adoption. This marks the first formal recognition of the responsibility of major global powers in facilitating international bribery. To highlight the substance of the Convention, it is necessary to examine the five core principles on which it is based. These principles form the general framework of rules for addressing corruption in international business transactions. However, achieving the Convention's goals remains difficult without integrating these principles into the domestic legislation of signatory states.[2]

The key principles underlying the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions include: (a) addressing corruption at the international level, (b) expanding the notion of "undue advantage," (c) broadening the concept of the official's misconduct, (d) extending the definition of a public official, and (e) enlarging the scope of those subject to liability.

-International Approach to Corruption: The main function of the OECD Convention is to expand the scope of international criminal legislation against corruption. As stated in the preamble:"...Recognizing that bribery is a widespread phenomenon in international business transactions, including trade and investment, which requires serious attention..."Furthermore,

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[1] OECD, Global engagement on anti-corruption and anti-bribery, Organisation for Economic Co-operation and Development, Retrieved June 14, 2024 from https://www.oecd.org/en/networks/global-engagement-on-anti-corruption,

[2] Abrika Belaid, «Les organisations et genèses des expériences de la lutte anticorruption dans le monde, Revue Critique de Droit et Sciences Politiques, Faculté de Droit et Sciences Politiques, Université Mouloud Mammeri, Tizi-Ouzou, Algeria, 2013, p 28.

Article 1, paragraph 2, of the Convention stipulates:"...Complicity in an act of bribery of a foreign public official, including incitement, aiding and abetting, or authorizing the act, shall be a criminal offence. Attempted bribery and conspiracy to bribe a foreign public official shall also be treated as criminal offences..."

- Expansion of the Concept of “Undue Advantage": The Convention significantly broadens the scope of what constitutes an undue advantage, encompassing any financial or non-financial benefit. According to Article 1, any gift, promise, donation, or other form of benefit granted to the bribe-taker is considered a bribe. These benefits can take many forms, including tangible items such as movable assets or real estate. The advantage must be unwarranted, meaning the foreign public official is not legally entitled to receive it. Various U.S. court rulings have further clarified this expansive interpretation. Under the Convention, the crime of bribery occurs when a person offers, promises, or grants an undue advantage to a foreign public official, regardless of whether the business benefit is actually obtained or whether the company is the best-qualified bidder. The offense also applies regardless of the value or result of the advantage, the imposition of local fees, tolerance of such payments by local authorities, or claims that such payments are necessary to secure a commercial benefit.[1]

- Expansion of the Official’s Misconduct Concept: A foreign public official commits bribery if they receive a benefit in exchange for either performing a duty required by law or for engaging in conduct prohibited by law. Both failures to perform job duties and performance of duties in a manner contrary to the law constitute a breach of official integrity and, thus, constitute the core of the bribery offense. The essence of this crime lies in the abuse of public office by a foreign public official for personal or third-party gain, to the detriment of the public interest they are entrusted to protect.

- Expansion of the Definition of Public Official: The concept of a foreign public official, as defined by the OECD Convention, is broader than traditional administrative law definitions. The rationale behind this expanded definition is to safeguard the public trust in the integrity of public service and to subject a wider range of actors to anti-corruption regulations. Article 1, paragraph 4, of the Convention defines a foreign public official as any person holding a legislative, administrative, or judicial position in a foreign country, whether appointed or elected, as well as any individual exercising a public function for a foreign country.[2] The accompanying commentary further clarifies that a “foreign country” is not limited to sovereign states but includes any organized foreign entity, such as an independent territory or a separate customs area.

- Expansion of Liability Scope: To ensure effective and genuine protection of administrative integrity and neutrality, the Convention treats indirect bribery—such as through intermediaries—as a criminal offense. Article 1 specifies that bribery committed "...whether directly or through intermediaries..." is prosecutable. Thus, companies cannot escape liability by using intermediaries, including their subsidiaries. If a foreign public official is offered, promised, or given a bribe by a subsidiary, the parent (holding) company remains liable.

[1] Fadia Qassem Baydoun, Corruption: The Most Prominent Crimes, Impacts, and Means of Addressing Them, Al-Halabi Legal Publications, Beirut, Lebanon, 2013, pp. 80–81.
[2] Taha Sharif, The Crime of Bribery with Commentary on the Judgments of the Court of Cassation, Golden Book House, 1999, p. 116.

4. The Role of Transparency International (TI) in Combating Corruption

Transparency International (TI) is a leading global non-governmental organization dedicated to fighting corruption and promoting transparency, integrity, and accountability in all sectors of society.

-The Establishment of Transparency International

The idea of establishing Transparency International originated with Mr. Peter Eigen, who was then a director at the World Bank. Through his work, he sought to highlight the dangers of corruption, particularly in developing countries. However, he faced considerable resistance from Western countries seeking to expand their influence in those regions, especially due to the intensifying conflict between the socialist East and the liberal West.

Donor countries attempted to legitimize the notion that "corruption is part of African culture," justifying this stance by arguing against interference in the internal affairs of sovereign states. Consequently, donor states were expected to accept the status quo, avoid questioning how funds were used, and merely highlight the completion of development projects.

As a result, vast sums of money were paid personally to ruling elites in these countries in exchange for political compliance, with no conditions imposed that might restrict their freedom. Any discussion of embezzlement was prohibited, effectively encouraging corruption within the World Bank itself.

On this basis, Peter Eigen resigned from the World Bank in 1993 and decided to establish Transparency International. The organization quickly expanded, with the Argentine Citizen Power organization joining in 1995. That same year, the first Global Conference on Corruption was held, during which the Peruvian President Alberto Fujimori was publicly exposed. By the end of 1997, the organization had established 38 branches across various countries. In 1999, the "Know Your Customer Index" (often referred to as the KYC Index) was created—an agreement among major international banks and private financial institutions to combat money laundering and assist in uncovering corruption-related cases.[1]

In 2000, the organization adopted the "Integrity Pact", a charter that outlines the principles for combating bribery in the public sector. It emphasizes transparency and clarity in public projects. Beginning that same year, Transparency International started publishing annual reports on global corruption levels, relying on several tools, most notably the Corruption Perceptions Index (CPI). By 2002, Transparency International had become the world's largest non-governmental organization focused on combating corruption, with over 400 branches globally, working to achieve a wide array of objectives.

[1] Suleiman Al-Khamisi, The Role of Transparency International in Combating Corruption, Journal of Jurisprudence and Law, 9(1), Boulez, 2013, p59.

-The Objectives of Transparency International

Transparency International is the global civil society organization leading the fight against corruption. It brings people together in a powerful worldwide coalition to end the devastating impact of corruption on men, women and children around the world. TI's mission is to create change towards a world free of corruption.[1] Its main objectives include the following:

-Combating Corruption:

-Exposing corrupt practices and the systems that enable them.

-Advocating for strong anti-corruption laws and enforcement mechanisms.

-Pursuing justice and holding corrupt individuals accountable.

-Working to stop the flow of "dirty money" from corruption schemes.

-Promoting Transparency, Accountability, and Integrity:

-Demanding greater transparency in public life and all sectors of society.

-Building community leadership against corruption.

-Ensuring maximum openness, transparency, and responsiveness in public contracting.

-Promoting integrity in business, politics, and civil society.

-Protecting public resources by ensuring their efficient and transparent use.

-Supporting Human Rights and Justice:

-Advocating for greater protections for human rights and social and economic justice.

-Supporting efforts in public health, public safety, and sustainable economic development.

-Working to ensure corruption does not hinder development or exacerbate inequality.

-Expanding Civic Space:

-Working to ensure citizens have the space to hold those in power accountable.

-Supporting independent media and civil society organizations.

[1] Mouri Sofiane, The Role of the OECD Convention in Combating Corruption in International Business Transactions, The Academic Journal of Legal Research, 15(1), Algeria, 2017, P18.

-Building a Culture of Integrity:

-Educating the public about corruption and its consequences.

-Promoting ethical behavior in all sectors of society.

-Encouraging a culture of integrity and accountability.

5. Singapore’s Experience in Combating Corruption

From 1995 to 2016, Singapore has consistently been ranked as the least corrupt Asian country according to Transparency International’s Corruption Perceptions Index (CPI). Singapore was ranked 7th among 176 countries / economies with a score of 84 on the 2016 CPI. This ranking gives credence to the widespread perception that Singapore is one of the most corruption-free countries / economies in the world.

Corruption was a way of life in Singapore during the colonial period because of the low salaries of civil servants, the ample opportunities available for corruption, and the ineffective anticorruption measures employed by the British colonial government, which resulted in a lower probability of detecting corrupt offences and punishing these offenders if they were caught. In other words, corruption thrived during the colonial period because it was perceived by the public to be a low-risk, high-reward activity, as corrupt offenders were unlikely to be caught and punished.[1]

Corruption was made illegal with the enactment of the Penal Code of the Straits Settlements of Malacca, Penang and Singapore in 1871. The 1879 Commission of Inquiry found that corruption was prevalent in the Straits Settlements Police Force among the European inspectors and the Malay and Indian junior officers. Similarly, the 1886 Commission of Inquiry confirmed the rampant police corruption in Penang and Singapore. However, the British authorities ignored the findings of these two commissions and did not introduce any anticorruption measure for the next 51 years until December 1937, when the first anticorruption law, the Prevention of Corruption Ordinance (POCO), was enacted.

Police corruption thrived during the colonial period as the local junior officers were poorly paid and made ends meet by moonlighting and/or accepting bribes from illegal gambling-house owners. However, corruption was not confined to the police as other government agencies, including the customs, immigration, and internal revenue departments, provided more opportunities for corruption than those public agencies that had limited contact with the public, did not issue licenses or permits, and collected fees or taxes.

During the Japanese Occupation (February 1942 to August 1945), corruption was rampant because inflation made it difficult for the poorly paid civil servants to survive. Consequently, trading in the black market was a "way of life" as "everyone was surviving on some sort of black marketing". Nepotism and corruption were "perfectly acceptable" and "bribery, blackmail, and extortion grew out of the violence and fear" that the Japanese authorities employed to rule Singapore. Conditions deteriorated during the postwar period as corruption spread among civil servants because of their low salaries, and inflation and inadequate

[1] LEE Gek Boi, The Syonan Years: Singapore Under Japanese Rule 1942-1945, National Archives of Singapore and Epigram, Singapore, 2005, p 142.

supervision by their superior officers provided them with ample opportunities for corruption with a low probability of being detected. As corruption had become a way of life for many Singaporeans, it is not surprising that the British Military Administration, which took over after the Japanese surrender in August 1945, was described pejoratively as the "Black Market Administration.[1]

Today, Singapore enjoys a well-earned reputation for a high level of incorruptibility. The success of Singapore in fighting corruption is the result of an effective corruption control framework with its four key pillars of laws, adjudication, enforcement and public administration, underpinned by political will and leadership:[2]

-Political Will

The political will to eradicate corruption was established by Singapore's founding Prime Minister, Mr Lee Kuan Yew, when the People's Action Party (PAP) was elected into government in 1959. The PAP was determined to build an incorruptible and meritocratic government, and took decisive and comprehensive action to stamp out corruption from all levels of Singapore's society. As a result of the government's unwavering political commitment and leadership, a culture of zero tolerance against corruption has become ingrained into the Singapore psyche and way of life.

-Legislative Measures Against Corruption

In 1959, when Singapore attained self-government, it inherited from the British a government service in which corruption was widespread. Syndicated corruption and the payment of bribes to public officials in exchange for services were common practices. At that time, it was difficult to take enforcement action against the corrupt due to:[3]

. weak laws: the offence was non-seizable and the powers provided to the officers of the CPIB were inadequate to enable them to carry out their duties effectively;

. gathering of evidence was difficult because of the weak anti-corruption law and this had resulted in many corrupt public officers getting away with their crime. People generally were less educated and did not know their rights. They were submissive in their dealings with public officers in authority and were accustomed to unfair treatment by them;

. public officers were not adequately paid compared with those in the private sector. Many of them became indebted through lavish lifestyle. Integrity in the public service was therefore lacking and some of the public officers resorted to corruption to make ends meet;

. CPIB officers then were drawn from the Singapore Police Force on short secondment. They were not fully committed to combating corruption especially when it involved their fellow

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[1]Jon S.T. Quah, Administrative and Legal Measures for Combating Bureaucratic Corruption in Singapore, Department of Political Science, University of Singapore, Singapore, 1978, p 9.
[2] A Singapore Government Agency Website, Singapore's Corruption Control Framework, Retrieved March 13, 2020 from https://www.cpib.gov.sg/about-corruption/prevention-and-corruption/singapores.
[3] Muhammed Ali, The Seminar on International Experiences on Good Governance and Fighting Corruption, Thursday, February 17, 2000, Bangkok, Singapore.

police officers. Furthermore, the short secondment was disruptive as before an investigation could be completed, they were already due for posting.

Singapore relies on two key legislations to fight corruption; the Prevention of Corruption Act (PCA), and the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA). The PCA has a wide scope which applies to persons who give or receive bribes in both the public and private sector. The CDSA, when invoked, confiscates ill-gotten gains from corrupt offenders. Together, the two laws ensure that corruption remains a high-risk low-rewards activity. Upon the conclusion of investigations by the CPIB, all alleged corruption cases will be handed over to the Attorney-General's Chambers (AGC), the prosecutorial arm of the Singapore Criminal Justice System, to obtain the Public Prosecutor's consent to proceed with Court proceedings.

After independence the political leaders amended the laws to give more powers to the CPIB officers. To win public trust and confidence, the leaders took it upon themselves to set good examples for public officers to follow. They created a climate of honesty and integrity. Some of the examples set were:

. they divested themselves from any involvement in financial or commercial ties;

. they reported for work earlier than their subordinates.

Besides setting good examples, legislative measures were also taken by the new political leaders to ensure that the anti-corruption law was adequate and provided sufficient punishments for corrupt offenders. The law was revamped to give more powers to CPIB officers and punishments for corruption offences were enhanced. The law is reviewed regularly to ensure that offenders do not escape from legal punishment and that corruption does not pay. This includes requiring the court to order any person convicted of corruption offences to repay as penalty an amount of money equivalent to the bribe he had accepted. CPIB officers now, besides having all the powers relating to police investigations, are also given other special powers. Under the law, the Public Prosecutor can also, among other things, order the Comptroller of Income Tax to provide information on the offenders to the CPIB.

The principal law that Singapore relied on is the Prevention of Corruption Act. The following are the distinctive features which may differ from anti-corruption laws in other countries:[1]

- The Act also allows CPIB to investigate corruption in both the public and private sectors and we can deal with both the giver and the receiver. We have dealt with cases in the private sector since the beginning. In some countries, anti-corruption agencies do not deal with private sector. It is of strategic importance for Singapore to keep Singapore companies clean because if not, other countries will not want to trade with Singapore and they will not want to invest money in Singapore. We also deal with givers of bribes. If we don't, they may continue to give bribes and escape punishment and this will worsen the corruption situation due to the demand-supply dynamics.

[1] Koh. Teck Hin, Corruption Control in Singapore, United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders (UNAFEI), Tokyo, Japan, 2013, p213.

- There is a presumption clause – presumption of corruption when a public officer is found to have received bribes. What this means is that a public officer charged in court has the duty to explain to the court that what he or she received was not received corruptly. If he or she fails to explain to the satisfaction of the court, he or she will be presumed to have received the money corruptly. Of course, we do not just depend on this to secure conviction but we will bring all the evidence we have to court and this presumption clause is an additional help for the prosecution.

- Next, an acceptor of a bribe will be considered guilty even if he or she, in fact, had no power, right or opportunity to return a favour to the bribe giver. This came about because some corrupt offenders took bribes and then were unable to deliver the expected favour. Even so, they should not escape punishment.

- The Act also empowers the Court to order bribe receivers to pay a penalty equal to the amount of bribe received apart from punishment in the form of fines and/or imprisonment terms. This means if accused took $1 million dollars, he or she has to surrender back that amount. This emphasized the principle that the accused ought not to enjoy any benefit from any corrupt activity.

- When a person is found to have committed corruption offence, the principal could recover the amount of the bribe as a civil debt. An example is the manager of a multi-national company (MNC)convicted of a corruption offence for receiving kickbacks for contracts he granted to others. He was sentenced to 10 months' imprisonment and ordered to pay a penalty of about $300,000, being the total of bribes received by him. After the sentencing, the MNC commenced civil action under the Prevention of Corruption Act to recover the bribes from the Manager. The manager appealed to the Court of Appeal against the claim on the ground that he had already paid penalty to the State for the bribes he had received and he could not be liable to pay the claim to the MNC, otherwise it would be tantamount to making him pay twice for the same bribes. However, his appeal was dismissed by the Court of Appeal. The court ruled that this was not double jeopardy and the law allowed for it. The manager is thus still liable to pay the MNC.

- The Act renders Singapore citizens liable for punishment for corrupt offences committed outside Singapore and to be dealt with as if the offences had been committed in Singapore. We have dealt with cases where Singaporeans commit corruption abroad and prosecuted them in Singapore.

Besides the PCA, there was enactment of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act, CDSA in short, in 1999. The principle for the Act was to ensure that corruption does not pay. It also covers the confiscation of benefits not only from corruption but also drug offences and other serious crimes. The CDSA provides the Court with powers to confiscate pecuniary resources and properties when a person is convicted of a corruption offence and cannot satisfactorily account for those resources to be confiscated. The objective is to ensure that the perpetrators will not benefit from corruption.

The Parliament has also enacted the Parliament (Privileges, Immunities and Powers) Act to ensure that Members of Parliament will not benefit from a debate in the House in which he or she has a pecuniary interest. It has also enacted The Political Donation Act to ensure candidates standing for political election declare donations they received.

Other statutes regulating Government bodies have also incorporated provisions which prevent corruption. One such provision is found in the Customs Act, which specifically provides for penalties for receiving bribes and presumes any monies in the possession of a Customs Officer, which cannot be accounted for, are corruptly obtained.

-Adjudication

In Singapore, an independent judiciary provides insulation from political interference. The Chief Justice is appointed by the President on advice from the Prime Minister and the Council of Presidential Advisers. District judges and magistrates are appointed by the President with advice from the Chief Justice. Various provisions of the Constitution also guarantee the independence of the Supreme Court judiciary. Transparent and objective in its administration of the rule of law, the judiciary recognises the seriousness of corruption and adopts a stance of deterrence by meting out stiff fines and imprisonment towards corrupt offenders.

Sure, detection and strict enforcement of laws, no matter how effective, must however be complemented by effective adjudication. Detection, prosecution and subsequent court conviction have specific deterrence on offenders. This also has a general deterrence on the like-minded. Aided by the tough laws, the judiciary successfully created a regime of punishment that is deterrent enough to hammer home, loud and clear, the message that corruption does not pay. There is transparency in the justice process as all court proceedings are open, public hearings. Decisions are documented and subject to public scrutiny. Both the prosecution and the defence can appeal against any decision made by the Courts.

Judgments from the court will provide some benchmarks as to the severity of offences and their corresponding sentences. For instance, in a recent Appeal case involving a private banker convicted of corruption involving bribes of $150,000 (Wong Teck Long vs PP), when the accused appealed against his conviction and sentence, the prosecution cross appealed on the sentence, the High Court not only dismissed the accused's appeal but enhanced his original sentence from four months' to 15 months' imprisonment. In passing this judgment, the CJ said: "To safeguard the overall public confidence in the integrity of our banking and financial industry as well as Singapore's reputation as a regional and financial hub, punishment for deplorable and corrupt acts, such as that of the appellant, must be swift and harsh so that a strong message will be sent out to the offender at hand and would-be offenders that Singapore does not, and will not, without exception, condone corruption."

With the court's sentencing, it has sent a strong message to the corrupted and to would-be offenders to think twice before committing corrupted acts. As part of sentencing, the court will also impose a financial penalty on the offender equal to the amount of bribes the offender had taken. So, this again sends a clear message that the offender is not allowed to enjoy any of his or her ill gotten gains. On top of this, in cases involving government procurement or contracts, administrative actions are taken to cancel the contract and/or to debar suppliers who were convicted of corruption offences from future government contracts for up to five years.

Apart from criminal sanctions, the Prevention of Corruption Act also provides for recourse to civil suit for recovery of bribe monies in addition to criminal prosecution. This was tested in the court last year. The CPIB had prosecuted a facilities manager in a large private company for corruption. He took bribes of almost $300,000 in return for awarding contracts. He was convicted and sentenced to 10 months' jail and ordered to pay to the State a penalty of about $300,000, equal to the amount of bribes he had pocketed. After the prosecution was over, his company brought a civil suit against him to recover the amount of bribes he had accepted whilst employed by them. The accused appealed to the court against this, stating that since he had been ordered to pay back the penalty, he cannot be asked to pay twice, and on this second occasion through the civil suit. The Court of Appeal dismissed his appeal stating that the law expressly provided for two distinct provisions - a criminal proceeding to disgorge benefits and civil proceedings to recover the bribe monies-and therefore it is possible that there can be a double disgorgement and it can act as a further deterrence against corruption. This sends the message very clearly to corrupt offenders that they will be made to pay heavily for their corrupt activities.[1]

-Enforcement

The Corrupt Practices Investigation Bureau (CPIB) is the sole agency responsible for combating corruption in Singapore. The CPIB is under the Prime Minister's Office (PMO) and reports directly to the Prime Minister, enabling the CPIB to operate independently. Through more than 60 years of corruption-fighting, a deterrent stance has always been adopted, ensuring that there are no cover-ups and corruption is fought without fear or favour. With a fearsome and trusted reputation, the CPIB acts swiftly and vigorously to enforce the tough anti-corruption laws impartially for both public and private sector corruption. During the investigation process, the CPIB will work with various government agencies and private organisations to gather evidence and obtain information.

-Public Administration

The Singapore Public Service is guided by a Code of Conduct, which sets out the high standards of behaviour expected of public officers based on principles of integrity, incorruptibility and transparency. The practice of meritocracy in the Public Service, together with regular reviews of administrative rules and processes to improve efficiency also reduce the opportunities for corruption. In the course of investigations involving government agencies, CPIB will also conduct procedural reviews to point out work areas or procedures that can be exploited for corrupt practices.

Singapore's success in combating corruption and its ability to maintain the tradition of clean government for the past 49 years under the PAP government are important assets which should be safeguarded for the country's long-term survival. Hence, to institutionalize good governance in Singapore, the PAP government or any future government must be able to persuade talented citizens to join the government and civil service and to motivate them to behave ethically and rationally for the national interest. In the final analysis, whether the PAP government will succeed in attaining this objective will depend also on the presence of these five preconditions: (1) continued political stability to prevent the exodus of foreign investment and talented citizens to other countries; (2) maintaining the tradition of clean government by continuing the effective anticorruption strategy; (3) implementing sound macroeconomic policies to ensure sustained economic growth; (4) maintaining racial harmony to ensure political stability and prevent discrimination towards minority groups; and (5) sharing the benefits of economic

[1] Lim, N. K. H, Singapore's experience in the fight against corruption, Corrupt Practices Investigation Bureau (CPIB), Singapore, 2019, p39.

growth among all citizens to minimize income inequality and enhance the government's legitimacy.[1]

6. The Corruption in Algeria and the Efforts Made to Combat It.

Corruption has long posed a significant challenge to Algeria's political, economic, and social development. Rooted in historical, institutional, and structural factors, corruption in Algeria affects various sectors, from public administration and procurement to natural resource management. Despite these challenges, the Algerian government has taken a series of legal, institutional, and policy-based measures to combat corruption, particularly following increased public demand for transparency and accountability. This section explores the nature and extent of corruption in Algeria, examines the key anti-corruption frameworks in place, and assesses the effectiveness of national and international efforts aimed at reducing corrupt practices.

-Algeria's Ranking in the Corruption Perception Index:

Administrative and financial corruption in Algeria is not a recent phenomenon; it is the result of accumulated institutional failures, which in turn reflect the failure of economic development policies, despite significant achievements in capital production through factories, infrastructure, and more. In the absence of accountability and transparency, corruption spread across various sectors. Algeria has been ranked among the most corrupt countries globally according to Transparency International's report.

The Transparency International Corruption Perceptions Index for 2023 ranked Algeria 104th out of 180 countries, with a score of 36 out of 100. This represents an improvement from the 116th rank in the 2022 report and 117th in 2021. However, this remains a low ranking, placing Algeria in the lower half of countries with widespread corruption. Thus, Algeria remains at the same level in terms of scores, which range from 33 to 36 points.

Algeria's continued low rankings on the Corruption Perceptions Index are explained by the fact that it still experiences high levels of corruption. The overall performance in reducing this phenomenon is not encouraging, and the persistence of bribery and the absence of fair competition dominates administrative and financial performance, due to the ineffectiveness of government reforms and the fight against corruption.

Table 5: Algeria's ranking table in the Corruption Perceptions Index for the period (2014-2023)

year	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
index	**36**	**36**	**34**	**33**	**35**	**35**	**36**	**33**	**36**	**36**
renk	**89**	**88**	**108**	**112**	**106**	**106**	**104**	**117**	**116**	**104**

Source: Mourad Sissaoui, Administrative and financial corruption: Its effects on economic development and mechanisms to combat it in Algeria, International Journal of Economic Perspectives, Annaba, Algeria, 2024.

[1] Stephen K. Ma, Ting Gong, Preventing Corruption in Asia Institutional Design and Policy Capacity, Routledge, Contemporary Asia Series, 2009, p125.

The phenomenon of corruption is one of the most important factors that block the implementation of public investment programs, weaken their efficiency and effectiveness, increase the costs and deadlines for their implementation, and degrade the quality of their outputs, as it constitutes a main channel for the loss of public funds, and diverts them away from the expenditures allocated to them.

Algeria, like many other developing countries, has suffered and is still suffering from this dangerous phenomenon that drains the capabilities and resources of society, and disrupts its development process, and negatively affects the business climate, as it creates an environment that expels both local and foreign investments.

The phenomenon of corruption in Algeria takes many forms, ranging from bribery (bribery of public administration officials, bribery related to public transactions, bribery of foreign public officials and employees of international organizations), and granting, or benefiting, or attempting to take advantage of benefits in kind that are not due illegally, and between Abuse of public office and illegal use of public property for private gain.

Table 06: Corruption crimes broken down by type of crime between 2010 and the first semester of 2017.

Type of crime	year 2010	year 2011	The first semester of 2017
Bribery of public administration officials	95	83	50
Illegal advantages related to public deals	73	81	39
Public bribery	5	11	6
Bribery of foreign public officials and employees of international organizations.	0	0	4
Unlawful use of public property by public agents	456	329	221
Tax exemptions and other illegal privileges	5	7	21
Abuse of public office	104	101	54
Bribery in the private sector	10	11	2

Source: United Nations Office on Drugs and Crime, Algeria Review Report, Review Cycle 2017–2018, p. 248.

Table (06) presents a sample of corruption crimes - broken down by type of crime - registered in Algeria between 2010 and the first semester of 2017. It is noticeable that the large number of these cases in which cases related to the illegal use of public property by public agents constitute a greater proportion (50%), while crimes of bribery of various kinds related to the public sector (bribery of public officials, bribery related to concluding public deals) constitute 16%, while crimes related to the misuse of public office and making it a vehicle to achieve private benefits constituted about 15% of the total corruption cases during this period.

The phenomenon of corruption has increased significantly in Algeria during the period 2001-2019, coinciding with the launch of public investment programs that cost the public treasury huge sums of money, estimated by some sources at more than 800 billion US dollars; The available data, which we present through Table (07) show that during the period between 2010 and the end of the first quarter of 2017, the number of corruption cases brought to the courts was 2,273 cases, 2035 cases were handled, and the number of people who followed up on those corruption cases, during the same Period 3240.

Table07: Statistical data on corruption cases at the level of courts between 2010 and the first semester of 2017.

year	**2010**	**2011**	**The first semester of 2017**
number of Judicial follow-up	918	850	1314
Number of issues handled	832	735	1213
The number of people followed	529	450	713

Source: United Nations Office on Drugs and Crime, Algeria Review Report, Review Cycle 2010–2017, p. 248.

it is necessary to talk about the general framework for facing administrative corruption in Algeria, which was not a coincidence, but rather came according to specific chronological sequences, starting from Algeria's adherence to the United Nations Convention against Corruption adopted by the General Assembly of the United Nations in New York on October 31, 2003. This convention aims to:[1]

-Creating the necessary mechanisms to combat corruption in all its forms and working to support these mechanisms in a way that ensures their efficiency and integrity.

-Seeking international partnership and cooperation in the field of preventing and combating corruption.

-Promoting values of integrity, accountability, and rational management of public affairs and property.

[1] Algeria, Presidential Decree number 04-128, dated April 19, 2004, includes the approval of the United Nations Convention against Corruption adopted by the General Assembly of the United Nations in New York on October 31, 2003, in order to prevent and combat corrupt, 2004, pp. 12-13.

This agreement also carried many points related to limiting administrative corruption and preventing its spread in the public administration, including:

-Working to promote transparency in public administration by adopting a set of administrative measures that facilitate the transfer of information between citizens and the administration, such as simplifying administrative procedures and relying on legal and regulatory guidelines that enable citizens to know information related to the organization and operations of public administration and the decision-making process at its level.

-Activating community participation in preventing and combating corruption and its effects on the performance of public administration.

In February 20th, 2006, Algeria issued Law number 06-01 related to the prevention of corruption and its combat, this law emphasized the same elements mentioned in the United Nations Convention against Corruption, especially the first and second items (transparency in dealing with the public and civil society participation), in addition to that (Algeria, Law number 06-01, dated February 20, 2006, relates to the prevention of corruption and its combat, 2006, p. 06),This law provided for the establishment of the National Authority for the Prevention of Corruption and its Combat as an administrative authority with moral personality and financial independence, it works on raising an annual comprehensive report to the President of the Republic, who is the one who issued it, and it should be noted that this report contains a summary of the activities carried out in the field of corruption prevention and combat, as well as the Authority presents the results of field inspections of public administrations and institutions and the necessary recommendations to overcome them (Algeria, Law number 06-01, dated February 20, 2006, relates to the prevention of corruption and its combat, 2006, p. 07). On November 22, 2006, the official announcement of the formation of this Authority and the start of its activity was issued by virtue of the Presidential Decree number 06-413,which determines its formation, organization and conduct.

However, in 2020, a new constitutional institution was established behind the National Authority for the Prevention of Corruption and its Combat, known as the Superior Authority for Transparency and the Prevention of Corruption and its Combat. This institution has a moral personality, financial and administrative independence and aims to achieve higher indicators of integrity and transparency in the management of public affairs. This institution is expected to play a major role in future in combating administrative corruption in local government and improving its performance, due to the large number of responsibilities granted to it by the 2020 Constitution, particularly article 205, which mainly deals with:[1]

- Collect all information on corruption cases and then study and process it, then transmit this information to the competent bodies for further consideration.

- Inform the Accounting Council and the competent judicial authority in the event of abuses falling under the heading of corruption and issue orders to the relevant institutions and agencies if necessary.

- Involving civil society organizations and other actors in the process of fighting corruption.

[1] Algeria, presidential decree Number 20-442, dated December 30, 2020, relates to the issuance of a constitutional amendment approved in November, 2020, p. 43.

-Promoting a culture of transparency, prevention and combating corruption and its impact on society.

- To endeavour to open the possibility for specialists to express their opinions and submit their proposals on the relevant legal texts in the area of competence of the Supreme Authority for Transparency, Prevention and Combating of Corruption.

- Work on the development and training of personal in agencies responsible for transparency, prevention and combating corruption.

- Establishing the principles of transparency, good governance, prevention and combating corruption in political and social construction.

As well as the powers included in the Act number 22-08, which establishes the organization of the Supreme Authority for Transparency and the Prevention and Control of Corruption, which relates primarily to:[1]

- Focus on collecting as much data and information as public administrations first assist natural or moral persons in preventing and detecting corrupt acts and behaviours.

-Evaluation and continuous monitoring of various legal and administrative measures in the field of transparency and the prevention and control of corruption and work to make proposals and recommendations for the development of these means to achieve the basic objective.

-Preparation of periodic, regular, accurate and detailed reports on all activities related to preventing and combating corruption.

- Strengthening civil society's role through the creation of interactive networks to consolidate its activities in the field of preventing and combating corruption. -To prepare an annual report on its activity throughout the year, which it submits to the President of the Republic and informs public opinion of the content of this report.

-Conducting inquiries of an administrative and financial nature in respect of public officials reflecting manifestations of illicit enrichment without any justification to substantiate this perceived increase in their financial irregularities.

-Ensure that transparency and corruption prevention systems are in place in public and private administrations and that they reflect the true quality and effectiveness of their implementation.

[1] Algeria, Law number 22-08, dated May 5, 2022, relates to the prevention of corruption and its combat, 2022, pp. 07-08.

-Anti-Corruption Mechanisms in Algeria:

It was found above that the volume of public investment that was implemented in Algeria during the period 2001-2019, formed a fertile climate for the spread of the phenomenon of corruption, as through a review of the most important indicators of classification applicable at the global level for this phenomenon (corruption control index, corruption perception index and waste spending index year) it became clear that Algeria ranks among the most corrupt countries in the world, ahead of even some African and Arab countries; This reality does not reflect the the efforts made in Algeria to curb this phenomenon, which raises serious questions about the credibility of these efforts and the reality of their implementation on the ground.

In the following points, we will try to provide a reading of the mechanisms of combating corruption in Algeria, which range from legal to institutional.

- Legal mechanisms to combat corruption in Algeria:

Algeria's ratification of the United Nations Convention against Corruption adopted by the United Nations General Assembly in New York on October 31, 2003 (official gazette n°04-128, 2004), as well as the African Union Convention to Prevent and Combat Corruption adopted in Maputo on July 11, 2003 (official gazette n°06-137, 2006), imposed on the public authorities in Algeria the imperative to reconsider the legal arsenal related to prevention, and combating corruption.

Law No. 06-06 of February 2006 was approved, which is a code that collects previous legal texts related to fighting corruption, and through it the National Authority for the Prevention and Combating of Corruption was established; This was followed by the issuance of Ordinance 07-01, which relates to cases of incompatibility and obligations relating to certain positions and jobs, through which the National Office for the Suppression of Corruption was established.

The Anti-Corruption Law (Law 06-01): Law 06-01, amended and supplemented, dated February 20, 2006 (official gazette n° 14- 2006, 2006), related to the prevention and control of corruption, is considered as the most important legal texts related to the fight against corruption in Algeria and is known as the "Anti Corruption Law". This law came as a culmination of Algeria’s ratification of the United Nations. Convention adopted on October 31, 2003, and the African Union Convention of July 11, 2003; According to the first article of the text of this law, it aims to:

-Supporting measures to prevent and combat corruption;

-Promote integrity, responsibility and transparency in the management of the public and private sectors;

- Facilitate and support international cooperation and technical assistance to prevent and combat corruption, including asset recovery.

In order to achieve the aforementioned goals, the law includes - in addition to the establishment of the National Authority for the Prevention and Combating of Corruption - a number of measures, including those related to the public sector and the fields of public office, declaring property for elected public sector employees, public procurement, management of public funds and transparency in dealing with the public.

· Public office: Article 03 of Law 06-01 stipulates that the principles of efficiency, transparency, merit and efficiency are taken into consideration in the recruitment of public sector employees, and that they receive wages commensurate with the nature of the tasks they perform, and public sector employees should be subject to periodic training and qualification programs and specialized training.

· Property declaration: Articles 04, 05 and 06 of Law 06-01 obligate public sector employees and elected officials to subscribe to a property declaration that includes an inventory of immovable and movable property owned by the subscriber or his minor children, even in common, inside or outside Algeria.

· Codes of Conduct for Public Officials: According to Article 07 of Law 06-01, in order to support the fight against corruption, the state, elected councils, local authorities, public institutions and bodies, as well as public economic institutions, should work to encourage integrity, honesty and a sense of responsibility among their employees. and its elected officials, through the formulation of codes of conduct that define the proper and impartial framework for the performance of public functions and electoral commitments.

· Public procurement: Article 09 of the law relating to the prevention and control of corruption included the basic principles governing the preparation, conclusion and implementation of public procurement, equal treatment of candidates and transparency of procedures. · Transparency in dealing with the public: Article 11 of Law 06-01 proposes a set of measures that would give more transparency to the managing of public affairs, such as enabling the public to obtain information related to the organization and functioning of public institutions and administrations, and responding to complaints and petitions citizens.

Law 06-01 also included measures related to reducing corruption in the private sector; Among these measures, we mention what Article 13 of this law stipulates:

- Strengthening cooperation between the competent agencies in the fight against corruption and the relevant private sector entities;

- Enhancing transparency among private sector institutions;

- Auditing of private sector accounts.

Law No. 06-01 related to the prevention and control of corruption was amended and supplemented twice, the first by Order No. 10-05 dated August 26, 2010, where the Central Office for the Suppression of Corruption was created, and the second by Law No. 11-15 dated August 2, 2011, which affected Amendment Articles 26 and 29 of Law 06-01, which relate to penalties for public sector employees who violate the provisions of regulating public procurement, and who commit crimes of waste, destruction and embezzlement of public money, respectively.

Conflict of interest prevention law (Order 07-01):

Ordinance No. 07-01, dated March 1, 2007 (official gazette n°16-2007, 2007), concerns cases of incompatibility and obligations relating to some of the senior tenures of the state, and constitutes, according to the text of its first article, a legal tool aimed at preventing conflicts of interests that mean public agents who may be employed during and after their exercise of responsibilities in Public administrations, public economic institutions, including mixed companies, and control or arbitration authorities.

For this reason, the text of Article No. 02 of this order prevents these employees from having, during their activity, by themselves or through other persons inside or outside the country, interests with the institutions and bodies they monitor or supervise or with which they concluded a deal or issued an opinion in order to make a deal with it; This ban, according to the text of Article 03, extends for a period of two years after the end of their duties. Upon the expiry of this period, the above-mentioned persons - according to Article 4 of Ordinance 07-01- who wish to practice a professional activity, provide advice or obtain interests with the public administrations and institutions referred to above, must submit a written declaration for a period of three consecutive years with the Authority. The National Authority for the Prevention and Combating of Corruption shall be held by the last employed body or the authority in charge of the public function, and this is within a period of one month starting from the date of the commencement of the activity.

- Institutional Mechanisms to Combat Corruption in Algeria:

In addition to the aforementioned set of legal texts, the prevention and control of corruption in Algeria is carried out by the following bodies:[1]

The National Commission for Prevention and Combating Corruption: The National Commission for the Prevention and Combating of Corruption In accordance with the provisions of Article 17 of Law 06-01 relating to the prevention and control of corruption, the Commission enjoys legal personality and financial independence and is affiliated with the presidency of the Republic.

It undertakes, according to Article 20 of the aforementioned law, the following tasks:

-Proposing a comprehensive policy to prevent corruption, reflecting integrity, responsibility and transparency in the management of public funds; To provide directives on the prevention of corruption to all relevant bodies, institutions and persons;

- Preparing programs that allow awareness and sensitization of citizens;

- Gathering and exploiting all the information that can help detect and prevent the phenomenon of corruption;

- periodic evaluation of legal and administrative measures and procedures related to the prevention and reduction of the phenomenon of corruption;

[1] Belatel ayache, An economic reading of the legal and institutional mechanisms to curb the phenomenon of corruption in Algeria, el-Bahith Review, 21 (1), Algeria, 2021, pp 61-62.

- receiving declarations of property; Seeking the assistance of the Public Prosecution Office in order to collect evidence and investigate corruption incidents;

- Ensuring the strengthening of coordination between sectors and between national and international anti-corruption bodies;

- Supporting and evaluating activities related to research and completed works that deal with the prevention and reduction of corruption.

In practice, the launch of the National Commission to Prevent and Combat Corruption in the exercise of the tasks entrusted to it was delayed until 2012, after the issuance of Presidential Decree No. 12-64 dated February 7, 2012, amending and supplementing Presidential Decree No. 06-413 dated November 24, 2006, it defines the composition of the National Commission for the Prevention and Combating of Corruption, its organization, and the modalities of its functioning.

The Central diwan for the Suppression of Corruption: The Central diwan for the Suppression of Corruption was established in accordance with the provisions of Article 24 bis of Ordinance No. 10-05 of August 26, 2010 supplementing Law No. 06-01 related to the prevention and control of corruption; The Diwan is a central operational interest of the judicial police, charged with searching for and examining corruption crimes, reporting to the Minister in charge of Finance, and enjoying independence in its work and progress. The Central diwan for the Suppression of Corruption is composed of judicial police agents of the Ministries of National Defense and the Interior and local authorities, as well as competent public agents in the field of combating corruption. The office undertakes the following tasks:[1]

- collecting, centralizing and making use of all the information that would allow the detection and fight against corruption; Collecting evidence, conducting investigations into corruption incidents, and referring the perpetrators to the competent judicial authorities;

- Developing cooperation with anti-corruption bodies and exchanging information;

-Suggesting every measure that would contribute to ensuring the proper conduct of the investigations carried out by the competent authorities.

Judicial police officers exercise their duties in accordance with the Code of Criminal Procedure, and their local jurisdiction in corruption and related offenses extends to the entire national territory. What is worth noting, is that the work of the bodies in charge of the prevention of corruption (the National Authority for the Prevention and Control of Corruption and the Central diwan for the Suppression of Corruption), is supported by other oversight bodies such as the Audit Council, the General Inspectorate of Finance, the external interests of the Directorate General of the Budget, the external interests of the Directorate General Accounting.

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[1] Algerian Republic, Law no. 68-2011, Official Gazette of the People's Democratic Republic of Algeria, No. 68, 2011.

-International Cooperation in Combating Corruption

Algeria has actively participated in the international movement against corruption, in alignment with global efforts and in response to international demands aimed at preventing and combating corruption. The country is reinforcing its commitment to international cooperation through various measures and initiatives. These include strengthening legal frameworks, engaging in mutual legal assistance, participating in international conventions such as the United Nations Convention against Corruption (UNCAC), and collaborating with regional and international organizations to promote transparency, accountability, and good governance.

Joining international agreements: Algeria has ratified several international agreements and treaties aimed at combating corruption. It was among the first Arab countries to voluntarily join the United Nations Convention against Corruption (UNCAC), signing it on April 19, 2004.[1]In the African level, Algeria contributed to formulating a continental strategy to fight corruption, as it was one of the architects of the African Union Convention on Preventing and Combating Corruption on July 11, 2003. Furthermore, Algeria actively shaped the Arab Convention against Corruption on December 21, 2010.

Cooperation with international organizations: Algeria collaborates with international organizations such as the United Nations, the European Union, the World Bank, and the African Union in combating corruption and exchanging expertise and information.

Participation in international conferences and meetings: Algeria regularly participates in international conferences and meetings on combating corruption to exchange experiences, knowledge, and enhance international cooperation in this field.

Technical support and training: Algeria receive technical support and training from international organizations to enhance its capacity in combating corruption, including the development of laws and policies and the training of human resources.

Cooperation with partner countries: Algeria exchanges information and experiences with partner countries in the fight against corruption, developing bilateral and regional partnerships to strengthen anti-corruption efforts.

These efforts demonstrate Algeria's commitment to international cooperation as part of its national efforts to combat corruption and achieve integrity and transparency in political and economic systems. International cooperation in fighting corruption is mainly associated with the presence of international agreements between Algeria and other states, and is governed by international principles such as the principle of reciprocity, and this cooperation is available with the convention's parties, in the field of investigations and prosecutions and judicial proceedings.

[1] Algerian Republic, Presidential Decree No. 04-128 includes the ratification with reservation of the United Nations Convention against Corruption, Official paper, No26. 2004.

Prevention, Detection and Transfer of Proceeds of Crime: In order to detect financial transactions related to corruption, and without prejudice to the legal provisions relating to money laundering and terrorist financing, banks and non-banking financial institutions shall, in accordance with the regulations:

- comply with data concerning persons or entities on the accounts of what financial institutions should exercise greater oversight, types of accounts and transactions to which to pay attention, as well as measures for the establishment and maintenance of such accounts and the recording of transactions.

-take into account the information provided to them as part of their relationship with foreign authorities in particular regarding the identity of persons or entities that they will strictly monitor the accounts;

-transaction that is recorded, keep adequate records of accounts and transactions involving the persons mentioned in the first and second paragraphs of Article 58 of the anti-corruption law.

Relations with Banks and Financial Institutions: In order to prevent and detect transfers of proceeds of corruption, banks which have no physical presence and are not affiliated with a regulated financial group will not be allowed to settle in Algeria. Banks and financial institutions operating in Algeria are not allowed to have relationships with foreign financial institutions that accept their accounts to be used by banks that do not have physical presence and that are not affiliated to a regulated financial group.

Measures for Direct Recovery of Property: Algerian courts are competent to hear committed civil action by the States parties to the Convention with a view to know the existence of a right of ownership of property acquired subsequent to the corruption. The court seized of a proceeding in accordance with article 62 of the anti-corruption law, may order persons convicted of corruption to pay civil damages to the applicant state for the damage that has been caused. In all cases where a confiscation order may be imposed, the court shall take necessary measures to protect the legitimate owner claimed by another State party to the Convention.

Recovery of Property through International Cooperation for Purposes of Confiscation Foreign judicial decisions ordering the confiscation of property acquired through an offence under the anti-corruption law, or means for its commission, shall be enforceable in national territory in accordance with established rules and procedures. By speaking, under the legislation, an offence of money laundering or such other offence falling within its competence, the seized court may order the confiscation of foreign goods acquired through one of the offences under the anti-corruption law, or used for their commission. Confiscation of property referred to in the anti-corruption law is declared even in the absence of a criminal conviction due to the extinction of public policy or for some other reason.[1]

[1]Touti. F, Study on the Algerian anti-corruption law. Office Central de Répression de la Corruption (OCRC), Retrieved June 20, 2025, from http://www.ocrc.gov.dz/fr/activites-et-publications/le-role-de-l-office-central-de-repression-de-la-corruption

Requests for International Cooperation for the Purpose of Confiscation: Along with the documentation accompanying the information contained in the requests for judicial cooperation, according to bilateral and multilateral agreements, there must also be:

-a statement of the facts relied upon by the requesting State and a description of the actions required and a copy of the order;

-a description of property to be confiscated, its location and value

-a statement of information and facts that defines the scope of the implementation and that authorization of confiscation measures has been taken to notice the States Parties.

Conclusion

Business ethics are essential in establishing a culture of integrity, where individuals and institutions act with honesty and moral responsibility in all their dealings. In both the public and private sectors, ethical principles serve as a moral compass that guides decisions and behavior, especially in complex or high-stakes situations. In public institutions, the importance of business ethics becomes even more critical due to the trust placed in government officials by citizens. When ethical standards are upheld, they foster transparency in government operations, allowing citizens to understand how decisions are made and how public funds are spent. This transparency builds public trust and strengthens the legitimacy of institutions.

However, when ethical principles are ignored or weakly enforced—especially in the public sector—the door is opened for unethical behavior to emerge, leading to various forms of corruption. The absence of clear ethical standards and accountability mechanisms often creates an environment where misuse of power becomes more likely.

The term "corruption" does not have one clear and unified definition among researchers. This is because the term is used to describe a wide range of activities and behaviors—from small acts of abusing public power by low-level government employees to serious cases where political leaders take or misuse a country's economic resources for personal gain. Because of this wide range, corruption is often considered as a broad and flexible concept.

However, most definitions in management and economics literature, as well as by international organizations, link corruption specifically to the misuse of public power or public office for personal benefit.

Corruption is a global problem and does not happen only in certain countries or societies. But its effects are often more damaging in developing countries, where governments and public institutions play a big role in development plans. In these countries, corruption slows down economic growth, wastes important resources, and causes instability on economic, social, and political levels.

Corruption is not limited to the public sector only; it can also be found in the private sector. However, public sector employees are often more vulnerable to corruption because they are less supervised and face weaker accountability, unlike private sector employees who are more closely monitored by managers or company owners.

To protect the public sector from corruption, both inside and outside, several important policies and tools must be applied, including:

Real political will from the highest levels to fight corruption seriously, not just by giving speeches or raising slogans.

Political leaders must be free from suspicion, so they can hold others accountable with public support.

Strong punishment for corrupt individuals, and an independent, fair, and effective judicial system.

Anti-corruption bodies must be independent from ministries and free from government pressure, with the power and support to do their job properly.

Laws and regulations should be updated regularly to match new types of corrupt behavior and better serve the public interest.

Public employees should receive fair salaries to help protect them from being tempted by corruption, and those who break the law must face strict punishment.

Hiring in the public sector should be based on honesty and qualifications, not family or personal connections. Officials should also be required to declare their assets and those of their families each year to a special office for verification.

The use of e-government services should be expanded to include more institutions and services, making them easier to access and more transparent.

Simplifying administrative procedures and reducing the number of required documents to only what is necessary to obtain the service.

Establishing clear and specific standards and administrative procedures that employees can rely on in their daily work. This helps limit the use of executive discretion, which is often a source of misuse or abuse.

Developing a code of ethics for public service, ensuring that all employees are informed about it and committed to applying it through awareness and quality assurance activities.

Promoting transparency and openness in government transactions, which helps prevent manipulation and collusion in awarding public contracts, and reduces bureaucratic complexity.

Activating the oversight role of all stakeholders—such as citizens, civil society, and media institutions—in monitoring and exposing corruption, while ensuring that legal consequences only apply in cases of false reporting, intentional harm, or distortion without proven facts.

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