

## The Role of Business Networks in the Implementation of CSR: case of SMEs in the TAHARACHT Area

### دور الشبكات التجارية في تنفيذ المسؤولية الاجتماعية للشركات: حالة الشركات الصغيرة والمتوسطة في منطقة طاحراشت

DJEMAI Sabrina  
University of Abderrahmane Mira Bejaia (Algeria)

جمعي صبرينة

جامعة عبد الرحمن ميرة بجاية (الجزائر)

Received: 14 / 08/2024

Accepted: 29/ 06/2025

Published: 30 / 06/2025

#### Summary :

This study is a qualitative research aimed at examining the role of business networks, especially small and medium-sized enterprises (SMEs), in implementing Corporate Social Responsibility (CSR) within their strategies. The research focuses on analyzing the interactions between the entrepreneurial community in Béjaïa most dynamic business zone, TAHARACHT, and the stakeholders within their region. To address this, the study uses semi-structured interviews. The findings reveal that the business environment in TAHARACHT shows limited reliance on network formation and collaboration with stakeholders. This indicates that the region is not sufficiently integrated into the management practices of local businesses. We suggest that creating an inter-organizational facilitation structure could help foster sustainable development initiatives and identify actionable tools that business leaders can easily implement. Such a structure would play a key role in coordinating and mediating among the networks of actors within the territory.

**Keywords :** CSR, SME, Networks, stakeholders, Business Zone.

**JEL Classification Codes:** A13, M21, M14, O11, P23, P17

#### ملخص:

تعد هذه الدراسة بحثاً نوعياً يهدف إلى فحص دور الشبكات التجارية، وخاصة الشركات الصغيرة والمتوسطة (PME)، في تنفيذ المسؤولية الاجتماعية للشركات (CSR) ضمن استراتيجياتها. تركز الدراسة على تحليل التفاعلات بين المجتمع الريادي في المنطقة التجارية الأكثر ديناميكية في بجاية، طاحراشت، والأطراف المعنية في منطقتهم. وللتعامل مع هذا الموضوع، تعتمد الدراسة على مقابلات شبه هيكلية. تكشف النتائج أن البيئة التجارية في طاحراشت تعتمد بشكل محدود على تشكيل الشبكات والتعاون مع الأطراف المعنية. وهذا يشير إلى أن المنطقة ليست مدمجة بشكل كافٍ في ممارسات إدارة الشركات المحلية. نقترح أن إنشاء هيكل تسهيل بين المنظمات يمكن أن يساعد في تعزيز المبادرات التتموية المستدامة وتحديد الأدوات القابلة للتنفيذ التي يمكن للقادة التجاريين تطبيقها بسهولة. سيلعب هذا الهيكل دوراً رئيسياً في التنسيق والوساطة بين شبكات الفاعلين في المنطقة.

**الكلمات المفتاحية:** المسؤولية الاجتماعية للشركات، شبكات الشركات الصغيرة والمتوسطة، أصحاب المصالح، منطقة الأعمال،

**تصنيف JEL :** A13, M21, M14, O11, P23, P17

\*Correspondance mail: [sabrina.djemai@univ-bejaia.dz](mailto:sabrina.djemai@univ-bejaia.dz)

## **I- Introduction :**

Today, a company's success no longer depends solely on its internal management but on the effective management of its relationships with its local environment. The companies with the best performance are those that develop relational skills related to learning and innovation with the stakeholders in their area. In terms of CSR, many studies have shown the crucial role of the complementarity between a company's internal skills and the coordination mechanisms implemented at the local level (Jamali et al. 2020). Thus, the role of local actors and their inclusion in the company's strategy becomes apparent.

Even though this statement mostly applies to large companies that have now well-integrated sustainability, it is even truer for SMEs, which, due to their local presence, have a strong territorial anchoring characterized by the proximity of both internal and external stakeholders.

These considerations lead us to assert that CSR cannot be addressed without taking into account the local environment of the SME and the mobilization by its leader of various networks of economic and institutional actors. SMEs that engage in such a strategy nonetheless affirm that the benefits are often significant and include not only cost reduction but also increased employee loyalty, better relationships with local authorities, acquisition of new knowledge, and an improved reputation.

This situation can largely address the barriers hindering the implementation of CSR strategies, particularly within small and medium-sized enterprises, where establishing responsible practices is often very costly. A second obstacle to SME engagement in sustainable development is the limited access to information, which can impede their understanding of the terminology used in this field.

Therefore, for SMEs to overcome these obstacles and engage in sustainable development practices, mobilizing economic networks and developing both implicit and explicit cooperative relationships with their local environment is the only way to implement the principles of sustainability and social responsibility. Especially since it is recognized that these practices cannot endure or yield results without the adoption of this philosophy by a critical mass of SMEs (Del Baldo, 2019).

In all countries, including Algeria, SMEs play a crucial role in their economies and constitute a significant part of the industrial fabric. Today, the country has 350,000 private SMEs and, in terms of employment, SMEs account for 1,157,856 jobs and contribute 78% of the added value (Ministry report, 2022). The weight of SMEs in the national economy represents a major opportunity to leverage the new CSR landscape. Given the important role SMEs play in the industrial fabric, they cannot be excluded from analyses and discussions on CSR.

Literature recommends and encourages the application of CSR within SMEs as it serves as a lever for innovation and development, enhancing long-term competitiveness. Due to constraints faced by SMEs, such as limited information on the competitive environment and financial resources for adopting sustainable manufacturing practices, these businesses often struggle to meet social pressures. For instance, responding to major clients or differentiating from competitors can be challenging (Choi et al., 2021). To understand their current environmental and social responses and identify stakeholder needs, SMEs must address gaps and challenges where CSR can enhance business effectiveness and sustainable development. Integration into business networks and rational collaboration with stakeholders can help overcome obstacles in implementing CSR.

The local context of our work is the TAHARACHT industrial zone. In this area, regional businesses face challenges related to obtaining market information in the competitive, commercial, and technological spheres. Only integration into networks of actors allows companies to mitigate information asymmetry and reduce the costs associated with CSR efforts. These networks play a key role in the effective implementation of CSR, enabling businesses to access knowledge, best practices, and resources that support their sustainability initiatives.

This zone is a crucial area for providing answers to the research question: What are the relationships between SMEs in the industrial zone and the stakeholders in their local area? Addressing this

question will help us understand the operational reality and reactions of clustered SMEs, specifically whether there are networks of SMEs within the industrial zone.

We address this inquiry through a survey of a sample of SMEs in the most dynamic industrial zone of Bejaia, using semi-structured interviews as a key method to gather qualitative data. This allows for in-depth exploration of the nature of relationships between SMEs and their stakeholders, including their engagement with CSR practices.

## **II. THEORETICAL FRAMEWORK**

### **1.1 The Concept of Corporate Social Responsibility (CSR)**

Corporate Social Responsibility is based on the principle that businesses are an integral part of our society and, as such, incorporate social, environmental, as well as financial and economic considerations into their activities. They focus on what is known as the three "P's": "People, Profit, Planet," and adopt this long-term vision for their enterprise (Carroll, A. B., 2021).

The CSR approach can enable the implementation of new regulations and better corporate governance, whether the company is large, medium, or small, in both developed and developing countries. Its advantage lies in establishing a better "contextualization" of the company's economic activities, improved structuring of relationships with stakeholders, and enhanced corporate governance. This is why CSR constitutes a performance factor for both companies and the territories that host them. While large companies may find it easier to commit to CSR, SMEs and micro-enterprises can also adopt and benefit greatly from it. For SMEs, discussing CSR involves addressing the daily concerns of their leaders, who can thus apply their own values to their business.

The approach to CSR within an industrial zone is built upon multiple interdependent dynamics, which include collaboration, innovation, and sustainable development. These dynamics are intrinsically linked to the local context and the nature of interactions between businesses and stakeholders. Each of these elements plays a crucial role in shaping how CSR is implemented in such environments, and the literature offers various insights into these dimensions.

### **1.2 The Role of Networks of Actors in Implementing CSR Initiatives**

A network of businesses refers to an unstructured group of SMEs that have succeeded and come together to achieve the critical mass needed to face competition. There are two main types of networks. The first is the vertical network, where the company is at the center, aiming to improve relationships with its suppliers, distributors, and subcontractors. The second is the horizontal network, which involves a grouping of companies from the same sector or different sectors that collaborate on a specific activity (Vanhaverbeke, W., & Chesbrough, H., 2020). Networks can be both formal and informal. Formal networks are focused on productivity, mobilized by entrepreneurs to enhance the network's productive efficiency. They are represented by institutions interested in entrepreneurship (banks, government agencies, chambers of commerce, etc.).

However, institutional relationships are not limited to the purchase of goods or the acquisition of capital. They involve all transfers of know-how and information that initiate and facilitate innovation. Formal networks are primarily used during the search for financing. Informal networks encompass personal and informal relationships characteristic of local culture. These are solidarity-based relationships that are essential to complement the institutional network (Gandini, A., & Pera, M., 2021). They mainly consist of family networks, professional networks, and friendly networks. The example of "Third Italy" relies heavily on family solidarities. Professional networks help create connections that foster better informal knowledge exchange, stronger solidarities that can extend to machine loans, local agreements, etc. Friendly networks act as a glue within an entrepreneurial community. Entrepreneurs use these informal networks to gather necessary elements for business operations (raw materials, equipment, employees, etc.). Finally, this type of business exhibits strong territorial integration. As shown by numerous empirical studies (Hollander, E., & Millar, S. 2020), the organization and quality of the local economic environment are factors of success in the development and performance of SMEs.

The approach to Corporate Social Responsibility within an industrial zone is also significantly influenced by small and medium-sized enterprises (SMEs). While large companies often have more resources to integrate CSR practices, SMEs, due to their territorial proximity and close relationships with their environment, are equally involved in collaborative and innovative dynamics. The engagement of SMEs in CSR is crucial, as these companies represent a significant part of the local economic fabric, and their contribution to the sustainable development of the region is essential. The approach to CSR within an industrial zone, especially for SMEs, relies on key dynamics of collaboration, innovation, and sustainable development, strongly influenced by the local context and interactions with stakeholders (Djemai et Al 2024).

Industrial zones play a key role in facilitating the implementation of CSR, especially for SMEs. Several factors contribute to this facilitative role, including geographic proximity, collaboration between companies, resource sharing, and access to support networks. Here are several ways in which an industrial zone can help implement CSR:

### **1. Creating a Collaborative Environment**

Industrial zones often host multiple companies that can collaborate to address CSR challenges. **Geographic proximity** fosters the creation of **local networks** (businesses, public institutions, NGOs, etc.) that share information and best practices on CSR. These networks allow companies to pool resources, reduce costs related to CSR efforts (such as investments in green technologies), and promote joint initiatives, such as sustainable development or local social responsibility projects (Pecqueur, 2000).

### **2. Access to Shared Resources**

Industrial zones can offer **easy access** to shared resources such as eco-friendly infrastructure, waste management services, sustainable energy solutions, or recycling systems. This makes it easier for companies, particularly SMEs, to implement CSR practices by reducing costs and simplifying processes. For example, common initiatives in an industrial zone may include shared water management systems or eco-friendly transportation networks.

### **3. Stimulating Sustainable Innovation**

The concentration of businesses in an industrial zone creates an environment conducive to **innovation**, particularly in sustainability. Companies can exchange knowledge and collaborate on green innovation projects or reducing their environmental impact. By fostering **collaborative innovation**, an industrial zone becomes a fertile ground for developing sustainable solutions that benefit all companies present. For instance, companies can partner to develop new technologies or eco-responsible production methods (Oberndorfer et al., 2022).

### **4. Facilitating Partnerships with Local Authorities and Institutions**

Industrial zones are often supported by **local authorities** or **public bodies** that promote CSR through tax incentives, subsidies, or support programs. Businesses located in industrial zones often benefit from **easier access** to these resources and partnerships with **local authorities**. These partnerships can support the implementation of CSR initiatives in areas such as education, local employment, or green infrastructure.

### **5. Encouraging Territorial Anchoring and Local Responsibility**

The territorial anchoring of companies in an industrial zone strengthens their responsibility toward the local community. Companies in the zone often play a central role in local economic development and job creation. By adopting CSR practices, they actively contribute to the sustainability of their region. For example, they may offer local job training programs, support

social or environmental projects, or incorporate social and environmental criteria in their local supply chain (Hahn, T. (2021)).

### **6. Risk Reduction and Improved Competitiveness**

Businesses in an industrial zone can reduce **social and environmental risks** by implementing shared CSR practices. This can include collective efforts to meet environmental regulations or anticipate stricter future laws. By integrating CSR, companies also benefit from a **better image** among consumers, which can strengthen their **competitiveness** in the market. Industrial zones can facilitate this process by providing training or resources to help companies better understand and implement effective CSR strategies.

### **7. Sharing Investment Costs**

Industrial zones often provide opportunities for businesses to share certain investments related to CSR. For example, companies can share the costs of implementing waste management systems, reducing greenhouse gas emissions, or adopting sustainable energy solutions. This approach reduces individual costs for SMEs and enables them to invest in eco-friendly technologies and practices they might not afford on their own.

### **8. Improving Image and Reputation**

By adopting CSR, companies benefit from an **improved brand image** and enhanced **reputation**. In an industrial zone, this can also positively impact the attractiveness of the zone itself, attracting clients, partners, and investors who are concerned with environmental and social issues. Joint CSR initiatives within the industrial zone can also strengthen **local cohesion** and improve relationships with the surrounding community.

Industrial zones facilitate the implementation of CSR by creating an environment conducive to collaboration, sustainable innovation, and shared resources. These zones, by integrating both SMEs and large companies into local networks, allow businesses to reduce costs, enhance competitiveness, and contribute to sustainable development. Industrial zones thus play a central role in CSR implementation, especially for businesses that benefit from the proximity of local stakeholders and shared resources.

## **III. Empirical Framework**

After reviewing the theoretical literature on CSR and the role of networks in the implementation of CSR approaches, it is now necessary to contextualize the issue within the local framework of our study. The Taharacht industrial zone has been selected as the study area for obvious reasons related to the remarkable dynamics of this zone, which hosts significant small-sized private industrial units (SMEs). It is notable that it is the first industrial zone at the national level composed exclusively of private units. The choice of the Taharacht industrial zone is primarily motivated by its proximity to National Road No. 26, which leads to various localities, cities, and production sectors. These sectors encompass a diverse range of private enterprises, primarily active in the agri-food industry.

### **1.1. Presentation of the TAHARACHT Industrial Zone**

The TAHARACHT industrial zone was established following deliberation No. 185 on 04/09/1986 by the Akbou APC, and approved on 13/10/1986 by the Head of the Akbou District. It is identified by administrative deed No. 269 of 17/10/1993, registered with the Akbou land registry on 26/10/1993, volume 04 No. 22. This zone is located southeast of the Akbou municipal center, near National Road No. 26 and close to the railway line, with a total area of 24 hectares 85 ares 21 centiares (248,521.00 m<sup>2</sup>) divided into 50 lots, all of which have been allocated.

Due to an increasing demand for industrial land within the Akbou municipality, the TAHARACHT zone underwent an expansion in 1998, adding an area of 22 hectares 48 ares 95 centiares (224,895.00 m<sup>2</sup>), divided into 45 lots, of which 03 lots remain available (unallocated). Thus, the

TAHARACHT zone is divided into two sub-zones: Zone I (initial) and Zone II (extension on municipal land and an extension on state-owned land, totaling 09 hectares 77 ares 05 centiares). Its total area is 57 hectares 11 ares 21 centiares.

### 1.2 Economic Composition of the Taharacht Industrial Zone:

Currently, the Taharacht zone is experiencing development primarily focused on small and medium-sized enterprises (SMEs). It includes 47 units, of which only 33 are actively productive, established between 1995 and 2000. The productive activities mainly encompass agri-food, plastic chemistry, wood, and paper, with other sectors holding relatively modest market shares. Notably, agri-food is gaining importance compared to other areas, representing 47.82% of the market. Other sectors do not receive sufficient attention to stimulate their growth. Additionally, a significant number of units, primarily engaged in construction materials manufacturing, as well as industrial and artisanal units, are currently under development in the Taharacht zone (expansion), with five already in production.

### 1.3 The creation of businesses and employment

Since the establishment of the TAHARACHT zone, the situation in the municipality of Akbou has significantly improved due to the increase in business creation, particularly in the agro-food sector and packaging (see Table 1). We can observe that the TAHARACHT industrial zone comprises a mix of economic units, with only 33 out of 47 units currently in production, including three units in expansion that already exist in the initial zone (namely, Sarl Général Emballage, Semoulerie Soummam Grani, and Laiterie Djurdjura). The agro-food sector includes semolina mills, dairies, confectioneries, cheese factories, oil mills, meat processing units, and slaughterhouses. A significant number of units primarily involved in plastic chemistry, wood, and paper, as well as industrial and artisanal units, are also under development in the extension zone, with five of them already in the production phase.

**Table 1: The activities located and underway in the area**

| Activities               | Initial Zone | Expansion Zone | Total | Company Concentration Rate (%) |
|--------------------------|--------------|----------------|-------|--------------------------------|
| Agri-food                | 21           | 2              | 23    | 47.82                          |
| Wood and paper           | 2            | 1              | 3     | 6.52                           |
| Construction materials   | 2            | -              | 2     | 4.34                           |
| textiles                 | 2            | -              | 2     | 4.34                           |
| Plastic chemistry        | 5            | 1              | 6     | 14.28                          |
| Agriculture and fishing  | 2            | -              | 2     | 4.34                           |
| transport                | 2            | -              | 2     | 4.34                           |
| Hospitality and Catering | 1            | -              | 1     | 2.17                           |
| Miscellaneous            | 5            | 1              | 6     | 14.28                          |
| Total                    | 42           | 5              | 47    | 100                            |

Source: Prepared by us using data from L'AFK, 2020.

The legal distribution of units located in the area (see Table 2) shows a concentration of LLCs with 25 units, representing 26.6% of the LLCs based in Akbou, located in TAHARACHT. There are 6 sole proprietorships, accounting for 13.36% of the units in the commune. We also have two joint-stock companies: the multinational DANONE (yogurt production) and FRULACT (fruit and vegetable processing and packaging).

**Table 2: Classification of Companies by Legal Form**

| Companies      | Joint-Stock Companies | Limited Liability Companies | General Partnerships | Sole Proprietorships | Total |
|----------------|-----------------------|-----------------------------|----------------------|----------------------|-------|
| Bejaia         | 154                   | 663                         | 375                  | 204                  | 1396  |
| Akbou          | 12                    | 94                          | 45                   | 44                   | 198   |
| Taharacht Zone | 2                     | 25                          | 5                    | 6                    | 38    |

Source: Prepared by us using data from CNAS, situation as of February 23, 2018.

The Taharacht zone plays a crucial role as a source of employment. Its establishment within the province has significantly reduced the unemployment rate, which is approximately 20% of the total active population, especially in rural areas. This zone has contributed not only to lowering unemployment but also to reducing the prices of some basic products, making them accessible to all segments of society.

Regarding the distribution of employment by activity type, (see Table 3). The agri-food sector is predominant with 1,468 jobs, representing 64.07% of the total workforce. The second position is shared between the plastic chemistry sector and various activities, totaling 14.28%, with 204 and 170 employees, respectively. Other sectors have lower rates, ranging from 6% to 2%.

**Table 3: Distribution of Companies and Employment by Activity**

| Activities               | Number of Units | Number of Jobs | Company Concentration Rate (%) | Employment Rate (%) |
|--------------------------|-----------------|----------------|--------------------------------|---------------------|
| Agri-food                | 23              | 1468           | 47,82                          | 64,07               |
| Wood and paper           | 3               | 205            | 6,52                           | 9,13                |
| Construction materials   | 2               | 119            | 4,34                           | 5,29                |
| textiles                 | 2               | 40             | 4,34                           | 1,78                |
| Plastic chemistry        | 6               | 204            | 14,28                          | 9,08                |
| Agriculture and fishing  | 2               | 40             | 4,34                           | 1,78                |
| transport                | 2               | 19             | 4,34                           | 0,84                |
| Hospitality and Catering | 1               | 10             | 2,17                           | 0,44                |
| Miscellaneous            | 6               | 170            | 14,28                          | 7,57                |
| Total                    | 47              | 2275           | 100,00                         | 100,00              |

Source: Prepared by us using data from Table 1

According to Table 3, these units have created hundreds of productive jobs, both direct and indirect, for the residents of the commune as well as for young people from rural areas in neighboring communes. Most of the established units employ between two and fifty employees, indicating that over 60% of these units are SMEs. Only one unit employs between 151 and 200 people, namely the LLC Semoulerie SOMMAM GRANI. More than 50% of the employees are from the commune of Akbou, 40% are from neighboring communes, 8% are from other provinces, and the remaining employees are from abroad.

This zone has facilitated the creation of numerous jobs by utilizing a significant amount of direct labor across various skill levels, allowing some unemployed individuals, even those without any

training, to be hired. The projected employment for this zone was 2701 jobs. Today, the zone employs 3215 workers, compared to 1500 jobs in 1998. We observe that three units : LLC Danone-Djurdjura, LLC Général Emballage, and LLC Soummam GRANI—concentrate the highest number of jobs, with respective rates of 27.15%, 14.83%, and 5.90%. These three units together employ nearly 50% of the workforce, with the remaining jobs distributed among the other 44 units.

#### **1.4 Introduction to the Questionnaire :**

Our study focuses on analyzing the relationship between SMEs and their stakeholders within the framework of inter-business networks. The goal is to understand the extent to which interactions between the companies in the sample and the actors in their local area (businesses, public administrations, financial institutions, and local authorities) contribute to the dissemination and implementation of CSR practices. This includes examining subcontracting relationships, resource sharing, and other forms of cooperation that may foster CSR integration. As part of this empirical study on the role of inter-business networks in the implementation of Corporate Social Responsibility, it is essential to adapt the questionnaire to include specific questions regarding collaboration between companies. The objective is to explore how these businesses share resources and support each other in implementing sustainable practices. This approach will provide a better understanding of the network dynamics and cooperation mechanisms that facilitate the adoption of CSR strategies within small and medium-sized enterprises in an industrial zone. The questionnaire is divided into two parts and emphasizes specific themes to assess the state of inter-business interactions and their influence on CSR implementation within the region.

**A.** The first part focuses on inter-business relationships, particularly in the context of Corporate Social Responsibility within SMEs. Competition often drives companies to enter into agreements that can vary depending on the context, economic conditions, and strategies implemented, including CSR strategies. SMEs, striving to remain competitive, constantly seek new ways to improve their performance, not only by acquiring specific skills and knowledge but also by developing innovative projects that incorporate sustainable practices. In this regard, one of the key methods for SMEs is to establish long-term relationships with other businesses, whether through partnerships, outsourcing, networking their activities, or collaborating on CSR-related R&D projects or training programs.

**B.** The second part of this analysis examines the company's relationships with local organizations, local authorities, and public institutions such as universities, while incorporating the aspect of CSR. Inter-business relationships are not the only factor to consider when analyzing a company's connections with its territory. Relationships with other local stakeholders are equally important, including professional organizations, chambers of commerce and industry, banks, local authorities, public institutions, and local organizations. These stakeholders play a significant role in the development of the company's interactions with other actors in its territory, as well as in its engagement in partnerships and integration into the local community. Therefore, it is strategic for the company to establish various forms of collaboration, partnerships, and other relationships with these stakeholders in order to grow and engage more closely with other relevant parties. Such an approach can also enhance the company's CSR commitment, contributing positively to the local economy, sustainable development, and social issues in the area.

In the context of this study, empirical research was based on the semi-structured interview method. This choice offers several advantages: it allows for the rapid collection of the desired information by the researcher, while focusing respondents' discussions around pre-defined themes set out by the interview guide. This approach also allows for an in-depth exploration of the perceptions of various stakeholders on the integration of CSR in SMEs and its impact on local relationships.

Regarding data processing, we used the software SPSS (Statistical Package for the Social Sciences) to analyze and visualize the results. SPSS is widely used for managing and analyzing statistical data. It is relatively user-friendly, as many statistical analyses can be performed without programming. SPSS provides all the necessary descriptive statistical techniques for data evaluation: classification and description of populations, grouping of similar individuals, testing and trend detection, cross-referencing descriptive criteria, and interactive graphics for in-depth data exploitation and optimal presentation of results. This allows for identifying correlations between CSR practices of SMEs and their development through strategic relationships with their local environment.

#### **IV. Research Results:**

The success of the CSR approach is akin to the dynamic exchange of knowledge between SMEs and their stakeholders through interpersonal interaction. Our research led to the following results:

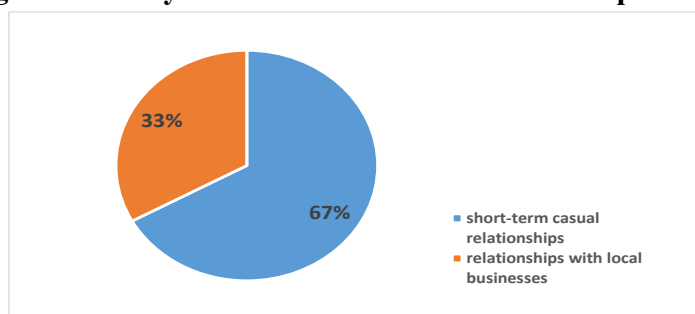
##### **A. Analysis of Inter-Business Relationships and CSR Considerations:**

Regarding the connections between the studied companies and those in their territory, specifically the Béjaïa region, 33.3% of the companies maintain relationships with local businesses. For 66.7% of the companies, these relationships are occasional and short-term, limited exclusively to commercial transactions.

When considering CSR practices, it was observed that only a small fraction of these companies incorporate CSR-related objectives in their inter-business relationships. The majority of these interactions do not go beyond basic commercial exchanges and rarely involve partnerships aimed at promoting sustainable practices, environmental responsibility, or community engagement. Furthermore, while some businesses acknowledge the importance of CSR, there is limited evidence of collaborative efforts to implement CSR strategies, such as joint initiatives in sustainability, ethical supply chain management, or shared resource optimization.

This analysis highlights the need for stronger, more sustained relationships between local businesses to encourage the integration of CSR into their operational practices. Future efforts should focus on fostering long-term collaborations that not only benefit the companies commercially but also advance shared CSR goals, such as reducing environmental impact, supporting local communities, and promoting ethical business practices across the region.

**Figure 1: Analysis of Inter-Business Relationships and CSR Considerations**



Source: field survey

**B. Nature of Relationships and Reasons for Interactions with Local Businesses:**

The results recorded in Table Number Six show that the relationships between local businesses are diverse:

- The most significant relationships are those involving supply (73.3%), subcontracting (53.3%), and distribution (46.7%). These interactions are primarily transactional, with limited long-term strategic collaboration, especially in areas related to Corporate Social Responsibility (CSR).
- Following these are relationships involving the pooling of resources (26.7%), which form the basis of local inter-business relationships. Resource pooling, particularly among SMEs, presents an opportunity to implement sustainable practices, such as sharing environmentally friendly technologies or optimizing resources to reduce waste and energy consumption, thus supporting CSR objectives.
- Relationships involving joint training projects and mutual support are maintained by 20% of the companies. These collaborations can be crucial for advancing CSR within SMEs, as joint training can include topics such as ethical business practices, social impact, or environmental stewardship.
- Research projects are excluded, but joint ventures are favored by 13.3% of the companies. Although research projects are absent, joint ventures, if designed with CSR in mind, could focus on developing innovations that promote sustainability or community engagement, enhancing the social impact of these collaborations.

These findings suggest that while local businesses, particularly SMEs, engage in various forms of partnerships, there is significant potential to deepen these relationships by incorporating CSR goals. Encouraging SMEs to integrate CSR into their inter-business collaborations—whether through resource-sharing, joint training, or sustainable supply chain practices—could enhance both their competitiveness and their contribution to sustainable development in the region

**Table 4: Nature of Relationships with Local Businesses**

| Type of Relationship    | Frequency | Percentage (%) |
|-------------------------|-----------|----------------|
| Subcontracting          | 8         | 53.3           |
| Distribution            | 7         | 46.7           |
| Supply                  | 11        | 73.3           |
| Pooling of Resources    | 4         | 26.7           |
| Joint Training Projects | 3         | 20.0           |
| Research Projects       | /         | /              |
| Mutual Support          | 3         | 20.0           |
| Joint Ventures          | 2         | 13.3           |

Source: Created by us.

**1.2 Relationships between Surveyed Companies and Local Organizations**

Relationships with local organizations (such as professional organizations, chambers of commerce, etc.) are indicative of a company's territorial embedding and can play a crucial role in fostering CSR practices, particularly for SMEs. Companies integrated into their local areas seek to create networks with various local actors, including these organizations, which can facilitate access to resources, best practices, and collaborative opportunities in CSR.

In this context, we found that 51.7% of the companies have relationships with local organizations, while 26.7% have no links with them. These relationships are often critical for SMEs, as local organizations can provide support in areas such as sustainable development, environmental

responsibility, and social impact. Through these networks, SMEs can participate in CSR-focused initiatives, such as joint projects aimed at reducing their environmental footprint, improving labor conditions, or contributing to community welfare.

However, the fact that 26.7% of companies have no ties to local organizations highlights a missed opportunity for leveraging these connections to enhance their CSR strategies. Strengthening partnerships with local professional organizations could help these SMEs access training and resources related to CSR, enabling them to align their business practices with sustainability goals and better meet the expectations of their stakeholders.

Thus, encouraging deeper engagement between SMEs and local organizations could be a key lever for promoting CSR in the region, helping companies to not only reinforce their local anchoring but also to adopt more responsible and sustainable business practices.

### **1.3 University or Research Laboratory-PME Relationships**

This section assesses the role of research networks in fostering innovation within SMEs, particularly through their interactions with universities. Collaboration with academic institutions is crucial, as it facilitates the flow of knowledge and innovative practices into companies, which is essential for the development of both technological advances and Corporate Social Responsibility (CSR) initiatives. These interactions contribute to the creation of more sustainable products, processes, and business models.

However, the survey reveals that links between SMEs and universities are very weak. Only 10% of the companies have established connections with universities in their region or other regions, while 80% confirm that they have no such links. This lack of engagement with academic institutions presents a significant barrier to the adoption of innovation and CSR practices, as universities often serve as hubs for research on sustainability, ethical business models, and environmental responsibility.

For SMEs, strengthening relationships with universities could not only enhance their capacity for technological innovation but also provide access to research on CSR. Such partnerships could help businesses integrate responsible practices into their operations, such as reducing environmental impacts, improving energy efficiency, or enhancing community engagement. By leveraging academic expertise, SMEs could better align their innovation efforts with CSR goals, positioning themselves as leaders in both competitiveness and sustainability.

In conclusion, increasing the collaboration between SMEs and universities is vital for fostering innovation and CSR integration. Establishing stronger research networks would help SMEs stay at the forefront of sustainable development, benefiting both their long-term growth and their contributions to societal well-being.

### **1.4 Relationships between Companies and Public Institutions and Administrations**

Companies maintain various relationships with public institutions and administrations (such as social security funds, chambers of commerce, the judiciary, land agencies, financial departments, labor inspections, and employment agencies) in their local area. These institutions, along with local authorities, play a crucial role not only in integrating companies into their local environment but also in promoting the adoption of CSR practices, particularly among SMEs. By facilitating cooperative relationships with other local actors, public institutions can provide both regulatory frameworks and incentives that encourage sustainable and socially responsible business practices.

These relationships can be instrumental in the growth of companies and the development of managerial practices that align with CSR principles. Public institutions often provide guidance and

support on issues related to labor rights, environmental compliance, and social contributions, all of which are central to CSR. For SMEs, maintaining strong ties with these bodies can help them implement responsible practices, such as ensuring fair treatment of workers, adhering to environmental standards, and engaging in community development initiatives.

The results show that:

- 53.3% of companies maintain relationships with all public administrations, indicating a high level of integration that could potentially support their CSR efforts through access to information, resources, and support for sustainable practices.
- 46.7% have relationships with only some of these institutions, notably excluding the judiciary and land agencies. This limited engagement may restrict their ability to fully benefit from the potential advantages of working closely with public bodies, particularly in areas such as land use for sustainable development or compliance with legal frameworks that support ethical business practices.

In conclusion, fostering stronger relationships between SMEs and public institutions could be a key factor in enhancing their CSR implementation. By leveraging the support and resources provided by these institutions, SMEs can not only improve their managerial practices but also contribute to broader social and environmental goals, reinforcing their role as responsible corporate citizens

### **1.5 Implicit or Explicit Cooperation Agreements**

This section evaluates the presence of inter-business relationships, which usually involve contractual agreements between companies to undertake joint projects while each party retains its own identity and autonomy. These cooperation agreements can serve as a basis for developing joint ventures that not only drive business innovation but also promote Corporate Social Responsibility (CSR) initiatives. When companies collaborate, particularly SMEs, they have the opportunity to share resources, knowledge, and best practices that can contribute to sustainable and socially responsible business practices.

The survey reveals that such relationships between SMEs are common among the surveyed companies. However, the analysis shows that networks are relatively rare. Specifically:

- 13.3% of companies have local networks of relationships, indicating that a small proportion of SMEs engage in regional partnerships that could provide opportunities for mutual support and CSR collaboration.
- 43.3% do not engage in any cooperative relationships, missing opportunities to strengthen their competitive position and integrate CSR principles into their operations. These companies may face challenges in adopting sustainable practices, as they lack the support and knowledge-sharing typically fostered through inter-business cooperation.

Implicit or explicit cooperation agreements among SMEs could serve as a valuable mechanism for integrating CSR into their daily operations. By collaborating with other businesses, companies can address common challenges related to sustainability, such as resource conservation, waste reduction, and community involvement. In this regard, networks of cooperation can not only enhance business performance but also help SMEs contribute to broader social and environmental goals.

In conclusion, promoting stronger inter-business cooperation, particularly among SMEs, could be a significant step toward enhancing CSR integration. Encouraging the formation of local networks

and fostering partnerships with a focus on sustainability and ethical practices would provide SMEs with the resources and support needed to adopt and implement CSR strategies effectively.

## V. Conclusion

The analysis of our survey results revealed that the Taharacht business zone does not sufficiently rely on the formation of inter-business networks. Examining the productive organization modes of SMEs demonstrated that the local territory is not fully integrated into the managerial practices of SMEs, particularly regarding inter-business collaboration and the often introverted relationships with universities, local authorities, institutions, and public administrations. These factors seem to hinder the activities of the sampled businesses, compromising cooperation among actors. Therefore, strengthening these links is essential to ensure the development and sustainability of the industrial fabric, involving awareness-raising actions aimed at mobilizing all stakeholders around building a collective identity and reinforcing local solidarity among businesses.

The issue at hand underscores the need to focus centrally on inter-industrial relationships (both upstream and downstream) and the connections between SMEs, universities, and the research community in general. These relationships are crucial for transferring essential know-how and information, as without them, SMEs cannot access the necessary information to implement CSR effectively.

The analysis of CSR in this context is particularly relevant. CSR, as a strategic process, goes beyond mere compliance or occasional actions. It includes the anticipation of challenges and opportunities to improve business competitiveness, especially through sustainability and social innovation. However, SMEs often face constraints in terms of time, resources, and organization, limiting their engagement in information-seeking activities related to CSR. This is where integration into actor networks can play a key role. These networks help SMEs overcome the information asymmetry they face by facilitating access to concrete data and best practices in CSR.

As a result, mobilizing actor networks provides an effective avenue for implementing CSR within SMEs. By obtaining more specific information on CSR, these businesses can more easily identify actions to integrate into their short-term strategies. CSR thus helps identify needs and priority social sectors where the company is most likely to be effective, while also strengthening its impact on the local community and contributing to the sustainability of its business model.

## Bibliography

1. Bocken, N. M. P., & Short, S. W. (2019). *Innovating for Sustainability: Transforming Business Models for the Circular Economy*. Cambridge University Press.
2. Carroll, A. B. (2021). *Corporate Social Responsibility: A Multidimensional Perspective*. Oxford University Press.
3. Choi, Y., Chang, Y. K., Li, Y. J., & Jang, M. G. (2021). Sustainability Practices and Small and Medium-Sized Enterprises: The Mediating Role of Strategic CSR Orientation on the Relationship between CSR Activities and Firm Performance. *Journal of Business Research*, 125, 524-533. <https://doi.org/10.1016/j.jbusres.2020.02.034>
4. Clement, C. (2018). Green innovation and corporate sustainability: implications for management. *Business Strategy and the Environment*, 27(3), 342-357.
5. Del Baldo, M. (2019). Corporate Social Responsibility, SMEs, and the Italian Experience: Towards a 'Territorial' Model Based on Small 'Giants'? *Sustainability*, 11(13), 3773. <https://doi.org/10.3390/su11133773>
6. Djemai Sabrina (2020). l'intégration de la RSE dans l'industrie agroalimentaire en Algérie, revue d'économie & de gestion vol 03, n 1 (2019), pp. 41-54.
7. Djemai Sabrina, Hamitouche Fairouze, Meziani Mustapha. Analysis of CSR Implementation Elements within SMEs: Initial Findings from an Algerian Study. *Journal of Economic Papers* Volume : 15 – Issue : 02 (2024), P: 69 – 81

8. Djemai, s & abedou, a. la RSE un outil de développement des territoires et de ces acteurs Cas de l'entreprise Cevital. *Revue Finance and Business Economics Review* N°7 658-642
9. Eisenhardt, K. M., & Martin, J. A. (2017). Dynamic Capabilities: What Are They? *Harvard Business Review*, 95(3), 66-74.
10. Elkington, J. (1998). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. New Society Publishers
11. Gandini, A., & Pera, M. (2021). *Networks, Innovation, and Entrepreneurship in the Digital Era*. Routledge.
12. Hahn, T. (2021). *Corporate Social Responsibility and the Sustainability of Regional Development*. Springer.
13. Hollander, E., & Millar, S. (2020). Sustainability and Innovation in the SME Sector. Springer.
14. Jamali, D., Lund-Thomsen, P., & Khara, N. (2020). CSR Institutionalized Myths in Developing Countries: An Imminent Threat or Opportunity? *Journal of Business Ethics*, 162(1), 47-72.
15. Lambrechts, W. (2021). Sustainable entrepreneurship and innovation management. *Business Strategy and the Environment*, 30(1), 79–92. Dyer, J. H., & Singh, H. (1998). The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *Academy of Management Review*, 23(4), 660-679.
16. Oberndorfer, U., Rennings, K., & Wagner, M. (2022). Eco-innovation and Firm Growth: The Moderating Role of Industry Dynamics. *Business Strategy and the Environment*, 31(2), 561-575. <https://doi.org/10.1002/bse.2912>
17. PECQUEUR, P. (2000). *Le développement local : pour une économie des territoires*. Paris : La découverte & Syros.
18. Pereira, F., & Leite, M. (2020). *Strategic Management of Sustainable Business Networks*. Springer.
19. Vanhaverbeke, W., & Chesbrough, H. (2020). *Open Innovation: Research, Practices, and Policies*. Cambridge University Press.
20. Vázquez-Carrasco, R., Martín-Tapia, I., & Crespo, A. H. (2021). CSR and Competitiveness in Small and Medium Enterprises: The Role of Stakeholder Engagement in Innovation and Competitive Advantage. *Corporate Social Responsibility and Environmental Management*, 28(6), 1751-1765.

**How to cite this article by the APA method:**

DJEMAI Sabrina, (2025). The Role of Business Networks in the Implementation of CSR: case of SMEs in the TAHARACHT Area, *Roa Iktissadia Review*, Algeria: University of El-Oued.15 (01), 169-182.

The copyrights of all papers that were published in this journal are retained by the respective authors as per the [Creative Commons Attribution License](#).



Roa Iktissadia Review is licensed under a [Creative Commons Attribution-Non Commercial license \(CC BY-NC 4.0\)](#)