

# The role of international trade liberalization in the implementation and financing of corporate social responsibility

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## Abstract

In light of the crucial role that international trade plays in incorporating corporate social responsibility (CSR) aspects—such as environmental protection, human rights, labor rights, and sustainable development—into both national and multinational enterprises. In this sense, free trade agreements and global value chains are among the primary means of international trade in the implementation and financing of CSR. Various approaches have been explored in this context, including referencing CSR or internationally acknowledged frameworks in the preambles of these agreements, as well as integrating specific clauses that explicitly address these issues while also considering the demands of stakeholders like suppliers and customers. This approach thus prompts questions regarding its effectiveness in regulating multinational companies in the context of international and regional economic integration, as well as access to financing programs. In addition, mechanisms provided for in these agreements may contribute to this, but there remain several obstacles and limitations to the successful integration of CSR.

**Keywords:** International trade; CSR; Free trade agreements; Global value chain.

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## 1. Introduction

Since the 1990s and 2000s, notably with the United Nations conferences in Rio de Janeiro and Johannesburg on global development and environmental policy, followed by the Rio+20 Conference, which contained a series of messages on sustainable development and trade ("making trade a lever for our sustainable development ambitions<sup>1</sup>"), as well as the launch of the Global Compact. The economy has undergone profound changes that have redefined the relationship between business and the environment. The implementation of sustainable development (SD) within organizations is closely tied to corporate social responsibility (CSR). This concept is based on three interconnected pillars: social, economic, and environmental dimensions. It also involves respect for all stakeholders, whether employees, customers,

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<sup>1</sup> General Commission for Sustainable Development. International Trade and the Environment: Towards Third-Generation Agreements.

<https://www.ecologie.gouv.fr/sites/default/files/publications/Thema%20%20Commerce%20international%20et%20environnement.pdf> (accessed online on September 3, 2025).



suppliers, shareholders, or non-governmental organizations (NGOs), while encouraging active contribution to civil society (Peels and al., 2016). For national or multinational companies, investing in their social and environmental responsibility offers strategic advantages, particularly in terms of overall performance. In the long term, it minimizes the industrial and ecological risks associated with their activities while strengthening their competitiveness. However, CSR, as a concept and management tool, is a complex and sometimes ambiguous notion in its practical application. This dual aspect highlights the richness and challenges it represents for modern businesses.

International trade is increasingly being integrated into Corporate Social Responsibility (CSR) strategies to improve reputation, reduce environmental impact (particularly through free trade agreements and logistics), promote ethical social practices in supply chains, and contribute to sustainable development, as suggested by the international standard ISO 26000<sup>2</sup>. This approach aims to reconcile economic performance, social issues, and respect for the environment to create shared value and meet stakeholder expectations. Nevertheless, since its emergence, the progressive liberalization of international trade has generated intense debate regarding its impact on the adoption and funding of corporate social responsibility (CSR) (Peels and al., 2016). Yet, while the issue of integration and, above all, the financing of CSR through the establishment of a link with multilateral trade policies remains at an impasse within the World Trade Organization (WTO), states are seeking to negotiate bilateral regimes for investment protection and regional economic integration in a more restricted context.

Some researchers believe that these agreements are the most appropriate international legal instruments for regulating responsible investment. In addition, free trade agreements serve as a normative framework within which states seek to integrate social and environmental issues related to the activities of companies, whether national or multinational. Furthermore, in so-called new-generation agreements, trade issues are addressed in a way that ensures alignment between the progressive liberalization of trade and the protection of common interests and non-economic values. Thus, corporate social responsibility (CSR) is gradually being incorporated into these agreements. From this perspective, new-generation agreements mainly impose obligations on states. The incorporation of corporate social responsibility reflects their strong commitment to promoting responsible practices, both for multinational corporations and for domestic companies operating in free trade areas. This inclusion provides a framework for regulating industrial and commercial activities from a social and environmental perspective. In this context, the following issue is highlighted: How does the liberalization of international trade contribute to the implementation and financing of CSR?

Based on this issue, the analyses presented in our work first seek to present a historical evolution of CSR and shed light on the different ways in which CSR is implemented and financed through international trade. Next, we will focus on the limitations and paradoxes that hinder the integration of CSR in national multinational companies. Our research is based on a critical and contextual study combining a documentary approach through the analysis of various sources, including scientific articles, reports from international organizations (WTO, World Bank, UNCTAD, OECD, International Organization for Standardization), and official documents relating to trade agreements. It aims to understand how trade liberalization,

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<sup>2</sup> ISO 26000, published in 2010, provides guidelines for anyone who recognizes that socially responsible and environmentally friendly behavior is a key factor for success. <https://www.iso.org/fr/iso-26000-social-responsibility.html>, (accessed online on September 5, 2025).

international, and the value chain influence the implementation and financing of CSR, through the analysis of new-generation free trade agreements on the one hand, and to present examples of companies in the Moroccan context on the other. It also aims to present the limitations and obstacles that hinder the implementation and financing of CSR.

## 2. History and conceptual evolution of Corporate Social Responsibility (CSR)

Contrary to a widespread perception that tends to view Corporate Social Responsibility (CSR) as a recent phenomenon or a mere management fad, this concept is in fact part of a long-standing tradition rooted in business practices dating back several centuries. The idea that companies have obligations to society is therefore not new. As early as the 14th century, historians and economists were already referring to the social responsibility of entrepreneurs in their writings. However, it was at the end of the 19th century, in the context of the transformation of American capitalism, that the beginnings of modern CSR began to emerge. This turning point was marked by a growing debate on the legal and social status of companies, as well as questioning the excesses of economic liberalism and the abuses associated with free enterprise (Epstein, 2002; Heald, 1970). On an academic level, the formal conceptualization of CSR appeared in the mid-20th century. Howard Bowen's seminal work, published in 1953 and often cited as the birth of CSR as a discipline, is a major reference. Bowen, sometimes referred to as the "founding father" of CSR, introduced a line of thinking deeply rooted in ethical and religious considerations (Gendron and al., 2004), thereby contributing to the institutionalization of the concept in the scientific field. Subsequently, the work of Davis (1960) and Walton (1967) further developed the thinking on corporate social and environmental responsibilities.

The 1960s marked a turning point in the theoretical evolution of CSR, particularly due to the expansion of the welfare state, which redefined social expectations of businesses. This paradigm shift led to a decline in the traditional paternalistic model, in which companies played an expanded social role, in favor of a more limited vision focused on profit maximization, job creation, and the production of consumer goods (Friedman, 1970). This minimalist approach to corporate responsibility, centered on its economic function, gradually came up against a series of social demands: profit sharing, working conditions, product quality, but also the rise of companies in the global economy. Indeed, from the 1980s onwards, globalization accelerated the multinationalization of companies, giving some of them more power than certain states. This imbalance led to a questioning of public authority in the regulation of transnational economic activities (Bouziane, 2022). Considering this situation, CSR emerged as a voluntary mechanism to compensate for the absence or inadequacy of national and international regulations capable of addressing the social and environmental impacts of economic activities. Today, it is positioned as a normative and ethical framework aimed at questioning the legitimacy of a company's economic actions in its societal environment. CSR was first mentioned in the Global Compact on January 31, 1999<sup>3</sup> at the World Economic Forum, when United Nations Secretary-General Kofi Annan challenged business leaders to join an international initiative bringing together businesses, UN agencies, civil society, and the world of labor to support universal principles in the social and environmental fields.

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<sup>3</sup> <https://pactemondial.org/decouvrir/dix-principes-pacte-mondial-nations-unies/> (accessed online on September 2, 2025).

### **3. International trade as a lever for integration and direct and indirect financing of CSR**

#### **3.1. Impact of international trade on CSR implementation practices**

The trend in international free trade law to take CSR into account began indirectly with the incorporation of certain types of clauses into free trade agreements. Then the negotiators of certain agreements, especially those belonging to the new generation, considered the possibility of including CSR directly. Generally speaking, without a precise internationally accepted definition and with different objectives to be achieved, the scope of CSR varies from one initiative to another. Nevertheless, CSR usually encompasses important issues related to social and environmental concerns: human rights, labor and industrial relations, the environment, fair business practices (anti-corruption, fair competition, transparency), etc. (Nguyen and al., 2022). CSR is therefore likely to come into play implicitly when implementing various provisions of international trade agreements, especially those relating to general exceptions, non-derogation clauses, and labor. It should be noted from the outset that free trade agreements are often based on the general exceptions provided for in Article XX of the General Agreement on Tariffs and Trade (GATT<sup>4</sup>) or in Article XIV of the General Agreement on Trade in Services (GATS<sup>5</sup>) of the WTO.

It is important to note that this reference makes it possible, on the one hand, to recognize the lawful power of States to invoke the said derogation regime in order to protect non-commercial values in the development and implementation of trade policies or other policies that may have trade consequences and, on the other hand, creates "positive obligations" for States to meet any requirements under each of the exceptions in order to ensure a balance between the policies pursued and the fundamental disciplines of free trade. This justifies the possibility for a member to establish, through the normative process, an appropriate level of human, social, or environmental protection. In addition, a number of free trade agreements include a non-derogation clause. Often included in bilateral investment agreements with commitments in the area of environmental protection, this type of clause has subsequently been incorporated into free trade agreements. Its scope, in this new context, has been broadened to encompass issues related to human rights, labor, sustainable development, etc. It is interesting to note a significant shift in the way CSR is addressed in relation to free trade. The issue now is the direct inclusion of CSR in a free trade agreement. This can be achieved in two ways: CSR is mentioned in the preamble to the agreement as one of its general objectives, or CSR-related clauses have been incorporated into its substantive chapters.

For example, in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the contracting parties made a simple reference to CSR in the preamble: "The Parties to this Agreement, having resolved [...] to reaffirm the importance of promoting corporate social responsibility<sup>6</sup>. " More concrete and comprehensive, the preamble to many

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<sup>4</sup> GATT is the General Agreement on Tariffs and Trade, an international treaty signed in 1947 to promote free trade by reducing customs duties and barriers to trade [https://www.wto.org/french/docs\\_f/legal\\_f/gatt47.pdf](https://www.wto.org/french/docs_f/legal_f/gatt47.pdf) (accessed online on September 2, 2025).

<sup>5</sup> The General Agreement on Trade in Services (GATS) is a World Trade Organization (WTO) treaty that establishes a multilateral legal framework to liberalize and regulate international trade in services, based on rules that are binding on all member countries [https://www.wto.org/french/docs\\_f/legal\\_f/gats\\_f.htm](https://www.wto.org/french/docs_f/legal_f/gats_f.htm) (accessed online on September 2, 2025).

<sup>6</sup> Comprehensive and Progressive Agreement for Trans-Pacific Partnership, March 8, 2018, preamble (entered into force on December 30, 2018), [www.international.gc.ca/tradecommerce/trade-agreements-accords-](http://www.international.gc.ca/tradecommerce/trade-agreements-accords-)

free trade agreements concluded by the European Union (EU) not only emphasizes the promotion of CSR, but also refers to internationally recognized instruments in this area. For example, in the Comprehensive Economic and Trade Agreement between Canada, on the one hand, and the European Union and its Member States, on the other (CETA, Article 22.3), both parties undertake to "encourage enterprises operating in their territory or under their jurisdiction to adhere to internationally recognized guidelines and principles on corporate social responsibility, including the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and to adopt best practices in responsible business conduct<sup>7</sup>".

Furthermore, clauses on corporate social responsibility in free trade agreements where chapters deal with sustainable development, labor, or the environment increasingly include provisions that directly regulate CSR using different approaches. The dominant approach to including CSR in free trade agreements is expressed through the "best efforts clause." For example, Article 810 of the Free Trade Agreement between Canada and the Republic of Peru, where the first inclusion of this type was made, provides as follows: Each Party should encourage enterprises operating in its territory or under its jurisdiction to voluntarily incorporate internationally recognized corporate social responsibility standards into their internal policies, such as statements of principle that have been approved or are supported by the Parties (Nguyen and al., 2022). These principles address issues such as labor, the environment, human rights, community relations, and anti-corruption. The Parties remind these companies of the importance of incorporating these corporate social responsibility standards into their internal policies.

State obligations under free trade agreements relating to corporate social responsibility, such as the United States-Peru Trade Promotion Agreement (PTPA), both parties have agreed to establish a mechanism for cooperation and capacity building in the field of labor, which is seen as a tool for improving labor standards and advancing common commitments<sup>8</sup>. In this regard, it is worth citing the ideas of Jarrod Hepburn and Vuyelva Kuuya put forward in their study on CSR-related clauses incorporated into the Canada-Colombia Free Trade Agreement. For example, in the EVFTA, the EU and Vietnam, while recognizing the importance of cooperation on trade-related aspects of sustainable development in order to achieve the objectives sought in this area, undertake to "work together" to "promote CSR, in particular with regard to internationally agreed instruments that have been approved or supported by each party." Furthermore, the EU insists in its legal texts on "a mutual commitment by both parties to promote internationally agreed instruments on CSR within the framework of the agreement and their trade relations<sup>9</sup>." In addition, it is striving to define, at its level, a conventional model that gives prominence to CSR concerns. The majority of agreements

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[commerciaux/agr-acc/cptpp-ptpgp/text-texte/cptpp-ptpgp.aspx?lang=eng](https://commerciaux/agr-acc/cptpp-ptpgp/text-texte/cptpp-ptpgp.aspx?lang=eng) (accessed online on September 2, 2025).

<sup>7</sup> Comprehensive Economic and Trade Agreement between Canada, on the one hand, and the European Union and its Member States, on the other hand, October 30, 2016. [www.international.gc.ca/trade-commerce/assets/pdfs/ceta-rm-01-eng.pdf](http://www.international.gc.ca/trade-commerce/assets/pdfs/ceta-rm-01-eng.pdf) (accessed online on September 2, 2025).

<sup>8</sup> United States-Peru Trade Promotion Agreement, April 12, 2006, Art. 17.6 (entered into force on February 1, 2009) (hereinafter "PTPA"). See also: Deborah Leipziger, Benjamin Simmons, and Anna Autio, Corporate Social Responsibility and Regional Trade and Investment Agreements, United Nations Environment Programme, 2011, p. 27.

<sup>9</sup> Official Journal of the European Union.

[www.eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2012:099E:0101:0111:EN:PDF](http://www.eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2012:099E:0101:0111:EN:PDF), (accessed online on September 5, 2025).

falling within the category of trade agreements as defined in Article 207 of the Treaty on the Functioning of the European Union incorporate CSR requirements into their provisions to a greater or lesser extent (Nguyen and al., 2022).

### 3.2. Global value chains serving CSR practices

Multinational companies play an undeniably important role in international trade. Due to the complexity and scale of their commercial operations, which take place across several countries, they exert significant influence not only in the economic sector, but also in other areas of social life in these countries. It should be remembered that globalization and the gradual liberalization of international trade offer them immense business opportunities around the world, on the one hand, and increase the risks of violations by them in terms of human rights, labor, the environment, consumer health, the fight against corruption, etc., on the other. Furthermore, in the supply chains that multinational companies establish or participate in, their suppliers, customers, and subcontractors may also engage in activities that lead to human rights, social, and environmental violations. Multinational companies frequently impose CSR requirements on their local suppliers, through contractual mechanisms or certifications (e.g., ISO 26000, SA8000<sup>10</sup>, ISO 14001<sup>11</sup>). This phenomenon is pushing exporting SMEs to invest in compliance, sometimes with financial or technical support from their clients. One example is the SR MENA project<sup>12</sup>, which ran for four years (2011-2014) to help the MENA region (Algeria, Egypt, Iraq, Jordan, Lebanon, Morocco, Syria, and Tunisia) adopt and use the ISO 26000 standard on social responsibility. For Morocco, three companies were selected for this project: COCHEPA (manufacturer of paper and plastic bags), AMENDIS (water and electricity distributor), and COLORADO (manufacturer and marketer of paints).

In addition, the General Confederation of Moroccan Enterprises (CGEM) launched its Responsible SME Label<sup>13</sup> in 2007, which has been awarded to 120 Moroccan companies, but only 26 SMEs until May 2025, highlighting their exemplary commitment to sustainability. In addition, the CGEM's CSR Label joined the European network "Responsibility Europe" in 2023. This integration enhances the visibility of labeled companies on an international scale and allows them to benefit from value chains in the European market, while ensuring recognition of this Label according to shared European responsibility standards. Finally, among large Moroccan companies, particularly those operating internationally (e.g., OCP, Moroccan Storage Company, Holcim, Bontaz Morocco, Imiter Metalworking Company, Morocco Telecom, BMCE, Marjane), are aligning their practices with these standards, particularly in terms of reducing their environmental impact by adopting educational and

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<sup>10</sup> The SA8000 standard is the world's largest social certification program. The SA8000 standard and certification system provide a framework for organizations of all types, sectors, and countries to conduct their business in a fair and decent manner for their employees and to demonstrate their adherence to the highest social standards. <https://sa-intl.org/programs/sa8000/>, (accessed online on September 5, 2025).

<sup>11</sup> ISO 14001 is an internationally recognized standard for environmental management systems (EMS). It provides a framework for organizations to design and implement an EMS and continuously improve their environmental performance. <https://www.iso.org/fr/standard/60857.html>, (accessed online on September 5, 2025).

<sup>12</sup> The benefits of ISO 26000 SR MENA Project: Case studies. [https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/fr/srmna\\_factsheets.pdf](https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/fr/srmna_factsheets.pdf), (accessed online on September 5, 2025).

<sup>13</sup> Label PME Responsable is a scheme designed to support and promote small and medium-sized enterprises committed to CSR. <https://cgem.ma/activites/la-cgem-lance-le-label-pme-responsable/> (accessed online on September 7, 2025).

training projects, as well as renewable energies. In this context, one example is The Cherifian Phosphate Office Group is often cited as a model in terms of CSR and a key player in international trade, since Morocco holds more than 70% of the world's phosphate reserves, and OCP is the world's leading exporter of phosphoric acid and phosphate fertilizers, exporting its products to more than 160 countries. In this regard, the Cherifian Phosphate Office Group has adopted several projects: the Green Energy Park (created in 2017) and Mohammed VI Polytechnic University (founded in 2013), as well as agricultural support projects such as the OCP Innovation Fund for Agriculture (OIFFA) investment fund, created in 2018.

### 3.3. Implementation of CSR and expanded access to markets and capital

International trade allows companies to access new markets through trade liberalization, generating additional revenue that can be reinvested in CSR projects (reducing carbon footprint, improving working conditions, etc.). In addition, international openness facilitates access to specific financing, such as:

- ✓ Green or social bonds; grants for research and development projects; Mechanisms for carbon pricing, including the carbon border adjustment scheme planned for introduction in the United Kingdom in 2027—after its adoption by the European Union in 2023 and consideration by countries like the United States, Australia and Canada—have raised concerns among developing nations. Additionally, the 2022 adoption of the WTO Agreement on Fisheries Subsidies marks a pivotal advancement toward harmonizing trade regulations with environmental sustainability goals.
- ✓ Subsidies or tax incentives in certain bilateral or multilateral trade agreements. UNCTAD supports the strategic use of WTO provisions, such as tariff flexibility and export subsidies for least developed countries (LDCs), for the purposes of industrialization and economic transformation, as well as the development of natural resources<sup>14</sup>. UNCTAD strives to secure a larger portion of the benefits from global trade for developing countries by equipping them with the necessary knowledge and tools to effectively utilize WTO provisions. Specifically, it supports these countries in comprehending intricate trade agreements, managing non-tariff barriers, and maximizing the advantages of tariff preferences.
- ✓ Access to Green Trade Finance involves utilizing trade finance instruments—such as letters of credit and guarantees—to facilitate transactions that promote environmental sustainability. This encompasses funding projects like wind farms, water management initiatives, and clean transportation solutions. A notable example is the Green Value Chain program (2018–2024), a financing initiative by the European Bank for Reconstruction and Development (EBRD) supporting SMEs in Morocco through partnerships with Société Générale Group, Moroccan Credit, Banque Populaire Group, and Moroccan Foreign Trade Band. With a budget of MAD 90 million, the program seeks to finance green investments, including energy efficiency improvements and the adoption of sustainable technologies, thereby enhancing the competitiveness and export capacity of participating companies (Chiadmi, 2023).

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<sup>14</sup> Label PME Responsable is a scheme designed to support and promote small and medium-sized enterprises committed to CSR. <https://cgem.ma/activites/la-cgem-lance-le-label-pme-responsable/> (accessed online on September 7, 2025).

- ✓ The program offers loans or leasing contracts and is part of a broader effort by the EBRD and its partners to support the ecological transition of businesses in partner countries<sup>15</sup>. Also, the "Green African agriculture value chain GA<sup>16</sup>" program, launched in 2022 with a budget of €200 million to offer financing to various financial intermediaries throughout sub-Saharan Africa, enabling them to extend loans to eligible small and medium-sized enterprises (SMEs) and mid-cap companies engaged in agricultural value chains.
- ✓ The adoption of CSR enables national and international companies to take advantage of existing trade provisions improve their access to markets to enhance their brand image and generate more profit, which would lead to the continued financing of CSR, promote the structural transformation of their economies, and achieve sustainable development through support for economic growth. Furthermore, international trade is essential to the integration of CSR, as it stimulates economic growth and, as a result, reduces poverty (job creation) and increases the flow of essential goods and services.
- ✓ Foreign trading partners, customers, and investors often exert normative pressure on companies, encouraging them to comply with stricter CSR standards in order to remain competitive internationally. This requirement can push companies to allocate budgets dedicated to CSR compliance.
- ✓ The fact that CSR builds employee loyalty and can facilitate the attraction of talent and the development of unique expertise enables companies to reduce costs, innovate, and forge unique relationships with their stakeholders, which has a positive impact on their performance and reputation. This work is at the heart of the CSR business case. Resource and Competency (RC) approaches seek to demonstrate the nature of the benefits that companies are likely to derive from investing in CSR (Gimenes, 2021).

#### **4. Limits and paradoxes of the role of international trade in the implementation and financing of CSR**

International trade certainly plays a key role in the implementation and financing of CSR, either directly or indirectly, especially in terms of free trade agreements. However, several obstacles and contradictions limit its role in the integration and financing of CSR in favor of national or international companies. Starting with the report published in 2016 by Vigeo Eiris, it clearly indicated that the performance of free trade agreements concluded by Canada, the United States, the EU, Japan, Australia, etc., which sought to adopt a flexible and voluntary approach (Nguyen and al., 2022) . The PTPGP , where CSR provisions have been included in three chapters governing investment, labor, and the environment, respectively, takes the same approach, but uses slightly different wording: "The Parties reaffirm the importance of each Party encouraging enterprises operating in its territory or under its jurisdiction to voluntarily incorporate into their internal policies internationally recognized standards, guidelines, and principles of corporate social responsibility that the Party has endorsed or supported<sup>17</sup>. It follows that these clauses impose on the contracting parties a commitment to encourage

<sup>15</sup> The Morocco Green Value Chains (Morocco GVC), <https://www.dai.com/our-work/projects/morocco-green-value-chains-morocco-gvc> (accessed online on September 6, 2025).

<sup>16</sup> Green African agriculture value chain GA, <https://www.eib.org/fr/projects/all/20220115>, (accessed online on September 6, 2025).

<sup>17</sup> Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/tpp-ptp/text-texte/toc-tdm.aspx?lang=fra> (accessed online on September 4, 2025).

companies to comply with internationally recognized standards, guidelines, and principles in this area. However, these clauses do not specify what "internationally recognized standards, guidelines, and principles" might be. Therefore, one might think of the OECD Guidelines for Multinational Enterprises, the United Nations Global Compact, ISO 26000, and the International Labor Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as these standards and principles are already recognized as a "global framework" for CSR.

On the other hand, the intergovernmental nature of these agreements may lead to an explicit exclusion of the direct effect of CSR rules. Such an absence, combined with a voluntary approach (e.g., NAFTA, the PTPGP does not provide for monetary penalties) that prevails in this area, would undermine the effectiveness of their application. However, this concern could be mitigated by gradual improvements resulting first from the obligations imposed on signatory states with regard to CSR and second from certain mechanisms provided for in these agreements. In addition to the proliferation of trade restrictions, multilateral trade rules can also hinder the efforts of developing countries seeking to participate more fully in global trade (Nguyen and al., 2022).

Adding that multinational companies engaged in commercial and investment activities abroad. Their subsidiaries commit human rights, social, or environmental violations in the countries where they operate, especially in Africa. It is therefore necessary to involve them in the implementation of CSR principles and standards. Such an interpretation is also consistent with the extraterritorial scope of the OECD Guidelines or the ILO Tripartite Declaration. This is clearly illustrated by the Canadian strategy entitled *The Canadian Business Model: A Strategy for Promoting Corporate Social Responsibility for Canadian Extractive Companies Operating Abroad*<sup>18</sup>. This strategy has two main components. It aims to promote well-known international CSR standards by establishing networks and partnerships with stakeholders in the countries where Canadian extractive companies operate. It resolves disputes between Canadian extractive companies and local communities affected by their operations through the Office of the Extractive Industry CSR Advisor or Canada's National Contact Point, established in accordance with the requirements of the OECD Guidelines. It should be noted that obligations to cooperate internationally on CSR or to promote it nationally - through the use of terms such as "encourage", "endeavor to promote", or "commit to promoting" - do not constitute strongly binding commitments. The contribution of these rules to the regulation of CSR therefore depends, first, on the willingness of states and multinational enterprises and, second, on the monitoring mechanisms provided for in the agreements.

Overall, mechanisms focused on sanctions and financing can be considered necessary to better ensure compliance with commitments in areas such as labor and the environment. However, with regard to the application of these sanctions in the case of the implementation of CSR-related clauses, some concerns may be raised due to the fact that "it requires that the violation is trade- or investment-related, i.e., that it has a harmful impact on bilateral trade or investment which should be quantifiable in economic terms" (Nguyen and al., 2022). In the second category, it is not uncommon for disputes arising from the interpretation and

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<sup>18</sup> Global Affairs Canada. "The Canadian Business Model: Strategy to Promote Corporate Social Responsibility for Canadian Extractive Companies Operating Abroad," <https://www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/other-autre/csr-strat-rse.aspx?lang=fra> (accessed online on September 3, 2025).

application of CSR rules incorporated into free trade agreements to be excluded from the scope of general dispute settlement procedures. This exclusion may encourage a State not to comply with them. However, this negative effect could be partially offset by the existence of specific consultation mechanisms and expert groups provided for in chapters dealing directly with the environment, labor, or sustainable development. This category is used mainly in free trade agreements to which the EU is a signatory. For example, in the Free Trade Agreement between the European Union and its Member States, on the one hand, and the Republic of Korea, on the other, the procedures contained in Chapter 14 (Dispute Settlement) may not be used for disputes arising from Chapter 13 on sustainable development (Nguyen and al., 2022). Both parties may only resort to the procedures provided for in Article 13.14 (Consultation between public authorities) and Article 13.15 (Panel of experts).

In some cases, the pursuit of competitiveness by companies pushes them to relocate to countries with low social and environmental regulations, compromising the very principles of CSR. This phenomenon, known as "CSR dumping," directly limits the positive effects of international trade. Furthermore, not all companies have the same capacity to take advantage of the opportunities offered by international trade. SMEs, particularly in developing countries, often struggle to finance the investments required to comply with international CSR standards, which can exclude them from global value chains. This is the case for Moroccan companies, as of May 2025, only 26 Moroccan companies comply with and align themselves with the principles of the ISO 26000 standard according to the CGEM's CSR Label. Despite the progress made, several obstacles are hindering the effective integration of CSR in Morocco:

- ✓ Lack of awareness and training: Senior managers and operational managers often lack specific training in CSR, which limits their ability to integrate these principles into decision-making processes.
- ✓ Limited resources: SMEs, which make up the bulk of Morocco's economic fabric, have limited financial and human resources, making it difficult to adopt ambitious CSR practices;
- ✓ Lack of strategic integration: For many companies, CSR remains a peripheral activity, often carried out as part of isolated projects (such as donations or one-off actions), without being integrated into the organization's overall strategy and long-term objectives.

These results show that, although CSR is progressing in Morocco, it requires greater institutional support and awareness to become a fully integrated strategic lever within companies (Mahir, 2024).

## 5. Conclusion

International trade, although ambivalent, is a strategic lever for the implementation and financing of corporate social responsibility (CSR). It offers companies the opportunity to take advantage of free trade agreements, access new markets, sustainable sources of financing, and networks of partners that demand responsible conduct. However, this positive impact depends heavily on the regulatory framework, stakeholder engagement, and the ability of companies to translate these opportunities into concrete actions. Coordination between trade policies and sustainable development policies is therefore essential for CSR to become a universal standard in international trade. Furthermore, free trade agreements are becoming another

forum where negotiators are attempting to address social and environmental concerns related to the operations of multinational companies. In these agreements, especially those described as "new generation," non-traditional trade-related issues are considered in order to ensure a balance between the need for progressive regional trade liberalization and the protection of common interests or non-trade values. As a result, CSR is included in a growing number of these agreements (e.g., PTPGP, NAFTA, PTPA, EVFTA). The introduction of CSR rules in free trade agreements marks an important shift in international trade toward better regulation of non-traditional trade-related issues. This movement is part of efforts at various levels to achieve sustainable development goals.

Morocco has certainly made several efforts to liberalize its foreign trade by concluding a number of free trade agreements (with the EU, the US, Turkey, etc.). However, CSR is still in the early stages of development in our country, which means we are unable to take advantage of the opportunities it offers in several areas: economic development, social progress, and environmental preservation. This requires a collective effort involving businesses, government, and civil society, which could become a real driver of transformation and innovation for the Morocco of tomorrow. Although international trade plays an essential role in the implementation and financing of CSR, several obstacles and paradoxes hinder its achievement. In other words, despite the existence of several CSR clauses in free trade agreements, their implementation remains limited and without reciprocal commitment, due to the absence of sanctions (commercial and monetary), as well as the mechanisms necessary for the continued financing of corporate social responsibilities.

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