

## ARTICLES

### EUROPEAN RULES AND REGULATIONS ON MORAL ISSUES REGARDING CORPORATE DIGITAL RESPONSIBILITY IN ROMANIA

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**Abstract:** In recent years, European Union (EU) has been increasingly concerned about the morality of corporate digital responsibility, particularly about issues such as privacy, data protection, and ethical business practices. To address these concerns, the EU has introduced several laws and regulations aimed at ensuring that corporations engaged in digital activities conduct themselves in a manner that is consistent with traditional European values of fairness, transparency, and ethical behavior. The aim of this article is to analyze from a qualitative perspective the connections and correlations that can be established between corporate digital responsibility and the European framework at a moral and ethical level. The European approach to regulating corporate digital responsibility is characterized by a strong emphasis on moral principles, including transparency, fairness, and respect for the rights of individuals. These laws and regulations have been established to ensure that corporations engaged in digital activities conduct themselves in a manner that is consistent with European values, protect citizens' privacy and personal information, and secure digital assets and infrastructure. It also ensures that companies are held accountable for their actions and their impact on the society and environment.

**Keywords:** corporate digital responsibility; digital ethics; European Union; morality

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## 1. Introduction

Digital ethics and corporate digital responsibility are closely connected, as both deal with the ethical implications of digital technologies and their impact on society and individuals. Digital ethics refers to the principles and guidelines that govern the responsible use of digital technologies and the management of the associated data and information. Corporate digital responsibility, on the other hand, refers to the actions and practices of companies and organizations in ensuring that their use of digital technologies aligns with ethical and societal values (Muller, 2020).

One key area where digital ethics and corporate digital responsibility intersect is in the realm of data privacy and protection. As companies collect, store, and use vast amounts of personal data, they have a responsibility to ensure that this data is handled in a way that respects the privacy and rights of individuals. Digital ethics principles such as transparency, consent, and accountability play a key role in this regard, as they help to ensure that data is collected and used in a way that is fair, respectful, and transparent (Etter and al., 2019).

Another area where digital ethics and corporate digital responsibility intersect is in the realm of artificial intelligence (AI) and machine learning. As these technologies become increasingly prevalent in business and society, companies have a responsibility to ensure that they are used in a way that is ethical and respects societal values. Digital ethics principles such as fairness, explainability, and accountability are critical in this context, as they help to ensure that AI systems are designed and deployed in a way that is transparent, unbiased, and accountable. (Ashok et al., 2022).

Moreover, corporate digital responsibility also encompasses the responsibility of companies to ensure that the digital services they provide do not harm society or the environment (Suchacka, 2020). This includes issues like digital addiction, fake news, disinformation and so on (Bakir & McStay, 2018). Companies must also ensure that their actions do not contribute to creating a digital divide in society (Vartanova & Gladkova, 2019).

In summary, digital ethics and corporate digital responsibility are closely connected and mutually dependent. The principles of digital ethics provide a framework for companies to ensure that their use of digital technologies is responsible, transparent, and respects the rights and values of individuals and society. (Becker et al., 2022) Corporate digital responsibility is the implementation of those principles in companies, ensuring they act in an ethical way when using digital technologies (van der Merwe et al., 2022).

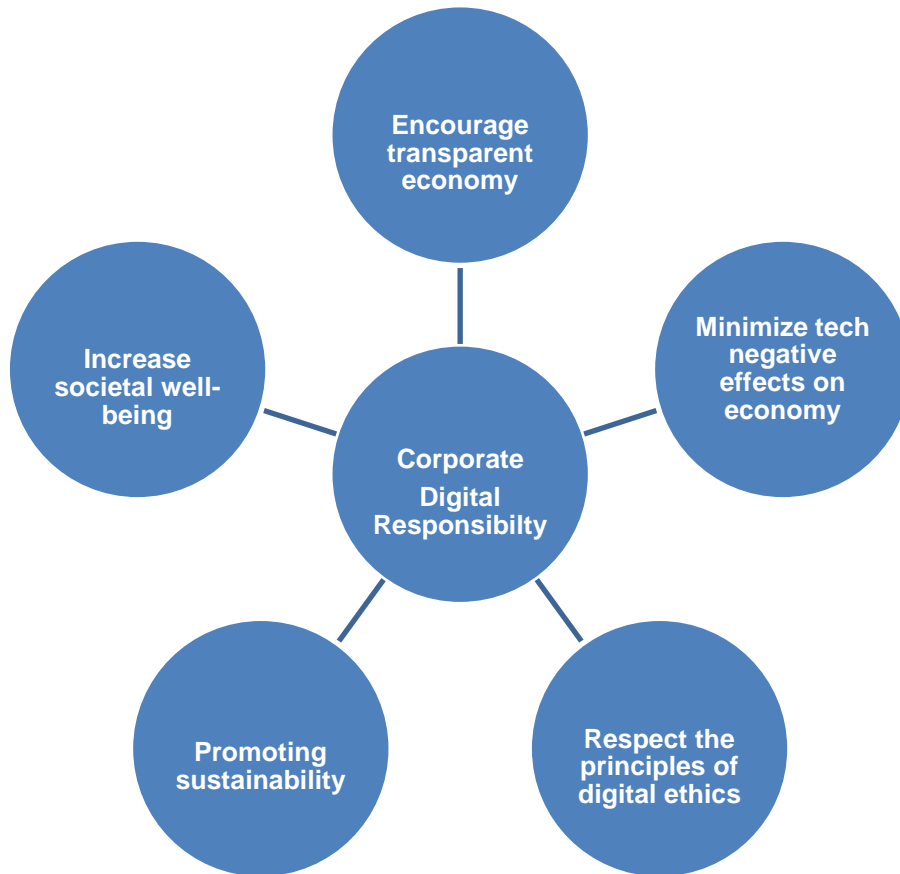
## **2. The Concept of Corporate Digital Responsibility**

Based on the general concept of business ethics, we describe CDR as the collection of principles and particular norms that direct an organization's decisions and judgments in situations that specifically concern digital concerns (Lobschat et al., 2021). Businesses now must deal with a new set of obligations when they adopt digital technology at a faster rate. The simple definition of these corporate digital obligations is to ensure that new technologies, together with the data they generate and send, are used appropriately. These responsibilities span people, the economy, and the environment (Jones et al., 2022).

The stakeholder, social, economic, voluntariness, and environmental elements, however, are the five core characteristics that all definitions for CDR converge on. (Cardinali et al., 2022) For example, nowadays people have developed strong bonds with artificial intelligence (AI) companions and in this situation, the concept of corporate social responsibility is suitable as a model. The proposed and existing legislation and regulations in the EU regarding data privacy, the data economy, artificial intelligence (AI), and cybersecurity will influence the CDR. This consists of a combination of voluntary and soft law standards, national laws of the Member States, and EU Regulations and Directives. This would entail businesses voluntarily taking on the obligation to provide users with information and support, such as transparent disclosures of the risks associated with using their service as a friend, transparent and timely communication about service interruptions and potential side effects of updates, reasonable advance notice of significant changes of service, and provision of information about grief support services (Munn & Weijers, 2022).

Corporate social responsibility has emerged as a brand-new model of business in which an organization makes sure that all aspects of its operations are sustainable – economically, socially, and environmentally.

(Kahani). The issue of CDR highlights the voluntary, self-regulatory nature of business commitment to responsible digital innovation by using the institutionalized notion of CSR as a framework. However, the problem also makes novel connections between the ideas of corporate responsibility and digital innovation (Trittin-Ulbrich & Böckel, 2022).



**Figure 1. The model of corporate digital responsibility**

*Source: Authors*

While digital technology, artificial intelligence (AI), and service robots have the potential to deliver previously unheard-of gains in service quality and productivity, these technologies also pose significant hazards to service users' privacy, ethics, and justice. (Wirtz et al., 2022) As it can be revealed in Figure 1., CDR is strongly connected to sustainability and digital ethics by promoting transparency, trust, and a clear purpose linked to the green economy.

### **3. Methodology of Research**

One of the research approaches is documentary analysis. This one was accomplished with the help of a bibliographic investigation, secondary data analysis on the corporate digital responsibility model, and observation, which allowed for the drawing of some firm conclusions. Additionally, the research includes a qualitative analysis based on correlations and connections that can be made between the independent variable: corporate digital responsibility at a moral and ethical level with the European legislative framework.

### **4. Qualitative Analysis of Corporate Digital Responsibility in the European Legislative Framework from a Moral and Ethical Perspective**

The EU is leading the way in a value-based and human-centered approach to digitalization, which is reflected in its strategic policies. The European Commission has suggested the "Digital Compass" as a roadmap for the Union's digital transformation during the following ten years. The strategy aims to maintain the EU's competitiveness in the global digital economy while simultaneously advancing the principles of inclusiveness, sustainability, and trust. The Digital Compass strategy focuses on several important areas, such as:

- realizing a genuinely digitized and integrated one market;
- enhancing digital security and sovereignty;
- investing in digital research, innovation, and skills;
- establishing a digital society that is inclusive and sustainable.

The present and prospective legislation and regulations pertaining to data privacy, data economy, artificial intelligence (AI) and cybersecurity will influence CDR in the EU. This is a combination of national member states legislation, voluntary standards soft law regulations.

On May 25, 2018, the General Data Protection Regulation (GDPR), a rule of the European Union, became effective. It is intended to provide EU citizens more control over their personal data and to streamline the regulatory environment for cross-border commerce by harmonizing the regulations inside the EU. In terms of corporate digital responsibility, the GDPR imposes stringent guidelines and sanctions on businesses that handle the personal data of EU citizens, which can have an impact not only on data protection and privacy but also on a company's

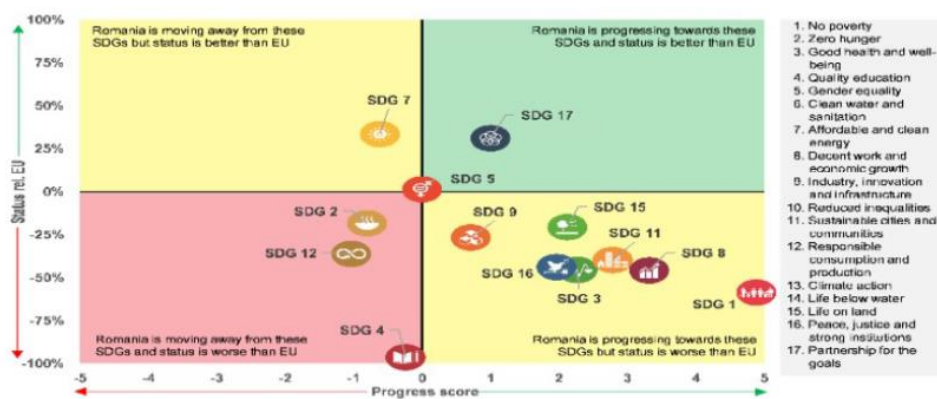
reputation. As a result, businesses must make sure they are adhering to the regulation's requirements and have a solid data protection strategy in place to reduce the likelihood of data breaches or another misuse of personal data.

Companies will need to modify their data protection and management strategies to comply with the requirements of the Proposal for a Regulation of the European Parliament and of the Council on harmonized rules on fair access to and use of data (Data Act), which would likely have an impact on corporate digital responsibility by strengthening the standards for organizations handling the personal data of EU citizens. The main characteristic of The Regulation on European Data Governance (Data Governance Act) is the legal framework for data altruism. The Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market for Digital Services and amending Directive 2000/31/EC (Digital Services Act) comes with the proposal to make online platforms and information service providers to increase responsibilities to safeguard their users and defend their fundamental rights, regardless of where they are based. To improve the business environment for smaller companies and prevent the gatekeepers from monopolizing the market, European Union introduces new regulations for giant internet platforms that serve as "gatekeepers" by the Regulation (EU) 2022/1925 of 14 September 2022 on contestable and fair markets in the digital sector (amending Directives (EU) 2019/1937 and (EU) 2020/1828) (Digital Markets Act).

Another important document is the European Declaration on Digital Rights and Principles for the Digital Decade which aim is to become the global guideline for new societal and ethical issues arising from digital change. The correlation between corporate digital responsibility and the Strengthened Code of Practice on Disinformation 2022 issued by the European Commission focuses on four main areas: transparency of political advertising, fact-checking, reducing the spread of disinformation, and monitoring for the actors participating in this process: online platforms, advertisers, media, and the advertising industry.

Moreover, more connections can be revealed between corporate digital responsibility and the Code of Conduct on Countering Illegal Hate Speech Online adopted by the EU. Online platforms are taking a more active role in defending their users from unlawful hate speech by putting the Code of Conduct into practice. They are also adhering to their legal obligations and upholding the confidence of their users. It encourages businesses to take part in the battle against hate speech in social media and serves as an illustration of how businesses can act to encourage digital responsibility. Other regulations such as the Cybersecurity act, NIS directive, and

regulations on Artificial Intelligence also have an impact on corporate digital responsibility.



**Figure 2. Level of the Sustainable Development Goals (SDGs) in Romania**

Source: European Parliament (7<sup>th</sup> of November 2022). *Economic Dialogue with Romania*

Also at a national level, corporate digital responsibility can be linked to some of the Sustainable Development Goals (SDGs), a set of 17 global goals adopted by the United Nations 2030 Agenda for Sustainable Development, to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030. As can be seen in Figure 2., Romania is doing better than the EU when it comes to SDG 7: Affordable and Clean Energy. In addition to major nuclear, coal, and natural gas production, Romania has a broad energy mix. The development of renewable energy, especially wind and solar, has a lot of potentials. Regarding Gender Equality (SDG 5), although Romania has made considerable strides in reducing gender inequality, there are still large discrepancies in places like political representation, employment opportunities, and access to education.

The worst progress was made on Quality Education (SDG4), because even though Romania has a comparatively high primary and secondary enrolment rate, the quality of education has been a problem, and there are big differences between urban and rural areas. Also, progresses need to be made toward the principles of responsible consumption and production (SDG12). The digital economy in Romania is growing rapidly and is expected to continue to do so, therefore significant efforts were made to improve industry, innovation, and infrastructure (SDG9) and tend towards sustainable cities and communities (SDG11). Moreover, the Good Health and Well-being (SDG3) needs more attention from public authorities as results show that Romania has made some progresses, but this SDG status is worse than EU.

Although the healthcare system in Romania is supported by public funds, it is frequently criticized for being underfunded and overcrowded. Rural communities may have restricted access to healthcare.

## 5. Conclusions

The morality and corporate digital responsibility rules in Europe are still developing. However, there are some laws and efforts already in place that try to solve these problems as it was presented above in the qualitative analysis of corporate digital responsibility in the European legislative framework from a moral and ethical perspective. In terms of corporate digital responsibility, the EU has also taken several steps to encourage companies to act ethically and responsibly in the digital sphere. However, these efforts have led to the conclusion that the EU's laws on morality and corporate responsibility are still evolving, and it can be difficult to keep up with the rapid speed of technological advancement and the continuous creation of new ethical dilemmas. In terms of morality, one of the most popular regulations adopted lately by the EU is the General Data Protection Regulation (GDPR) whose aim is to protect consumers and ensure ethical business practices. Also, European Union is concentrating on issues with the regulation of artificial intelligence and the implementation of new cybersecurity regulations.

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