

FUTURE DEVELOPMENTS AND BUSINESS ENVIRONMENT IN TERMS OF ECONOMIC, LEGAL, SOCIAL, POLITICAL AND HUMAN RIGHTS

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Abstract

Business is a complex of areas and activities. Whatever the branch of activity that speaks, there are items that arise in business. The common feature of these areas to business is the relationship that is established between them and the economic environment.

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Business can be analyzed from economic, legal, social, political and human rights perspective.

1. Economic perspective

From the economic point of view, we can define business as being composed of all exogenous variables that influence one way or another a firm and whom it responds by endogenous variables, meaning the resources and processes that are running within it. Such businesses include uncontrollable forces of human resources at the enterprise must adapt.¹

According to literature, business consists of the macroenvironment and microenvironment of the company.

Microenvironment of the enterprise includes all participants in economic life, the customers, suppliers, intermediaries, competitors and public bodies, they enter into direct relationship with the company, which may influence the activity.

- Customers - Refers to people who are buyers or consumers of products or services;

- Suppliers - are those individuals or legal entities that provide goods or services to customers;

- Intermediaries - is a person who facilitates the relationships between customer and supplier. Usually in exchange for a monetary advantage, mediate the relationship between client and supplier or a transaction between two parties or assists in the completion of economic operations;

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¹ M. Platis, *Management și marketing: elemente generale*, Credis Publishing House, București, 2004, p.45.

- Competitors - are so-called economic opponents or rivals. Competition is a phenomenon common economic market, whether it's about fair competition or unfair competition. Competition is a battle waged between traders through economic means to poach customers and the market to achieve gains as best as possible;

- Public bodies - Achieving enterprise are influenced by any group with an interest or impact on its ability organization. These groups, also called public bodies, are divided into several categories:²

- a) financial institutions - investment firms, banks, insurance companies;

- b) media outlets - television, magazines, radio;

- c) associations of citizens - minority groups, environmental groups;

- d) government institutions - judicial bodies, police;

- e) local public bodies - community organizations;

- f) general public attitude - direct and immediate importance to the enterprise image.

Macroenvironment of the company, by demographic, economic, natural, technological, political, cultural and legal factors, exert influence on the business environment and therefore influence the enterprise. Complex factors that macroenvironment is made, otherwise called the external environment, affect and guide the behavior of economic agents. Macro elements do not act simultaneously, thus generating changes in their company.

According to James Stoner, in his "Management" published in London in 1978, environmental interaction - enterprise can be summarized under three types of environments: stable, volatile and turbulent.

Turning to external economic factors that influence business, we make a short presentation of them:³

- demographic macro - refers to the multitude of subjects structured market demand various criteria of age, ethnic, geographical, habits, etc.

- macro economic - that actually develops the relations of society in the production, distribution, exchange and consumption.

- macro natural - all external variables company may impose restrictions in their development by the volume and quality of resources, pollution levels accepted by the actions of environmentalists.

- macro technology - includes variables that confers the development of an enterprise, the availability of equipment, the pace of modernization.

- macro policy - has in turn an internal component and an external and exogenous forces consists in undertaking manifested in the organization and

² M. Platis, *Management și marketing: elemente generale*, Credis Publishing House, București, 2004, p.47.

³ M. Platis, *Op. cit.*, p.47 și urm.

governance of the state, namely in the form of subsidies, antitrust policy, measures to protect domestic enterprises, etc.

- macro cultural - brings together all the factors, conditions, relations and institutions that characterize society. Knowledge of the cultural influences on the market that addresses a trader is important to change the mentality, the lifestyle of people, starting from its rules, namely:

- a) fundamental cultural values long lasting;

- b) Every culture includes several secondary crops;

- c) cultural values becomes secondary because time changes people's outlook about themselves, about others, about the organization, society and nature.

- Legal macro - consisting of internal and external legal system and institutions with legal, compilers, modify, adopt, supplement, cancel, terminate law.

2. Legal Perspective

Starting from the certain fact that among people there are many relationships, but not all of these relationships are legal.

What differentiates the legal relations of the rest of human relationships is that the first are covered by legal rules. According to literature, legal relationships have in common the following characteristics: they are social, legal and regulated and provide legal equality of the parties.

When we talk about legal perspective on business, the first time we are tempted to think only go to the most important point of this view, respectively contract. But according to the delimitation of law made by the Romans in public law and private law, business law can be found both in public and in private.

Depending on the type of activity conducted by the entrepreneur, there are various types of legal relationships with implications for business. Taking as a repeat undertaking in order to highlight legal relations applied business environment, do the following presentation:

- The legal contract

Before the entry into force of the New Civil Code and Commercial Code to repeal, it existed the legal distinction between civil and commercial legal relationship.

Under art. 2⁴ and 3⁵ of the New Civil Code apply this regulation and traders, which are now called "professionals."

⁴ Art. 2

Purpose and content of the Civil Code

(1) The provisions of this code regulates the property and non of the people , as subjects of civil law.

(2) This code consists of a set of rules which is the common law for all areas covered by letter or spirit of its provisions.

⁵ Art. 3

Thus, the term "commercial contract" is replaced by "civil contract" and the phrase "contracts / acts of commerce" with the term "against". Also disappear notions merchant or trade acts and deeds and are replaced by "professional" and "productive activities, trade or services."

The legal contract can refer to the report generated by the conclusion of contracts provided by the New Civil Code, meaning production activities, trading or service developed by professionals.

E.g.: sale agreement, loan agreement, bank contracts.

Also we can relate to legal terms applicable in business, defined as follows:

a) The organization - any form of organization of economic activity and authorized under the laws in force to acts and deeds of trade for profit, competitive conditions, namely: companies, cooperatives, individuals doing business independently and family associations authorized according to legal provisions⁶;

b) The economic - economic activity on an organized, permanent and systematic, combining financial resources, manpower drawn, raw materials, logistics and information resources, risk entrepreneur in cases and under the conditions provided by law⁷;

c) The organization - public or private entity engaged in an economic activity, whether for profit or not⁸;

d) Economic operator - natural or legal person authorized, which in his professional factory import store, transport or sell products or parts thereof or services.⁹

• The legal administrative - refers to acts of trade, subordination and authority, in violation of legal rules as a result had an offense

E.g.: violation of consumer protection rules

• The legal tort - refers to legal breach that resulted in injury uma

E.g.: consumer protection rules

General application of Civil Code

(1) The provisions of this Code shall apply to relations between professionals and their relationship and other issues of civil law.

(2) those who are considered professionals operating an enterprise .

(3) It is operation of an undertaking systematic exercise , by one or more persons of an organized activity consisting in the production, administration or alienation of goods or services, whether or not for profit.

⁶ Law no. 346/2004 regarding the establishment and development of small and medium enterprises.

⁷ GEO no.44/20087 on economic activities by authorized individuals, sole proprietorships and family businesses.

⁸ Law No. 217/2005 regarding the establishment, organization and functioning of the European Works Council.

⁹ Consumer code.

• The legal procedural - refers to the birth of litigation due to infringement clauses in contracts concluded by the entrepreneur.

E.g.: inadequate performance of contracts according cluzelor established at the time of their conclusion

In conclusion, as we can look after the presentation of these legal relationships, we can say that the greatest importance in business have contractual legal relations. Most relationships, naturally, from the beginning of business until its conclusion, are borned because of contracts. When it enters the business, the entrepreneur has inevitably touch with a wide range of legal relationships, both private and public law.

From the legal point of view, the concept of business has two meanings¹⁰:

• Broadly, the deal mean any organized or accidental economic activity. The concept of organised business in both business and casual affairs.

• In a narrow sense, the business understand any economic activity accidental or not accidental done with the direct purpose of profit. The concept of business is comprised notion of economic enterprise.

It should be emphasized that the legal rules governing business, refer business major milestones¹¹:

- Exercise systematic and continuous activity;
- Risk-taking by the owner of the company;
- Obligation enrollment in certain public registers in order enforcement against third parties;
- A heritage affected exploitation enterprise.

3. Human Rights Perspective

When referring to human rights from the perspective of the business environment should be emphasized that according to art. 4¹² of the New Civil Code, shall take precedence international treaties on human rights. Being a matter that is integrated as a part of this Code „provisions on rights and freedoms shall be interpreted and applied consistent with the Constitution, the Universal Declaration of Human Rights, the covenants and other treaties to which Romania is a party".

¹⁰ O. Bazil, *Dreptul afacerilor: teoria generală: contractul*, Universul Juridic Publishing House, București, 2012, p.71 și urm.

¹¹ O. Bazil, *Op.cit.*, p.71 și urm.

¹² Art. 4

Priority application of international treaties on human rights

(1) In matters governed by this Code, the provisions on rights and freedoms shall be interpreted and applied in accordance with the Constitution, Universal Declaration of Human Rights, the covenants and other treaties to which Romania is a party.

(2) Where any inconsistencies exist between the covenants and treaties on fundamental human rights to which Romania is a party, and this Code, international regulations shall prevail, unless the present code contains more favorable provisions.

Thus, by integrating these issues on rights and freedoms of the New Civil Code, we can consider as unveiled the barrier between them and the business environment, especially for the merger of the civil and commercial matter. Reference is made to international treaties and pacts, whose inconsistency will be resolved based on international regulations, with the exception of more favorable law.

Based on these provisions, we think of existing international instruments for the protection of rights and freedoms, by making efforts both internally and externally to develop and ensure the protection against business.

The UN Group on Business and Human Rights promoted the idea and encouraged States to develop, elaborate and update National Action Plans for the implementation of the Guidelines on Business and Human Rights. As far as the European Union is concerned, it should be pointed out that in 2011 the European Commission presented a renewed EU strategy 2011-14 for Corporate Social Responsibility, inviting Member States to participate in the process of developing and elaborating National Action Plans for the implementation of the United Nations Guidelines.¹³

In Romania, a Working Group on elaborating and monitoring a National Action Plan for business improvement was established under Government Decision no. 803/2001.¹⁴

4. Social Perspective

From the social point of view, for the business development, must take into account the social obstacles that may arise.

Professional environment is a prime obstacle to social. Thus, the work done in public, within staffs, varies depending on the job and can be real barriers to communication and good development of business.

If the work area is one difficult to be accessed, it consists of workers with low education level, forming a community whose working and living conditions are very difficult, but creates a sense of belonging to a social structure. Because of this, for a better development of the business environment must be taken into account that the employment created a balance between efficiency in the short and long-term satisfaction and stability in the workplace; to offer a job to be pleasant and productive; to provide a variety of activities and opportunities for advancement; be similar in all areas; It is structured so that results can be measured qualitatively and quantitatively.

Levy and Zoltman suggests a classification of types of behavior change based on the two dimensions of time (short and long) and three dimensions level

¹³ I. M. Zlătescu, *Human Rights: A dynamic and evolving process*, Pro Universitaria Publishing House, București, 2015, p. 452-453.

¹⁴ I. M. Zlătescu, *Op. cit.*, p.454.

(micro, group - meso and macro)¹⁵, because it affects not only individuals, but also the environment in acting and have an impact on decisions related to the health and lifestyle.

A very important category in social relations developed at work, for a better execution of the work and business development, the officials have. They are the ones who have to interact with everyone strictly business without implications of affective, social, cultural, racial, relying on rational and moral principles.

We must not lose sight of good communication with all racial categories, without discrimination, because a race is not more intelligent, more inventive, more athletic, more fierce or "different"¹⁶ in terms of capabilities brain, personality or other qualities compared to other race.

The ethnic groups differ in several aspects: ideas, moral values and family eating habits, sexual behavior, standards of beauty, political opinion, career guidance, recreational behavior.

Even if over time the relationship between the majority and ethnic minority groups have experienced a sharp diversification due to the change of political regime, there is no difference in terms of social development and all contribute to the best possible business environment.

So we can say that in terms of social, increased labor demand, decreased supply of skilled labor and increasing fluctuation of staff, HR policies motivating sensitive to the needs of the employees and their families, the growing interest that civil society, media and communities manifests to social and environmental problems or to situations where consumer or employees¹⁷ rights are violated, affect business.

5. Political Perspective

The political environment is unique to each country. Political changes can occur at any time and thus affects business positively or negatively.

The political environment involves various difficulties situations such as civil affairs against terrorism and conflicts between countries in a particular region. Economic stability is one of the decisive variables that companies take into account when going abroad.¹⁸

The business may be exposed to risks due to unstable political environment, for example restricting economic operations.

¹⁵ S. Șerb, *Relații publice și comunicare*, Teora Publishing House, București 1999, p. 134 și urm.

¹⁶ S. Șerb, *Relații publice și comunicare*, Teora Publishing House, București 1999, p. 134 și urm.

¹⁷ D. Miron, O. Folcuț, *Mediul internațional de afaceri*, Universității din Ploiești Publishing House, București, 2005, p.165.

¹⁸ Academia de Studii Economice București (Simpozion internațional), *Sisteme inteligente și interactive de management pentru îmbunătățirea relației administrației cu cetățenii și mediul de afaceri*, ASE Publishing House, București 2006, p.83 și urm.

Political sovereignty is the science and practice of governing a state, in which he expresses his authority to business. About how it affects political sovereignty, Raymond Vernon in his work "Multinational Enterprises and National Governments: Exploration of uneasy on Relationship", explains:

"Unlike industrial countries, developing countries are just beginning to enjoy the fruits of a separate national identities. Only a decade has passed since they started to create coalitions with other nations and share personal subtle advantages that were once reserved for leaders of industrialized countries. As business people in industrialized nations, they have learned how to protect the local market by convincing governments to impose import restrictions and how to use the resources of public enterprises in an effective partnership. In a surprising number of cases actually they learned how to make their own multinationals. For different leadership groups, multinationals are more things. Some businesses are not only multinational enterprises they are foreign, large and private."¹⁹

It is necessary for business operators involved in the scheme to be careful with the political environment. Also for there to be a balance between business and the political, the latter must monitor the business environment so as not to be enslaved by it.

There are high expectations of governments in the sense of caring for the unemployment rate to come, inflation environment.

Factors influencing the political environment and therefore businesses are found in:

- Social policy - is a multidisciplinary area aimed at achieving social protection and economic welfare;
- Science policy;
- Economic policy- State plays a vital role by using different means to achieve the objectives of an economic nature;
- Foreign Policy - means, rules, measures undertaken by the State internationally, to achieve objectives;
- Policies of other countries - forms of organization and management of communities and international foreign policy is another state in economic terms;
- Policy international political bodies - refers to the phenomenon of globalization influencing the political sphere by trade globalization and international trade;

The intervention of the political sphere on the business environment can be more severe than on foreign multinationals to domestic companies.

¹⁹ Idem.

Political intervention can be defined as a decision from the host country government that can force a change in operations in foreign policy and business strategy.²⁰

6. Conclusions

1. Business is in a process of continuous development and may affect many branches around him. Therefore, presented perspectives take into account a brief analysis of how it can be enriched or how this may affect.

2. Consultation of the state's institutions on the subject of business and human rights.

3. Develop a National Action Plan on Environment Romania Business and Human Rights.

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²⁰ Ibidem.