

Legal challenges of globalization of modern business

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Abstract – The focus of the research is on a number of international legal elements that emerge from new perspectives on technology advancement, finance, sustainable development, environment, and other fields, and which influence how businesses see using legal services. The book is predicated on the idea that businesses must prepare for potential legal issues due to the environment of new technology, intense global interconnection, and universalization of values. The objective of the work derives from the business function, which enhances social stability in addition to profit. As a result, it should comply with efficiency and sustainability standards to maintain competitiveness, which necessitates a review of the best model for using legal teams in businesses. The article examines how international legal issues have affected business, how to engage with legal advisers, and how to cope with contemporary normative frameworks in the workplace in this setting. The analysis's findings give rise to the conclusion that hiring legal counsel early on affects a company's productivity and long-term viability and that lawyers may function as an entrepreneur's strategic partner in defining the direction of the company's future.

Keywords – globalization; modern business; legal challenges

Apstrakt – Fokus istraživanja je na brojnim međunarodnopravnim elementima koji se pojavljuju iz novih perspektiva o tehnološkom napretku, finansijama, održivom razvoju, životnoj sredini i drugim oblastima, a koji utiču na to kako preduzeća vide korišćenje pravnih usluga. Rad je zasnovan na ideji da se preduzeća moraju pripremiti za potencijalna pravna pitanja zbog okruženja nove tehnologije, intenzivne globalne povezanosti i globalne vrednosti. Cilj rada proizilazi iz poslovne funkcije, koja pored profita povećava društvenu stabilnost. Kao rezultat toga, trebalo bi da bude u skladu sa standardima efikasnosti i održivosti kako bi se održala konkurentnost, što zahteva reviziju najboljeg modela za korišćenje pravnih timova u preduzećima. Rad istražuje kako su međunarodnopravna pitanja uticala na poslovanje, kako se angažovati sa pravnim savetnicima i kako se nositi sa savremenim normativnim okvirima na radnom mestu u ovom okruženju. Nalazi analize dovode do zaključka da rano angažovanje pravnog savetnika utiče na produktivnost i dugoročnu održivost kompanije i da advokati mogu funkcionisati kao strateški partner preduzetnika u definisanju pravca budućnosti kompanije.

Ključne reči – globalizacija; savremeno poslovanje; pravni izazovi

I. INTRODUCTION

It is widely acknowledged that the modern world has become fundamentally linked as a result of the advancement of information technologies that have made it feasible to get beyond boundaries of space and time. Business is the area of human endeavour where these traits are especially obvious. Until a few decades ago, the public authorities of the states had the authority to actively enact laws in this field based on their own political and legal philosophies.

A shift in the status of governments in regard to commerce resulted from the rise of Internet use since it made it simpler for sellers and buyers to connect with one another. States still have the authority to regulate and encourage businesses to abide by their laws, but they are constrained in doing so by the standards of international law, both in terms of safeguarding the freedom of enterprise and the business environment and in terms of safeguarding some universal values. Entrepreneurs are compelled to monitor and evaluate how the nation in which they start or already operate, as well as in which they intend to operate in the future, interprets and applies international norms as a result of the fact that business entities represent the addressees of those norms in practice. Therefore, conducting business requires abiding by both the laws of domestic law and the laws of international law.

States still have some important policy areas at their disposal that they can use to develop rules and regulations to control and manage business activities/trade in their territory, despite the significant shift since the second half of the 20th century towards the promotion of free trade as a general value at the international level. These include incentives (subsidies), a form of government payment to the producer through tax breaks, low-interest loans, cash grants, or participation of public authorities in the capital, which directs the development of particular segments of the economic system; import quotas or export restrictions, as a strategy to control imports and protect domestic production; and customs duties, as levies on imports, as they affect imports and the protection of domestic production, and as they provide budget revenues. Anti-dumping laws, which prohibit products from being sold below market value in an effort to increase market share and weaken competition; financing of domestic businesses to promote exports; establishment of free trade zones, where lower customs duties, taxes, and other favorable procedures or restrictions are anticipated; administrative policies, which are rules that can be used to make the entry of specific goods or certain services more difficult; and

On the other hand, states and economic entities are becoming more and more obligated by the development of general international rules in a number of areas, such as environmental protection, ecology, and the respect for human rights. This is in addition to the obligations arising from the rules of international trade from universal agreements, such as the World Trade Organization and the General Agreement on Trade and Customs, as well as regional agreements, like the European Union and similar arrangements. Additionally, for the resolution of disputes resulting from certain legal relationships with an international component, the United Nations Commission on International Trade Law has approved unique arbitration procedures.

The established practice dictated that legal duties pertaining to business were handled as a problem rather than as an essential component of the company plan. This paper examines the viability and effectiveness of such a strategy in light of the requirements under international law that businesses must abide by in light of emerging technology and the corresponding social and legal developments. The criteria that the company is dealing with are part of the observation in this situation, along with the recruiting strategy for legal specialists and an attempt to identify a business model that would be suitable for the demands of the current world.

The enhancement of social stability is the primary, broader social role of business that derives from, in addition to the generation of profit. The efficiency and sustainability of business, which is a vital precursor for assuring competitiveness in meeting the new difficulties placed on company by international public law, are specifically the key conditions for the accomplishment of that wider social purpose.

II. LEGAL CHALLENGES OF MODERN BUSINESS

Business imposes the need to address an expanding number of legal challenges, regardless of whether it is production, commerce, or services. These difficulties can be categorized as either specialist legal matters or typical legal activities in the work process, depending on where they fall within the company enterprise.

Solving the problem of a business's and a legal entity's existence and survival in the legal system of the state where the commercial activity takes place is a standard legal matter. The concerns in that category are those that, in accordance with accepted practice, may be remedied by hiring a service or by using a specialist legal service. Counseling in connection with the creation of a legal entity, the drafting of legal documents, legal representation (in court and extrajudicial proceedings), counseling in the event of a legal dispute with clients or suppliers, the creation of business contracts (lease, sale, supply, transportation, insurance, etc.), notification of changes that may affect businesses, advice on administrative law issues, and recommendations for necessary pr

In a world that is interdependent and becoming more and more linked, it is getting easier to reach out to new prospective customers and carry out commercial operations in areas outside of the headquarters. In this context, resolving concerns with a foreign legal system, such as comprehending tax duties,

abiding by environmental protection rules, recruiting local workers, resolving real estate issues, marketing and advertising limits, etc., is also included in regular legal matters.

The growth on a global scale has led to the emergence of specialized legal matters. Businesses have the chance and the need to adapt to this trend as globalization and computer technology advance. Since the universalization of values is a parallel process that characterizes globalization, zones of activity are created when general or regional consensus is gained on shared values and the necessity of their standardization at the global level. As a result, every aspect of the organization of the business process starts to face legal challenges because it is frequently about rules or standards that are internationally affirmed or proclaimed. As opportunities for business to move towards globalization open up, it also encounters an increased level of regulation and digitization.

The worldwide standardization of digital commerce provides a number of instances that may be used to bolster the aforementioned claim. For instance, the EU law governing the legal requirements linked to the acquisition and use of personal data on the Internet has a significant impact on all enterprises that operate digitally in the European Union [1]. These regulations have an impact because they must be followed when creating new contracts with customers or reviewing existing ones. They also have an impact because everyone who deals with customers and their data must be aware of the restrictions on how they can be handled, and they have an impact on marketing and sales regulations because of e-mail campaigns and event registrations.

Some authors classify the transnational normative solutions that business faces in today's world, particularly cross-border business, as international business law. They divide these solutions into the following categories: innovation (especially related to the environment, ecology); consumer law (especially rules of declaration, guarantees, and liability for products and services); corporate governance (especially ownership transparency); rules of electronic commerce; alternative business models [2].

A variety of financial regulations must be adhered to by company in the context of the development of international norms. Those pertaining to the terms of granting credit and preventing money laundering and corruption are pertinent for business, with the exception of those that are essentially technical in nature and primarily deal with accounting, record keeping, and transfer activities.

In addition to defining rules that are also important in terms of regulation, these norms also preserve the policies that support the new categories, participants, and activities that they establish. The criterion of evaluation of the acceptable degree of environmental protection in the Operational Guide of the World Bank is one illustration of the significance of rules that control the funding conditions of specific business initiatives. These regulations function by converting a certain concept of international law into directives that direct investment. In order to promote sustainable development, for instance, it is planned to evaluate a number of issues that have

a legal component, including those related to the environment (evaluation of the impact on the environment, natural habitats, management of poisons, forests, and safety of dams), social policy (physical cultural assets, forced relocation, and indigenous people), and legal policy (international waterways and disputed areas).

A multitude of speculative processes are present in modern financial flows, including tax avoidance, monopolized access to investments, hedging opportunities, institutionalization of private agreements and state extortion, and corruption. Under the auspices of the United Nations, a convention against corruption was formed with the intention of establishing global guidelines for identifying the genuine, beneficial owners of accounts and exchanging information necessary to do so [3].

A broad strategy has been developed to address the issue of illicit funding on a global scale. More than 180 nations have agreed to abide by the requirements of frequent evaluation and follow-up methods developed by the international network, the Financial Action Task Force [4], in order to combat money laundering (and terrorist funding). The Global Forum for Transparency and Exchange of Information oversees standards in the area of tax evasion, and the OSCE Bribery Working Group checks on signatories' adherence to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions [5] in the area of bribery prevention.

From the perspective of the topic of this study, it can be said about the normative tendency that it demonstrates the progressive nature of current international business regulation. Multilateral development banks and the World Trade Organization, which influence state and indirectly business actions, frequently encourage transnational and international harmonization of procedures and overlapping mandates related to the proclaimed value in a number of areas, such as the so-called "greening" of economies. In this regard, the need to comprehend the framework of interpretation and application of rules from a wide range of areas in different jurisdictions, including the manner of their implementation and issues of legal security, as a necessary segment in ensuring the stability and viability of business, arises as a practical challenge in the business world.

Due to the evolving nature of international business legislation, thorough legal work is required at every stage of a corporate initiative. The requisite specialty of the legal professionals whose services are hired is a necessity from the perspective of company organization. In practice, one can see the trend of a general representative, or legal teams that supervise, who closely collaborates with the business and the entrepreneur as a strategic partner on the plan of identifying, managing, and mitigating the growing number of legal risks in business, when it comes to the legal challenges facing business in the modern world.

III. LEGAL PROBLEMS OF MODERN BUSINESS

It is important to keep in mind several issues when choosing the best model of setting for potential international legal issues in the context of new technologies, intense global

interdependence, and universalization of values: is entrepreneurship protected as a human right in the international legal order, what is the impact of new technologies, global consumer culture, new internationally proclaimed or protected goods, and international f

If business must abide by international standards, the issue of whether entrepreneurship, as a human endeavor that should promote the stability and growth of the country, is protected as a right, then, emerges. This problem arises because entrepreneurs, as a category of self-employed people, are logically sensitive to the imposition of obligations that undermine their ability to play by the rules and compete, especially when those norms are applied inconsistently or voluntaristically within national jurisdictions. In this regard, the realization that every person should be free from poverty marked the evolution of human rights following World War II. To be free from poverty, however, includes having access to economic rights, which are not explicitly stated in the Universal Declaration of Human Rights [6]. The UN General Assembly only publicly acknowledged entrepreneurship's contribution to member states' sustainable development in 2012, although in a legally non-binding manner, and that entrepreneurship promotion may help achieve the stated objectives of (global) sustainable development [7].

According to the UN Secretary General's report, informal entrepreneurship can aid in the fight against poverty, but in order for it to benefit the state's sustainable development, efforts to transform into formal businesses with ownership rights and better access to financial and business services should be encouraged [8].

Generally speaking, a strong economy that makes essential products and services broadly accessible as well as individuals who pay taxes and actively participate in determining the state's legitimacy are important. Entrepreneurs that take advantage of new information and possibilities to establish lucrative businesses are what fuel an economy's growth [9]. An example from a report created under the auspices of the UN Development Program in which the term "business rights" is used to specify the rights of entrepreneurs indicates a trend toward further development of understanding in this regard. In this context, it is important to emphasize the recognition of the significance of the struggle for the right to access capital.

Significantly, technical progress is linked to the topic of international regulatory development. The global information economy of today offers brilliant entrepreneur's fantastic chances to acquire and experiment with new knowledge, create new prototypes, and seek funding to commercialize them. In this way, the potential for transforming information into novel products and technology is essentially limitless. The application of knowledge to economic development in the information age, which is characterized by the creation of knowledge through investment outside of entrepreneurship (which then uses it through business activities to generate profit), necessitates, however, that knowledge be a good that is accessible [10].

There are certain instances that may call for prompt legal foresight when it comes to the usage of computer technology and electronic commerce. As a result, they stand out,

beginning with the fact that having access to a lot of data entails legal and privacy risks, moving on to the fact that location data is owned and controlled by the relevant network operators, including mobile operators and mobile content providers, and that the advantages of big data entail legal and privacy risks, to the point where innovations in payment techniques (platforms, digital currencies, etc.) become a legal form of payment [11]. Fear of technologies is influenced by worries about online integrity and hidden threats [12], which is why contemporary business demands a thorough understanding of advances and the governing legal environment.

There are several cultural aspects that influence how business is handled. Business must adapt changes in the global normative environment into a competitive advantage because in this setting, connotations, importance, and impact are scaled and signals are transformed into trends that create the modern world. The global consumer culture is the most significant cultural element in the contemporary world. Trends become important for lifestyles and habits in a world that is aggressively capitalist, growth-hungry, and hyper-consumeristic. As a result, businesses must follow trends while also keeping in mind the normative development at the international level in a number of areas (nature protection, carbon dioxide emission reduction, human rights), as well as in the field of international legal trends [13].

Developing as goods of common interest is the state's legal interest in internationally protected goods (nature and habitats, air, and water). This interest can be demonstrated by specific requests (such as fair access, rational use of resources, responsibility for preventing harm). States are required to take into account the demands of all other states while implementing national policies and regulations relating to shared values, even though they are governed at the national level. When it comes to the environment, for instance, this means putting the precautionary principle (anticipatory regulatory and other actions when faced with scientific uncertainty regarding the environment) and the integration of environment and development principles into practice (consideration of the impact on the environment when deciding on economic issues).

This focus on others' needs reflects a more communal mindset, which inevitably has an impact on business in a variety of ways. In particular, the aforementioned environmental protection guiding principles establish new categories, participants, and activities while safeguarding the laws that support them, all of which further establish the standards that further define the idea of sustainable development. In keeping with the idea, sustainable development is promoted as a general principle of international law having binding legal effect on the state. In addition to normative instruments, soft law instruments that provide interpretations and guidance of pertinent rules also play a role in normative development (and may have a rather uneven application across countries).

The regulation of the market incorporates concerns from that domain. Business must acknowledge the necessity for strategic use of legal services under the constraints of global

norms, which means that every enterprise must go through a time- and money-consuming period.

In the medium term, a driving trend in business that may be anticipated is the growth of the legal environment in general (probably even longer term). Business is what entrepreneurs do for a living, and the purpose of solving legal issues is to speed up, ensure, systematize processes in business activity, and make life easier for the entrepreneur. Lawrence assessed the impact of the development of international law on business and that, consequently, the complexity of legal challenges conditions a new approach to include legal affairs in business [14].

In an environment that is becoming more complicated and includes international law, cultural trends that impact decision-making, individuality, and acceleration leave less and less space for error and need growing skill in dealing with them.

An economy with businesses and banks that do not denationalize their earnings but instead invest them, together with responsibility for natural resources, is a prerequisite for a healthy state economy. The economy requires international market competitiveness and proportional reciprocity with other nations, which is why investments that further integration by raising labor standards, promoting environmental protection, and safeguarding intellectual property and human rights are required. The Addis Ababa Agenda, which calls for the strengthening of the legal framework to "better combine private initiatives with public goals... and encourage long-term investments" in a number of areas related to shared values, international trade, as well as in the related financial sector [15], was agreed upon within the framework of the Conference on Development Financing, which is run under the auspices of the United Nations.

It should be kept in mind that the global financial system now tacitly supports global control, centralized administration of state finances, and a planned economy at the global level when it comes to the professed ambition for more balanced funding.

The sustainability of the international system, at least in terms of the declared commitment to sustainable development, faces challenges at the international level, especially for developing countries, due to a number of legal, but even more political factors, in such an order, embodied in the institutional and functional dimension of the Bank for International Settlements.

IV. CONCLUSION

Today's businesses confront a variety of legal issues, both domestic and foreign, which may be addressed either directly or indirectly depending on the state, according to an examination of these issues. It can be concluded that using legal specialists in advance is a factor in the efficiency and sustainability of company since, as it turns out, settling issues solely as they emerge has a negative impact on business dynamics and may result in unanticipated increases in expenses.

Undoubtedly, business must adjust to meet the demands of current technology and transnational legal developments. Entrepreneurs who operate the firm frequently take on new risks and issues in an endeavor to make a profit. Since entrepreneurs are not protected by the socioeconomic system, they must rely on professionals who have specialized legal knowledge in a variety of sectors, some of which are not even directly linked to commercial activity, for their protection in the marketplace.

It seems reasonable to conclude that legal functions in such an environment have the potential to strategically assist in energizing business growth, and that this trend will continue in the near future. This is especially true in light of the growing global interconnection and the role of the Internet, which inevitably impose obligations on businesses to respect international obligations in terms of privacy, human rights, advertising, liability, etc.

In particular, legal professionals with specific knowledge may shape chances, which in turn helps to lower risks, issues, and disparities. In this way, they develop into a key player in shaping the future of business and entrepreneurship.

It should be mentioned that this study did not address anything other than technology advancement and strategic and operational alignment with global norms and standards in the modern world.

The sustainability of entrepreneurship and company imposes the need for another element of legal transformation - education - given that it appears that contemporary business is not only subject to national law and processes but also requires the participation of legal specialists with specialized abilities. Young business attorneys of the future are expected to be entrepreneurially minded professionals who are capable of comprehending global legal trends and innovations in a globalized world, in addition to being competent in theory and domestic practice.

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