

THE INFLUENCE OF THE GLOBAL BUSINESS ENVIRONMENT ON THE MULTILATERAL TRADING SYSTEM

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Abstract: On the background of the phenomenon of globalization and of international economic and financial crises, the rethinking of the international trading system, its resizing and broad analysis of its polyvalent character become precious issues for the smooth operation of trade everywhere. At the same time, we see economic actors engaged in transactions, but seeming to participate involuntarily, mechanically, without knowing the rules of the system, and thus without benefiting from the full benefits of the system, the security and stability of access to global markets.

The analysis of the global business environment requires an investigation into influences (both internal and external), given the degree of diversity of commercial transactions; Together with the analysis of the intensification of the globalization of the spaces and the increase of the bilateral, regional trade agreements, etc.

Praised by some and endorsed, condemned by others and disapproved, the phenomenon of globalization is irreversible and constantly transforming.

Next, we will try to address the issue of the global business environment and its impact on the multilateral trading system, highlighting the increased activity of multinational companies, increasing competitiveness, the need to reform business regulations, and presenting the trade situation in a global context.

Keywords: globalization, multilateral trading system, trade agreements, competitiveness, global business environment

1. Introduction

The phenomenon of globalization is highly debated by all specialists (whether we are talking about researchers, teachers, politicians, economists, etc.), given its multicolourism, the complexity and the variable dynamics of its component subsystems. That is why we can not discuss even a definitively unanimous or finite definition, categorical; Some people perceive globalization as a phenomenon, others regard it as a set of ideas and doctrines and a third part as a sum of all these aspects.

However, what we can not challenge is its link to the development and deepening of the integration of global interdependencies, international trade, investment relations between resident and non-resident entities, and information and technology exchanges on the borders of a nation. Its multifaceted and complex nature gives it both a quantitative approach (dimensioning the volume of world trade) and a qualitative (variety of transactions occurring within the international trade landscape), especially economic, political and social effects.

Strangely linked to globalization, the issue of the multilateral trading system also emerges as a cornerstone of the World Trade Organization. When we say an international trading system, then we know that we are talking about a braid in a set of markets where a multitude of actors (as consumers, producers, sellers, etc.) interact with a common set of rules and regulations that define Economic behavior. Must to keep in mind that the multilateral trading system does not only cover

the rules and regulations of trade, but also the institutions and institutions involved in this process, as well as the measures taken by states in this regard.

But why is an open multilateral trading system necessary? The answer is one as simple, so complex: A relaxation of the economic climate and a decrease in intensity of tension among economic actors and beyond, can ease the way towards a reduction of gaps and disparities between regions, an increase in new jobs and a more flexible labor market, the emergence of new markets and competitive products, strengthening the sustainable development, enhancing the involvement of decision-makers in resolving and dispersing existing disagreements in trade relations, improving the trade-gross domestic product ratio and others.

2. The main features of the global business environment

As mentioned in the introduction, the complexity and diversity of the world stage leads to the creation of new innovative products, specific to the current requirements of the international market; so, it's changing the options of all parties involved, from manufacturers, sellers, enterprises of different sizes, institutions and institutes, bodies and organizations, to the final consumer.

At the moment, phenomena such as globalization and economic integration require participants to create an engaging and competitive business environment; Therefore, national governments must seek to involve the inclusion of business environments, in the form of a whole, so that interaction between the various parts of the body / the whole (in our case, a global business environment achieved through the integration of national business environments) is achieved by increasing the interdependence between the world nations.

And if the world economy is transforming more and more in an interdependent matrix, made up of connections between the components that previously acted and existed independently of each other, it is necessary to redefine the related, adjacent aspects.

The business environment is made up of the sum of rules, regulations, norms and legal codes, both ethical and administrative which governs the external stage that firms operate at a regional, regional, international level. In other words, the global business environment shows us the conditions in which international trade takes place; With the related factors and specific causality relations, for the analysis of the global business environment two ways of dealing with the issue are needed: internal nature (aspects such as human resources policy or management policy) and external nature (issues related to political, economic, social, legal, etc.).

Features specific to the global business environment are the following:

- dematerialisation of economic activities - at present, due to the increased importance of information and technology, it is noticed that production takes place not where matter is, but where information, science, as immaterial investment is found. Intangible assets have a growing importance in a business, with the sources of performance being creativity, innovation and intelligence.
- the internationalization of the business environment - the interconnections existing at the economic level, the increase of the global trade, as well as the intensification of the investments of all types have led to an increase of multinational companies, cooperation in various economic, technological and scientific branches, between different institutions, but also the formation of new rules and norms designed to regulate the current trade relations.
- Strengthening competition within the global business environment - economic integration has brought a number of advantages to economic agents (cost reductions, increased production, price reduction, diversification of supply, research and innovation development), forming various economic centers such as BRIC, BRICS, EU, Japan, USA etc.

A major influence on the global business environment has been the international economic and financial-monetary crisis. This has put its mark on serious economic imbalances, falling

population incomes, declining output, rising government debt and budget deficits, price instability. That is why reforming the regulations and norms related to the development of the global business activity has become imperative for a good performance of the actions.

3. Global business environment and foreign direct investment

We continue to present the ranking of the first states, according to the ease of doing business, given that an attractive and stable business environment can attract foreign investments that contribute to the economic development of the states and to the welfare of the population:

Table no. 1

Ranking the first 15 economies on the basis of ease of doing business

Rank	Economy	DTF score
1	New Zealand	87.01
2	Singapore	85.05
3	Denmark	84.87
4	Hong Kong SAR, China	84.21
5	Korea, Rep.	84.07
6	Norway	82.82
7	United Kingdom	82.74
8	United States	82.45
9	Sweden	82.13
10	Macedonia, FYR	81.74
11	Taiwan, China	81.09
12	Estonia	81.05
13	Finland	80.84
14	Latvia	80.61
15	Australia	80.26

Data processed by the author based on the information provided by the report Doing Business: Equal Opportunity for All, International Bank for Reconstruction and Development, 2017

When an investor thinks of investing in a particular state, it will first analyze issues such as tax rates and the local business environment. In this regard, we have presented in the table above, the first 15 economies in terms of the ease of doing business, according to data provided by the World Bank, in the Doing Business report, 14th edition of 2017. They were analyzed companies from over 190 states, starting with Afghanistan and ending with Zimbabwe, taking into account 11 categories, such as the ease of opening a business, obtaining a credit, obtaining construction authorization, etc.

Depending on the implemented measures, we notice that this year, the first economies maintain their top positions; New entrants in the ranking of the top 20 economies being Georgia (16th place, with a DTF score of 80.20 and 5 new measures implemented), Austria (19th with a score of 78.92 DTF) and Latvia (14th place with a score DTF of 80.61 and 2 new measures implemented). First place is New Zealand (87.01 DTF score), followed by Singapore (85.05 DTF score) and Denmark (84.87 DTF score).

Romania ranks 36 with a DTF score of 74.26 (with a lower position than last year) and last place, number 190, is occupied by Somalia, with a DTF score of 20.29. For Romania, the analysis was not favorable because it was noted that the time to take up a business increased due to the increase in the time needed to obtain the VAT code; So Romania has become less attractive to

attract investment. In fact, our country has decreased by 11 places in the chapter Opening a business, with 2 places to Protect the interests of minority shareholders, with one place at Property Registration and another one at Insolvency Settlement. The only criterion that received a more favorable position than last year was the Tax Payment (it climbed 4 places due to the reduction of social contributions); Unchanged positions recorded chapters Commerce, Credit, Construction Authorizations, Electricity and Contract Force.

Compared with other Eastern European economies, the Romanian state was bad; Thus, while we were only 36, Poland, the Czech Republic and Slovenia were on 24, 27 and 30 respectively; Even Kazakhstan was ahead of us, ranking 35th. Consoling can be easier, looking we are behind Bulgaria (39th place), Hungary (41st place), Belgium (42th place), Italy (50th place), Luxembourg (59th place), Turkey (69th place) and others.

After analyzing the data provided by this report, we note that investors are still attracted by the friendly business environment in the developed, high-income economies (OECD), followed at a considerable distance by European and Central Asian states. Thus, while I have stated that the lead is New Zealand, the Greek state occupies the 61st place, and the sub-Saharan African economies continue to rank among the less attractive places for foreign investors (the transfer of property lasts in these African states About two months compared to just three weeks are OECD-developed economies !!!).

But in the past year, 137 economies implemented 283 business regulatory measures, 1/5 more than The previous period (most of the measures implemented were in the case of the ease of opening a business -49-, followed by paid taxes -46-).

Business rules and regulations may often have a double character: both helpful and obstructive. As a consequence, the governments of the countries must constantly observe the needs of the business environment in order to provide the basis for a good organization and development of operations, for the expansion of national and international trade.

These analyzes by the World Bank Group have shown that those economies that tend to be closest to the border are also those that receive the most direct foreign investment. What contributes to this are criteria such as the size of the local market, its evolutionary character, in the sense of a growth trend, the relative endowment with production factors, but also the degree of openness of the economy is the national borders.

4. Conclusions

The current business environment is still fragile and in a state of recovery after the international economic and financial-monetary crisis. In addition, we add the degree of high uncertainty, the call to protectionism, thus creating special structural challenges, to eliminate all these impediments to the development of global trade and to attract foreign investment.

We believe it is very important for international scene actors to cooperate and collaborate across borders to make available to all those who are interested the conditions for doing business in a more friendly environment and ensuring sustainable development.

Also, must approached aspects such as those as procedural, related infrastructure, cost and time when we talk about export and import operations, but also about competitiveness. We remember the situation of the sub-Saharan African states, who, due to the long travel times within national borders, often lose the chance to participate in the international market. This is the case for countries such as Angola, Rwanda, Congo, Eritrea, Sudan and others. For example, World Bank specialists believe that a 24-hour reduction in domestic travel in these states can increase by over 6-7% of exports. Consideration should also be given to facilitating the processing and customs clearance process, in the sense of their automation.

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