

Discussion--political and legal environment

Business



The political and legal environments of a country are extremely important factors that companies must consider when evaluating a country as a potential place to perform business. “ The environment is composed of laws, governmental agencies, and pressure groups that influence and limit various organizations and individuals” (Kotler, pg. 174). Countries that have unstable political environments such as the nations in the Middle East are not attractive locations because it exposes companies to unnecessary risks such as being the target of radical groups and terrorists. A strong legal framework is necessary to protect the intellectual property of businesses. In places such as China companies are subject to theft of intellectual property due to piracy and counterfeit products. The political environment of a country is as important as the economic environment. It is hard for companies to negotiate incentives and governmental help in places where the governments do not have good relations with corporations. “ The political environment is a key component of the business environment that dictates greatly on the success of your home business” (Bluntpolitics). The regulations of governments can impose barriers that increase the cost of doing business in a country. In the United States the tough environmental regulations are forcing companies in certain industries to leave the country in search for locations with more relaxed environmental regulations. Labor laws also influence the profitability of a company. Countries with low minimum wages are attractive for companies that have labor intensive operations. The moral conduct of a country affects the operations of a corporation. In many parts of the world bribing a governmental official is part of doing business. I am completely opposed to bribing others. Bribes are an unethical event that should always be avoided at all costs. Whenever a company gives

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a bribe to another person or governmental official they will enter into an unpleasant arrangement that could backfire because the person that bribes them might continue to pressure the company for more money. The sub-Saharan African region is the place with the greatest incidence of bribery worldwide (Google). Companies must also protect their intellectual property whenever they are going business outside the United States.

It takes a lot of money in research and development to create new products. In the pharmaceutical industry companies spend an average of \$359 million to develop a new drug (Ca-biomed). I fully support the intellectual property of companies and I am against piracy of goods. I have never purchased an illegal copy of a software, movie, or music CD. In order to ensure that the intellectual property is protected companies must do business with countries that have treaty's with the United States to uphold the validity of the patents of corporations. A patent gives the holder 20 years of protection for their inventions. People or companies that violate patents are subject to legal repercussions. It is my opinion that fake and counterfeit products should be banned because these products were created through the theft of the intellectual property of a company. Authorities should confiscate any shipments containing counterfeit products.

Work Cited Page

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