Global Business Environment

**Describe what is meant by legal issues in the global business environment.  Your answer should provide examples.**

**Describe what is meant by ethical issues in the global business environment.  Your answer should provide examples.**

Besides human rights issues, other concerns about doing business in the international environment exist. For example, it is not uncommon for polluting industries to locate to countries that have laxer environmental regulations than they would face at home. Environmental degradation, such as the overuse of natural resources, generation of pollution, and improper disposal of waste products, is a common by-product of global businesses.

International business includes not only trade in new goods but also the disposal of old ones. For example, the U.S. Government Accounting Office found, after an undercover investigation, that many U.S. companies were willing to export old electronic products that contain cathode-ray tubes (CRTs), each composed of several pounds of lead, to countries where unsafe recycling practices occur, without following U.S. regulatory law. Unsafe recycling of toxic electronic waste, known as e-waste, has serious effects on the environment and on human health. Additionally, some of the companies that were willing to do this have publicly proclaimed their commitments to environmentally safe practices.

**Describe what is meant by social issues in the global business environment.  Your answer should provide examples.**

Environmental degradation is much like sweatshop labor in the sense that some companies that engage in harmful practices will pay the price by suffering the fallout from consumer protests. Again, regardless of consumer reaction, the question of whether to engage in such practices is not only a legal question but also a question of ethics.

Of course, it’s not necessarily a sunny picture for people whose jobs have been outsourced. Additionally, businesses operating in the international environment face unique questions. For instance, if the new labor force that is being paid $1 per hour is composed of workers who are forced into sweatshop conditions, then there may be serious consumer backlash against the company that has chosen to do business with that particular manufacturer.

Even if the consumers do not respond negatively to business decisions that result in the use of child labor or sweatshop conditions for the production of goods, the question of ethics still remains. For instance, does a company wish to place profit over concerns that it might have about human rights? And, does a company have any long-lasting duties to its U.S. workforce, or is it all right to simply outsource jobs if it makes economic sense to do so?

**Describe what is meant by economic issues in the global business environment.  Your answer should provide examples.**

Economic factors are connected with goods, services, and money. Despite directly affecting businesses, these variables refer to financial state of the economy *on a greater level* — whether that be local or global. Some common examples of economic deciding factors are interest rates, exchange rates, inflation, taxes, supply chain. These examples often can determine the state of the economy and the many of the factors that come with an operating company.

Sources:

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