

# POLITICAL AND LEGAL CONDITIONS OF MARKETING ACTIVITY OF BUSINESSES IN THE EUROPEAN MARKET

UWARUNKOWANIA POLITYCZNO-PRAWNE MARKETINGOWEJ  
DZIAŁALNOŚCI PRZEDSIĘBIORSTW NA EURORYNKU

**Marcin Komor\***

Department of Marketing, Faculty of Management, University of Economics in Katowice, Katowice, Poland

\*Corresponding author:

E-mail: komor@ue.katowice.pl

Marcin Komor; ORCID: 0000-0003-1512-4893

DOI: 10.2478/minib-2022-0006

## ABSTRACT

The article tackles the political and legal environment within the borders of the European Union (EU) member states. Determinants of the political and legal environment of the European market were identified on two levels: (1) the framework, i.e. supranational European political and legal conditions; (2) the classical political and legal environment of the EU member states. Afterwards, an analysis of individual factors of the political and legal environment in the aforementioned levels was performed. Four legal areas in the EU states were demonstrated: Roman, Anglo-Saxon, Germanic and mixed; three jurisdictional systems were identified: case law, continental and Scandinavian law; and the legal framework of the Union was found to consist of primary legislation, secondary legislation and adjudications of the Court of Justice of the EU. The problem of excessive duration of the administrative procedures, untimeliness and incomplete transposition of directives into the national law of the member states was discussed. It was also brought to attention that the diversity of laws and taxes is still a significant barrier to foreign operations of businesses in the EU internal market. It was also indicated that the integration of European law enables economic entities to perform marketing activities in the European market in the form of a representative office or a foreign branch without legal entity. Finally, it was stated that the factors of the political and legal environment are significantly unified in the supranational environment, while in the classical environment, there are some differences among the EU countries, but they allow for the use of unified marketing concepts, e.g. the concept of euromarketing.

**Key words:** political and legal environment, European Union conditioning, euromarketing, international marketing, internationalization

## ABSTRAKT

W artykule podjęto rozważania dotyczące otoczenia politycznego i prawnego na obszarze państw członkowskich Unii Europejskiej. Zidentyfikowano determinanty otoczenia polityczno-prawnego euromarketu w dwóch płaszczyznach: (1) ramowe czyli ponadnarodowe europejskie uwarunkowania polityczno-prawne; (2) klasyczne otoczenie polityczno-prawne państw członkowskich Unii. Następnie dokonano analizy poszczególnych czynników otoczenia politycznego i prawnego w tych dwóch płaszczyznach. Wskazano, że w państwach UE występują cztery obszary prawne: państwa prawa romańskiego, anglosaskiego, germańskiego i mieszanego, trzy systemy jurystyczne: prawa precedensowego, kontynentalnego oraz skandynawskiego, a ramy prawne Unii tworzą: prawo pierwotne, wtórne oraz orzeczenia Trybunału Sprawiedliwości UE. Omówiono problem przewlekłości i nieterminowości oraz nieprawidłowości i niepełności transpozycji dyrektyw w prawo narodowe państw członkowskich. Podkreślono również, że zróżnicowane prawo i podatki są nadal istotną barierą działalności zagranicznej przedsiębiorstw na rynku wewnętrznym UE. Wskazano, że integracja prawa europejskiego umożliwia podmiotom działalność marketingową na euromarkecie w formie przedstawicielstwa czy oddziału zagranicznego nieposiadających osobowości prawnej. Na koniec stwierdzono, że czynniki otoczenia polityczno-prawnego są w płaszczyźnie ponadnarodowego otoczenia znacznie ujednolicone, z kolei w płaszczyźnie klasycznego otoczenia występują pewne różnice między państwami UE, jednak umożliwiając one stosowanie ujednoliconych koncepcji marketingu, np. koncepcji euromarketingu.

**Słowa kluczowe:** Otoczenie polityczno-prawne, uwarunkowania Unii Europejskiej, euromarketing, marketing międzynarodowy, internacjonalizacja

JEL: M31; M38; F15

## Introduction

The processes of transformation of the Polish economy, globalisation and the accession of Poland to the European Union (EU) have contributed to the increased interest of Polish businesses to expand into EU foreign markets. Internationalisation requires adapting to the conditions on foreign markets. The accession of Poland to the EU was an important constituent in the internationalisation of Polish businesses. Thereafter, many Polish economic entities launched their marketing activity on the EU market. The entities engaging in the business activity on the EU-27 market should take heed of the risk of foreign activity within the conditions of the Euromarket, especially in the field of the macro environment. Factors related to the political process of European integration and the unification of EU law, regulations and procedures, as well as political and legal

determinants occurring in individual EU member states, are particularly important in the internationalisation process on the Euromarket. They constitute the political and legal environment for the marketing activities of entities on the said market.

In connection with the above, the aim of this article is to identify the factors of the political and legal marketing environment for the activities of businesses on the Euromarket, i.e. the political and legal conditions resulting from the process of European integration and the political and legal environment in the 27 EU member states. The methodology of the article refers to indirect research methods based on a critical analysis of the source literature and available data and information, a comparative method as well as analysis and logical construction.

## **The Macro Environment of the European Market — Theoretical Approach**

The macro environment of the European market constitutes the conditions determining the functioning of economic entities in a given area. Within the activities on the European market area, there are factors influencing the economic activity of businesses (including marketing activities) on the markets of the countries making up the EU. It is noteworthy that the authors differently divide the market macro environment related to operations on foreign markets. Selected classifications of the environment in marketing and international business are presented below. In international marketing, Czinkota and Ronkainen (2007, pp. 29–155) distinguish between cultural, economic, political and legal environments and, indirectly, the international framework of trade and politics. In turn, Terpstra and Sarathy (2000, pp. 33–151) list the following elements of the environment on foreign markets: the world economic environment, the economic environment of foreign markets, as well as the cultural, political and legal environment. Another author, Jain (1987, pp. 173–307), distinguished the economic, cultural, political and legal determinants of the market environment. Albaum and Duerr (2011, pp. 174–247) divided the foreign environment taking into account the following two factors: the first — cultural environment, economic potential

and competition (including cultural and sociocultural environment, economic potential and competition); and the second — the administrative, political and legal environment (including the role of government and economic integration). In international business, Daniels, Radebaugh and Sullivan (2004, pp. 42–138) distinguished between the cultural, political, legal and economic environment.

Onkvist and Shaw (2009, pp. 105–241) divided (1) the environment into the political, legal and cultural components and (2) consumer behaviour in the international context into psychological and social dimensions. The majority of Polish authors use similar divisions of the marketing environment to those found in the foreign literature. Duliniec (2007, pp. 52–86) recognises economic and market-oriented, demographic, sociocultural, political, legal and administrative, technological and natural environments. Wiktor, Oczkowska and Żbikowska (2007, pp. 43–82) made a division into the following environmental factors: demographic, economic, political and legal, technical and technological, and natural and cultural.

The political and legal environment constitutes the legal and political framework for the activities of businesses. Political factors include the activity of the local or state administration, political parties and supranational authorities; all these organisations may have a different impact on the conditions of doing business in different parts of the world, sectors or countries (Rokita, 2005, p. 74). The political and legal environment is shaped by state or supranational organisations, consequently influencing the scope of decisions made by businesses. These factors are considerably diversified in the framework of foreign business activity within international marketing, e.g. with regard to political stability, political systems, vast differences in legal regulations or existing tariff and non-tariff barriers (Swoboda, Schramm-Klein & Halaszovich, 2022, p. 29).

The situation on the EU market is different, since the processes of European integration, liberalisation, demonopolisation, regulation and the elimination of tariff and non-tariff barriers, as well as unification of standards and regulations (also in terms of political and legal environment factors) have led to the creation of a single economic area known as the Euromarket. In this context, it is important to define the concept of the

said market, also known as the EU Internal Market, European Internal Market, European Union Single Market or the European Single Market, which is a transnational area without internal borders, similar to a territory of one immense state, with a high degree of economic integration, ensuring uniform rights, obligations, market conditions, as well as opportunities for businesses and consumers, based on the free movement of goods, services, people and capital, which distinguish them from other economic entities in Europe and beyond.

As Gierszewska and Romanowska (2009, p. 35) point out, one of the significant trends observed in the world is the 'deregulation trend' — lifting bans, restrictions, legal and customs barriers, etc., which create incentives to internationalise the activities of businesses but also require economic entities to meet global standards and regulations. The situation on the EU Internal Market is comparable. In many political, legal and economic spheres, the integration processes have led to demonopolisation, liberalisation, introduction of European regulations and unification, e.g. through the implementation of the European Single Market, including the implementation of the free movement of goods, services, people and capital.

It allows many businesses a barrier-free access to foreign markets in EU countries, which in turn creates incentives for economic entities to operate in the European market. However, in many sectors, the EU still pursues the policy of common regulations for all members of the union in order to unify the Euromarket even further and to facilitate access to the EU market, e.g. in telecommunications or energetics. EU regulations create a supranational framework environment for the activities of economic entities in this market. Therefore, it can be assumed that there is a two-dimensional political and legal environment in the indicated area (Komor, 2017. p. 107):

- framework, i.e. supranational European political and legal conditions present in all EU member states
- classical, i.e. the political and legal environment in individual EU countries.

Political and legal conditions can be differentiated according to the rules of the political order and the economically important aspects of the legal

system (Setzer, 2001, p. 31). The individual factors of the political and legal environment on the planes of both framework and classical conditions are discussed below.

## **The Political Environment of the Marketing Activities of Businesses on the European Market**

The political environment of the EU countries is formed both by elements related to both the political conditions associated with the EU integration processes and to the determinants of the political environment in individual member states. The political environment of the EU is shaped mostly by the Union's institutions. The Treaty on European Union states that 'the Union shall have an institutional framework which shall aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions' [Article 13 (1), Treaty on European Union]. According to the Treaty, the institutions of the Union are the following: the European Parliament, the European Council, the Council of the European Union, the European Commission, the Court of Justice of the European Union, the European Central Bank (ECB) and the European Court of Auditors. The aforementioned institutions have distinctive tasks, functions and prerogatives, as well as headquarter locations in different EU countries.

The European Parliament is a co-legislator, sharing with the Council the power to adopt and amend legislative proposals, participate in decisions on the EU budget, oversee the work of the Commission and other Union bodies and cooperate with the national parliaments of the member states to take their views into account. The number of Members of the European Parliament (MEP) may not exceed 705, and no country may have <6 or >96 MEPs. The distribution of seats by member state has changed since February 2020, when Great Britain left the EU (see Table 1). The largest factions are made up of Christian democrats, social democrats and liberals (together they have a majority in the European Parliament). In particular, the MEPs are grouped into the following factions: European People's Party (187), Progressive Alliance of Socialists and Democrats (148), Renew

Europe (97), Identity and Democracy (76), Greens-European Free Alliance (68), European Conservatives and Reformists (61) and Confederal Group of European United Left/Nordic Green Left (39). Moreover, 29 members are not-attached. The European Council, along with the European Parliament, performs legislative and budgetary functions, gives the Union the indispensable stimuli to develop, defines the overall political directions and priorities, as well as defines and coordinates the Union's policies. The European Council is made up of the heads of state or government of the member states, its President and the President of the Commission. In recent years, the importance of the European Council has continued to increase, since, due to the provisions adopted by the Lisbon Treaty, the Union has departed in many respects from unanimous decisions (the system of weighted votes has also been abolished) in favour of decisions made by the so-called double majority (Articles 14, 15 and 238, Treaty on European Union). At present, a qualified majority is at least 55% of the members of the Council, but not <15 of them, representing member states whose total population amounts to at least 65% of the population of the whole Union. A blocking minority comprises at least four members of the Council representing >35% of the total EU population.

An exception is made when the Council does not handle a proposal submitted by the Commission or the High Representative of the Union for Foreign Affairs and Security Policy; in such a case, a qualified majority is formed by at least 72% of the members of the Council representing member states whose total population constitutes at least 65% of the population of the Union. It is important to note that the member states still have an objection instrument included in Declaration No. 7 to the Lisbon Treaty in the form of requesting the application of the so-called 'Ioannina compromise', delaying decision-making in the Council for 'a reasonable amount of time'. On the other hand, the EU Council is made up of ministers from EU countries. The tasks of the Council include coordinating the policy of EU countries, negotiating and adopting legal acts on the basis of legislative proposals presented by the European Commission, as well as creating directions of the EU's foreign and security policy based on the guidelines of the European Council. The European Commission is the EU's politically independent executive body, responsible for drawing up proposals for new legal acts. In addition, it

implements the decisions of the European Parliament and the European Council, manages the Union's policies and allocates funds, and along with the Court of Justice, the Commission is responsible for ensuring that EU law is properly applied in all member states. It also negotiates international agreements (e.g. Transatlantic Trade and Investment Partnership [TTIP]) and represents the EU on the international stage. The Court of Justice of the EU ensures uniform interpretation of EU law in all member states, ensures its observance by EU countries and institutions, ensures the annulment of legal acts inconsistent with the treaties or fundamental rights and ensures that the Communities take action, i.e. it adjudicates complaints about inactivity and examines complaints from individuals or companies who have suffered damage as a result of the action or inaction of the EU institutions. The ECB is the central bank for 19 member states belonging to the European Economic and Monetary Union, i.e. the euro area. It is responsible for the single European currency. Its main task is to protect the purchasing power of this currency, maintain price stability in the euro area and conduct banking supervision, as well as ensure the stability of the financial system and management of the official foreign reserves of the member states, thus promoting the smooth operation of payment systems (Art. 2, Protocol No. 4). The European Court of Auditors is responsible for checking the correct collection and use of EU funds; it submits an annual report to the European Parliament and the Council of the EU, informs the European Anti-Fraud Office if it suspects fraud, corruption or other illegal activity and helps to improve management of EU finances.

Another element of the political conditions of the European market is the political environment in the EU member states. Table 1 presents information on the political system, parliament, head of government and head of state in individual EU countries. There are two main forms of political system in these countries: a parliamentary republic (e.g. Italy, Germany, Poland, the Czech Republic, Hungary and Estonia); and a parliamentary monarchy (e.g. Spain, Belgium, the Netherlands and Denmark). Countries that are parliamentary republics can be divided into (1) federal republics, i.e. Germany and Austria and (2) semi-presidential republics, i.e. France, Portugal, Lithuania and, de facto, Poland. In most



EU countries, there is a parliamentary-cabinet system or its variants, under which the government is appointed by the parliament in cooperation with the head of state; however, it is accountable only to the parliament, e.g. in Denmark, Sweden, the Netherlands, Spain, Italy, Poland, the Czech Republic, Estonia or Hungary. Most EU countries have bicameral parliaments, e.g. Poland, Germany, Belgium, Spain, Ireland and the Czech Republic. On the other hand, in 15 EU countries, citizens are represented by a unicameral parliament, e.g. in the Baltic States, Portugal, Greece and Denmark.

The head of state is the body occupying the highest position in the system of state organs and the highest representative of a given country. In the EU countries, the function of the head of state is performed by presidents or monarchs, who perform various functions and have different prerogatives resulting from the constitutions of these countries. Monarchs are heads of state only in Spain, Belgium, the Netherlands, Denmark, Sweden and Luxembourg. Most EU presidents are directly elected. Only in some countries, i.e. Germany, Austria, Italy, Latvia and Estonia, are they elected by the national assembly.

At present, the governments in the EU countries are mainly made up of social democratic, Christian democratic (conservative) and liberal parties. In some countries, there are also green parties. Heads of government in some countries such as Austria, Poland, the Netherlands, the Czech Republic and Slovakia come from Christian democratic or conservative parties. Social democratic parties have their heads of government in Spain, Germany, Denmark, Sweden and Portugal. The liberals, on the other hand, lead governments in Ireland and Belgium. Table 1 also shows the number of MEPs allocated to each country in the European Parliament.

The number of seats in this institution depends primarily on the number of inhabitants of EU countries. In the European Parliament, countries with a large number of inhabitants have the largest number of MEPs, i.e. Germany (96), France (79), Italy (76), Spain (59) and Poland (52). Likewise, countries with a small number of inhabitants have fewer MEPs, i.e. Luxembourg, Malta, Cyprus (6 each), Estonia (7) and Slovenia and Latvia (8 each).

**Table 1. Political systems of individual European Union member states**

Country	Political system (type of state)	National parliaments	Head of state	Head of government	Seats in the European Parliament
Austria	Parliamentary republic (federal)	Bicameral	President Alexander Van der Bellen	Chancellor Karl Nehammer	19
Belgium	Constitutional monarchy	Bicameral	King Philippe	Prime Minister Alexander De Croo	21
Bulgaria	Semi-presidential parliamentary republic	Unicameral	President Rumen Radev	Prime Minister Kiril Petkov	17
Croatia	Semi-presidential parliamentary republic	Unicameral	President Zoran Milanović	Prime Minister Andrej Plenković	12
The Czech Republic	Parliamentary republic	Bicameral	President Miloš Zeman	Prime Minister Petr Fiala	21
Cyprus	Federal republic	Unicameral	President Nikos Anastasiadis	President Nikos Anastasiadis	6
Denmark	Parliamentary monarchy	Unicameral	Queen Margrethe II	Prime Minister Mette Frederiksen	14
Estonia	Semi-presidential parliamentary republic	Unicameral	President Alar Karis	Prime Minister Kaja Kallas	7
Finland	Semi-presidential parliamentary republic	Unicameral	President Sauli Niinistö	Prime Minister Sanna Marin	14
France	Semi-presidential parliamentary republic	Bicameral	President Emmanuel Macron	Prime Minister Jean Castex	79
Germany	Parliamentary republic (federal)	Bicameral	President Frank-Walter Steinmeier	Federal Chancellor Olaf Scholz	96
Greece	Semi-presidential parliamentary republic	Unicameral	President Ekaterini Sakellaropulu	Prime Minister Kyriakos Mitsotakis	21

Hungary	Semi-presidential parliamentary republic	Unicameral	President János Áder	Prime Minister Viktor Orban	21
Ireland	Parliamentary republic	Bicameral	President Michael D. Higgins	Prime Minister Micheál Martin	13
Italy	Semi-presidential parliamentary republic	Bicameral	President Sergio Mattarella	Prime Minister Mario Draghi	76
Latvia	Semi-presidential parliamentary republic	Unicameral	President Egils Levits	Prime Minister Arturs Krišjānis Kariņš	8
Lithuania	Semi-presidential parliamentary republic	Unicameral	President Gitanas Nausėda	Prime Minister Ingrida Šimonytė	11
Luxembourg	Parliamentary monarchy	Unicameral	Grand Duke Henri	Prime Minister Xavier Bettel	6
Malta	Semi-presidential parliamentary republic	Unicameral	President George Vella	Prime Minister Robert Abela	6
The Netherlands	Parliamentary monarchy	Bicameral	King Willem-Alexander	Prime Minister Mark Rutte	29
Poland	Parliamentary republic, de facto semi-presidential	Bicameral	President Andrzej Duda	Prime Minister Mateusz Morawiecki	52
Portugal	Semi-presidential republic	Unicameral	President Marcelo Rebelo de Sousa	Prime Minister António Costa	21
Romania	Semi-presidential parliamentary republic	Bicameral	President Klaus Iohannis	Prime Minister Nicolae Ciuică	33
Slovakia	Semi-presidential parliamentary republic	Unicameral	President Zuzana Ľaputová	Prime Minister Eduard Heger	14
Slovenia	Semi-presidential parliamentary republic	Bicameral	President Borut Pahor	Prime Minister Robert Golob	8
Spain	Parliamentary monarchy	Bicameral	King Felipe VI	Prime Minister Pedro Sánchez	59
Sweden	Parliamentary monarchy	Unicameral	King Carl XVI Gustaf	Prime Minister Magdalena Andersson	21

Source: Own elaboration.

## **Legal Environment of the Marketing Activities of Enterprises on the European Market**

In the Union, the legal environment resulting from the processes of European integration, which is uniform in all member states, and the legal environment existing in individual EU countries can be distinguished. The legal conditions of individual countries influence the activities of businesses (including marketing) in the European market and determine it. These conditions constitute the framework for the activities of entities on the European foreign market. Therefore, the legal regulations of individual countries are important for the business activities on the European market. In this context, an important role is played by the legal differences between the EU countries, e.g. concerning traditions or legal areas. In these countries, several basic legal areas can be distinguished: countries of Roman law (e.g. France, Portugal, Italy, Belgium, Luxembourg, Romania and Spain), Anglo-Saxon (Ireland and Cyprus), Germanic law (e.g. Austria, Germany, the Czech Republic, Slovakia and Hungary), Scandinavian law (Denmark, Sweden and Finland) and a mixed semi-Roman and Germanic law (e.g. Poland and Lithuania) (Duelfer & Joestingmeier, 2008, pp. 365–66).

Another element of the differentiation of law in the EU countries, important for jurisdictional conditions, is the distinction between systems and types of law in the international context. In general, two basic legal systems can be told apart: common law (Anglo-Saxon law; e.g. in the USA, Australia or Great Britain), which favours legal precedents established by courts and past court decisions; and civil law (continental law; e.g. in Poland, Germany or France), which prefers statutes and other written legal norms in order to create a code system that includes the formulation of general principles and a whole set of specific cases (Usunier & Lee, 2013, p. 57). The basic differences between common law and civil law are that, in the former, there is a legal norm of precedent, precedents are legally binding, the law is based on legal cases and only partially (sometimes to a small extent) codified. On the other hand, in civil law, there is a code legal norm, precedents are legally non-binding and the law is entirely based on codes and other legal acts. The basic aspects of the legal environment of the European market are as follows (Komor, 2000, p. 48; Koszowski, 2019, pp. 105–106):

- The jurisdictional system in the countries making up the EU:
  - a system of case law, also known as Anglo-Saxon (e.g. in Ireland) based on events, practices and especially judgements of courts from the past;
  - a system of law code, also known as continental, Roman-Germanic, statutory law (e.g. Germany, Poland, France and Italy), in which the legal regulations for most situations are found in individual acts (e.g. the criminal code, petty offences code and the labour and civil code) and have a superior role in relation to court judgements;
  - the Scandinavian law system, which combines elements of continental and case law systems (with a slightly greater meaning of the former), i.e. taking into account both the significance of acts as well as court judgements, present for instance in Sweden, Denmark or Finland;
- Types of law in the EU states:
  - national (state) law — applied to all normative regulations resulting from national law and which deal with activities referring to the area of one state;
  - supranational law — superior to the national law, which means that all regulations of national law contradicting supranational law are ineffective; it is applied e.g. in communities where certain national regulations have been transferred to international organisations or institutions (e.g. European Union);
  - international law — consists of treaties, conventions and other provisions concluded between individual states.

The progressive process of European integration (Balassa, 1961, p. 2) has led to the unification of laws, regulations and standards across the EU. As Michalski (2007, p. 58) points out, Polish law is not such an important factor shaping the behaviour of businesses as it is in the EU, where legal provisions regulate, among others, the protection of competition, protection of small businesses, protection of consumer rights, health and safety standards of products, credits, liability of manufacturers and sales agents, information on the ingredients of products, method of assembly and use, requirements for packaging and labelling of products, as well as prohibiting price manipulation. Many of these laws are typical EU legislation that is applied in all EU member states. It is important to note that, in some cases, there may be, and in fact are, more restrictive

provisions of state law in specific areas of economic and social life than EU regulations. In some countries, such as Germany, Austria or Sweden, certain provisions are more detailed and restrictive than EU regulations. In connection with the accession to the EU structures, Poland was obliged to introduce EU legislation into national law.

Therefore, currently most of the EU legal regulations also shape the behaviour and functioning of businesses in Poland.

In the context of the EU and the emergence of the EU Internal Market, it is interesting to define the basic elements of legal conditions. The legal framework of the EU is based on three basic elements (Commission, 2003, p. 10; Types of EU law):

- Primary law, i.e. treaties, which are agreements concluded by the EU member states, defining the objectives of the Union, the operating rules of its institutions, the way of making decisions and relations between the EU and its member states, e.g. the Single European Act, the Treaty on European Union and the Treaty on the Functioning of the European Union, the Lisbon Treaty;
- Secondary law regarding regulations, directives, decisions, recommendations and opinions of the Union, which are *acquis communautaire*, arising from the principles and objectives determined in the treaties;
- Decisions of the Court of Justice of the EU, whose task is to expound EU law, interpret and ensure the correct implementation of it in all member states.

The preparations for the creation and implementation of the common market gave a new dimension to the legal environment of the Community. At that time, legal acts important for the functioning of the Union were adopted, i.e. the Single European Act, the Treaty on European Union (the Maastricht Treaty). Since the emergence of the European Single Market in 1993, the Union has continued to strive for further unification of law. The lengthy and delayed transposition of European law and the incorrect or incomplete transposition of directives into the national law of the member states remain a problem in the field of the EU law. That is why the EU monitors the process of introducing EU directives in individual EU member states.

In the 15-year period between 1997 and 2012, the average deficit in the transposition of European Single Market directives in all member states decreased from 6.3% in 1997 to 0.6% in 2012 (Komisja, 2013, p. 2). The latest report published in 2020 shows that the average transposition deficit has increased to 1%, while the average compliance deficit of directives has never been as high as in 2020 (1.4%) and the average transposition delay has decreased by 36%, from 11.5 months in 2019 to 7.4 months (Single market scoreboard, 2020). According to the report, the largest deficit in the transposition of directives into national law is in Luxembourg, Estonia, Cyprus (1.9%) and Poland (1.8%), and the deficit of incorrectly or not fully implemented directives is found in the Czech Republic, Austria and Bulgaria (1.9%) and in Germany and Croatia (1.8%). In Poland, this deficit amounted to 1.6%.

The established law also determines the foreign marketing activities of businesses on the European market. Integration in the field of European law or the implementation of the EU Internal Market also has an impact on the choice of an entry strategy or marketing activity in the Euromarket. One of the basic freedoms of this market, i.e. the freedom of business activity, ensures free operation of branches or representative offices in other EU countries. Some authors point out that, in connection with the above, companies can choose whether they want to operate in foreign markets in the EU in the form of a representative office or a foreign branch, usually without legal personality, or to create a subsidiary abroad with legal personality (Berndt, Altobelli & Sander, 2020, pp. 182–83; Pezoldt & Knoth, 2011, p. 375–376).

For many years, the Union has been aiming at the unification of European law and strives for its introduction into national law in order to facilitate the internationalisation of foreign activities of businesses on the Euromarket. The empirical research carried out on 175 European companies, representative in terms of their country of origin, company size and sector of activity, carried out by Clifford Chance, one of the world's largest law firms, indicates legal barriers in trade in the European Single Market (The Clifford Chance, 2005, after: Kieninger, 2008, pp. 356–62; Vogenauer & Weatherill, 2005, pp. 870–78). The results of the research presented on a scale from '1' (low impact) to '10' (strong impact) indicate that, according to businesses, the greatest barriers to operating in the

Euromarket concern taxes (5.5), legal differences (5.35) and the costs of consultancy regarding foreign law (5.16). Businesses believe that bureaucracy or the existing corruption (4.53), as well as cultural (4.37) and linguistic (4.05) differences, have a lower impact on trade barriers. The results of the research indicate that >80% of respondents have a positive attitude to European contract law, of which as much as 36% are very positive. Moreover, according to Clifford Chance (2005), most (83%) managers consider it important to have a choice of contract law, which would be used by 82% of companies that would apply European contract law to cross-border contracts. The results of the research show that it is important for managers to be able to choose a specific contract law in the field of operations on the Euromarket; depending on the situation, they would choose European contract law, national law or a foreign partner's law. Being able to settle on the contract law, 66% of managers would choose domestic (e.g. 50% Italian companies, 60% Polish and French companies, 71% Hungarian and 83% British companies) and only 21% foreign ones. In view of the above, further European integration of jurisdiction is important, including European contract law, which could be an alternative to domestic or foreign law, as companies believe that differentiated law is still a significant barrier to trade in the EU market.

The unification of European market conditions (including political and legal), resulting from the integration processes within the EU, made it possible for businesses operating abroad in this economic area to apply unified marketing concepts, e.g. euromarketing. Euromarketing can be an interesting alternative to strategies aimed at a single country in the expansion to EU markets due to the unified market environment on the Euromarket (Aistrich, Saghafi & Sciglimpaglia, 2006, pp. 416–19). Euromarketing enables companies to use a unified marketing concept in the European market area, because the key point of this concept is common European conditions.

## Summary

In conclusion, it can be stated that the aim of the study was achieved by identifying the determinants of the political and legal environment of



the Euromarket in two dimensions: (1) framework, i.e. supranational European political and legal conditions present in all EU countries; (2) classical, i.e. the political and legal environment in individual EU member states. It was revealed that the supranational political environment of the EU is to a large extent unified and created by the EU institutions mentioned in the Treaty on European Union. On the other hand, the factors of the political environment vary between member states to some extent. The EU's supranational legal conditions are standardised and result from three basic elements: primary law, i.e. treaties; secondary law, e.g. regulations and directives; and adjudications of the Court of Justice of the EU. The problem of the EU law is the excessive duration of the administrative procedures, untimeliness and delay in implementing the law, as well as incorrect and incomplete transposition of directives into the national law of the member states. Classical factors in the legal environment between member states are partially differentiated. There are four legal areas in the EU countries: Roman, Anglo-Saxon, Germanic and mixed. In addition, three jurisdictional systems can be distinguished: case law, continental law and Scandinavian law. It was indicated that, in the opinion of enterprises, differentiated law and taxes are still a significant barrier to foreign operations of entities on the EU Internal Market. On the other hand, integration in the field of European law enables businesses to conduct marketing activities on foreign markets of the EU in the form of a representative office or a foreign branch without legal personality.

The information presented in the article may contribute to broadening the knowledge on the factors of the political and legal environment in the European Single Market, which is important for the expansion and marketing activities of Polish entities on the European market. Based on the considerations, it can be concluded that the determinants of political and legal conditions are significantly uniform at the level of the transnational environment, while at the level of the classical environment, there are some differences between the member states of the Union, but they enable the use of uniform marketing concepts in the area of the Euromarket or at least in groups of countries making up the EU, e.g. through the use of the Euromarketing concept.

## References

1. Aistrich, M., Saghafi, M. M., & Sciglimpaglia, D. (2006). Strategic business marketing developments in the new Europe: Retrospect and prospect. *Industrial Marketing Management*, 35(4), 415–430.
2. Albaum, G., & Duerr, E. (2011). *International marketing*. Harlow, UK: Financial Times Prentice Hall, an imprint of Pearson.
3. Balassa, B. (1961). *The theory of economic integration*. Homewood: Richard D. Irwin.
4. Berndt, R., Altobelli, C. F., & Sander, M. (2020). *Internationales marketing-management*. Berlin, Heidelberg, New York: Springer.
5. Commission of the European Communities, Directorate-General Internal Market. (2003). *The internal market — Ten years without frontiers*. Brussels, Belgium: European Commission.
6. Czinkota, M. R., & Ronkainen, I. A. (2007). *International marketing*. Mason, OH: Thomson South-Western.
7. Daniels, J. D., Radebaugh, L. H., & Sullivan, D. P. (2004) *International business: Environments and operations*. Upper Saddle River, NJ: Pearson Education.
8. Duelfer, E., & Joestingmeier, B. (2008). *Internationales Management in unterschiedlichen Kulturbereichen*. München, Germany: Oldenburg.
9. Duliniec, E. (2007). *Marketing międzynarodowy*. Warszawa, Poland: PWE.
10. Gierszewska, G., & Romanowska, M. (2009). *Analiza strategiczna przedsiębiorstwa*. Warszawa, Poland: PWE.
11. Jain, S. C. (1987). *International marketing management*. Boston, MA: PWS-Kent.
12. Kieninger, E. M. (2008). Europäische Vertragsrechtsvereinheitlichung aus Rechtsoekonomischer Sicht . In T. Eger, J. Bigus, C. Ott, & G. von Wangenheim (Hrsg.), *Internationalisierung des Rechts und seine ökonomische Analyse* (pp. 356–368). Wiesbaden, Germany: Gabler
13. Komisja Europejska. (2013), *Tabela wyników rynku wewnętrznego: rekord pobity w 15-tą rocznicę*. Komunikat prasowy IP 13–127. Bruksela, Belgium: Komisja Europejska.
14. Komor, M. (2000). *Euromarketing. Strategie marketingowe przedsiębiorstw na eurorynku*. Warszawa, Poland: PWN.
15. Komor, M. (2017). *Internacjonalizacja przedsiębiorstw na rynku Unii Europejskiej — ujęcie marketingowe*. Warszawa, Poland: CH Beck.
16. Koszowski, M. (2019). *Dwadzieścia osiem wykładów ze wstępu do prawoznawstwa*. Warszawa, Poland: Wydawnictwo CM.
17. Michalski, E. (2007). *Marketing. Podręcznik akademicki*. Warszawa, Poland: PWN.
18. Onkvist, S., & Shaw, J. (2009). *International marketing: Strategy and theory*. New York, NY: Routledge.

19. Pezoldt, K., & Knoth, A. (2011). Internationalisierung und Rechtsformenwahl — Markteintritt in die osteuropäischen Mitgliedstaaten der Europäischen Union. In F. Keuper, & H. A. Schunk (Hrsg.). *Internationalisierung deutscher Unternehmen. Strategien, Instrumente und Konzepte für den Mittelstand* (pp. 370–391). Wiesbaden, Germany: Gabler.
20. Protokół (nr 4) w sprawie statutu Europejskiego Systemu Banków Centralnych i Europejskiego Banku Centralnego, 2016/C 202/230.
21. Rokita, J. (2005). *Zarządzanie strategiczne. Tworzenie i utrzymanie przewagi konkurencyjnej*. Warszawa, Poland: PWE.
22. Setzer, M. (2001). *Institutionelle Marktanpassung deutscher KMU an veränderte Rahmenbedingungen in der EU*. Hamburg, Germany: Verlag Kovach.
23. Swoboda, B., Schramm-Klein, H., & Halaszovich, T. (2022). *Internationales Marketing, Going and Being International*. Wiesbaden, Germany: Gabler.
24. Terpstra, V., & Sarathy, R. (2000). *International marketing*. Fort Worth, TX: The Dryden Press.
25. The Clifford Chance. (2005). *The Clifford Chance Survey European Contract Law*, The Clifford Chance, London.
26. Traktat o Unii Europejskiej i Traktat o funkcjonowaniu Unii Europejskiej, 2010/C 83/01.
27. Usunier, J.-C., & Lee, J. A. (2013). *Marketing across cultures*, Harlow, UK: Pearson.
28. Vogenauer, S., & Weatherill, S. (2005). Eine empirische Untersuchung zur Angleichung des Vertragsrechts in der EG. *Juristen Zeitung*, 60(18), 870–878.
29. Wiktor, J. W., Oczkowska, R., & Żbikowska, A. (2007). *Marketing międzynarodowy. Zarys problematyki*. Warszawa, Poland: PWE.

### Online sources

1. About European Parliament, [http://www.europarl.europa.eu/aboutparliament/en/\(10.05.2022\)](http://www.europarl.europa.eu/aboutparliament/en/(10.05.2022)).
2. Court of Justice of the European Union, [https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/court-justice-european-union-cjeu\\_en](https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/court-justice-european-union-cjeu_en) (10.05.2022).
3. Council of the European Union, [https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/council-european-union\\_en](https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/council-european-union_en) (10.05.2022).
4. European Court of Auditors, [https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/eca\\_en](https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/eca_en) (10.05.2022).
5. Types of EU law, [https://ec.europa.eu/info/law/law-making-process/types-eu-law\\_en](https://ec.europa.eu/info/law/law-making-process/types-eu-law_en) (10.05.2022).

**Marcin Komor** — postdoctoral researcher and associate professor at the University of Economics in Katowice and the head of the Marketing Department. His scientific interests focus on the issues of euromarketing, international marketing, internationalisation of businesses, as well as the retail and service sectors. He has repeatedly participated in long-term foreign scientific and research internships awarded in international competitions. He was engaged in many research projects with scientists from foreign research centres, including Western Europe, Asia, Australia and the USA. He was an expert and reviewer of the evaluation applications for National Science Centre (NCN) grants in the Preludium, Sonata and Opus competitions. His works are issued in important publishing houses and magazines, both domestic and foreign, including journals from the Journal Citation Reports (JCR) database with a high Impact Factor, i.e. in 'Journal of Service Research', 'Journal of International Marketing' and 'Journal of the Academy of Marketing Science'. Currently, he is the manager of a 3-year research grant awarded in the international competition 'NCN Beethoven Classic', carrying out a research project as part of international cooperation.