

Legal regulation of corporate governance in global business: Main problems and current trends

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Abstract. The relevance of the study is determined by the current absence of a clear mechanism for managing transnational companies in global doctrine, leading to various problems. Given this, the purpose of the paper is to identify the main problematic aspects of regulations. To achieve this, methods such as legal hermeneutics, logical analysis, formal-legal, deduction, induction, synthesis, and others were used. The study established that transnational corporations are unique subjects of international economic relations with a complex structure, acting as a unified mechanism, complicating their legal regulation since they are not ordinary legal entities. It is disclosed that one of the key problems is that international legal norms regulating the activities of transnational corporations are recommendatory and not mandatory for implementation. Another issue is the need to strike a balance between the interests of transnational corporations and the countries in which they operate. Accordingly, the conclusion is drawn about the importance of introducing control over the activities of transnational corporations by the countries of origin, aimed at ensuring that transnational corporations adhere to international standards and do not harm the countries that host them. The paper identifies problematic aspects and prospects for the development of transnational corporations in Ukraine and Georgia, providing relevant recommendations. The practical value of the obtained results lies in the development of an international and national mechanism that enables the regulation of problematic aspects and enhances the effectiveness of legal regulation of the activities of transnational corporations

Keywords: perspectives; international law; economic relations; jurisdiction; investment flow; activity control; financial institutions

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Introduction

Corporate governance is an important factor in the economic development of countries. It is closely linked to global economic trends such as the growing role of the private sector and internationalisation. A qualitative mechanism contributes to improving the efficiency of business structures, expanding access to external financing, and improving the interaction of enterprises with government agencies. It is also a necessary condition for sustainable economic growth, being a vital component of board and executive work. It provides long-term value sustainability for shareholders. The variation in the implementation of the mechanism among different companies necessitates the examination of corporate governance components.

The process of transnationalization is characterized by the expansion of business activities beyond the country of origin, as noted by Yu. Solonenko and I. Chkareuli (2020). However, the authors' study doesn't specify that it encompasses all spheres of economic life, and its growth rates are constantly increasing. Transnationalization significantly influences the economic development of countries, according to D. Tkachenko (2019). Nevertheless, the author does not mention that, on one hand, it promotes the spread of advanced technologies, knowledge, and experience, leading to increased labour productivity and enhanced economic competitiveness. On the other hand, transnationalization can lead to social and economic problems, such as uneven income distribution, increased unemployment, and worsening environmental conditions.

As M. Simonova and E. Limonova (2021) write, transnational companies (TNCs) are the main driving forces of transnationalization. The authors don't specify that they have substantial resources and capabilities that enable them to compete successfully in the global market. S. Veshapidze *et al.* (2021) state that transnational corporations conduct their activities through subsidiaries located in different countries worldwide. This allows them to access cheap labour, raw materials, and markets. The authors, however, don't mention that the activities of transnational corporations through subsidiaries in different countries can have negative consequences. For instance, the use of cheap labour in developing countries is often associated with human rights violations. In addition, access to resources and markets does not always occur on mutually beneficial terms for host countries.

The processes of economic transnationalization have both supporters and opponents. R. Manvelidze *et al.* (2023) see opportunities in them for enhancing the competitiveness of companies on the global stage and increasing the country's export potential. However, attention should be paid to threats associated with the activities of transnational corporations. These include the outflow of capital abroad in the form of profit repatriation, the weakening of national control over strategic sectors of the economy, and the exacerbation of social inequality through income redistribution in favour of foreign capital. Therefore, the discussion on the impact of transnationalization continues and requires a careful evaluation of all arguments, both in favour and against this process. Moreover, TNCs may contribute to the spread of unfair competition and monopolization. Therefore, Ukraine needs to develop effective mechanisms for regulating the activities of TNCs. These mechanisms should aim to strike a balance between the positive and negative effects of transnationalization.

TNCs are important participants in international relations. They conduct their activities in various spheres of the economy and have various structures and forms of ownership. This complicates their legal typology and legal regulation. There are no uniform approaches to the interpretation and legal nature of TNCs in the theory of international law. This is because TNCs have the characteristics of both state and private enterprises. The question of the international legal status of transnational corporations remains open in legal science. As noted by S. Kurdadze (2020), this is due to the relative novelty of the TNC phenomenon in global economic processes. The author notes that the lack of consensus regarding the legal nature of TNCs complicates the development of a universal approach to defining their rights and obligations on the international stage. Thus, comprehensive research on this issue is a relevant area of international law.

Based on the above, the purpose of the study is to determine how corporate governance functions and is regulated in the legal field of global business. To achieve this, certain tasks need to be performed, including providing characteristics of key issues and highlighting their features, defining the role of TNCs in international relations and corporate governance, and developing recommendations for overcoming problematic aspects.

Materials and methods

The study was conducted using various types of analysis. The functional analysis method was applied to characterize the concept of "transnational corporation," and identify inherent features, functions, and roles in the context of globalization. The logical analysis method allowed for assessing the effectiveness of the existing international mechanism for the legal regulation of transnational corporations and determining ways to modernize and enhance its efficiency. The statistical analysis method was used to examine the world's largest transnational corporations, considering asset evaluation and market value as of 2023.

The formal legal method was applied to examine the provisions regulated by current legal acts. The article considered norms outlined in international doctrine, namely in the International Code on Fair Treatment for Foreign Investments (1949), the Charter of Economic Rights and Duties of States (1974), OECD Declaration and Decisions on International Investment and Multinational Enterprises (1976). This method involved a systematic analysis of their text, defining structure, terminology, sequence of presentation, internal relationships, and other formal aspects. This method helped identify how specific norms regulate certain areas of activity, particularly transnational companies.

The formal-legal method was used to determine the activities of transnational corporations by international law requirements, allowing the identification of their structure, and characteristic features, and establishing the compliance of the activities of transnational corporations with legal norms. The dogmatic method was used to interpret the current legislation based on the text of the law, examine its content to determine which norms and principles of law are included in it and distinguish the structure and logic. The application of the dogmatic method to the consideration of the activities of transnational companies provided the opportunity to determine their characteristics in the context of established provisions, rights, and obligations of transnational compa-

nies and countries. The method of legal hermeneutics helped interpret legal texts and norms, understand the logical structure of the text and relationships between its different parts, identify context and connections with other norms and rules, and determine the legislator's purpose based on established norms. The method of comparative legal analysis involved comparing legislation and legal acts to identify similar or different approaches to regulating transnational corporations. It provided the opportunity to determine similarities and differences in legal regulation, particularly in the aspect of the activities of non-governmental organizations and transnational corporations. The method of abstraction was used to focus on the aspect of research such as transnationalization and determine its characteristic features in the context of the development of the activities of respective companies in Ukraine, highlighting problematic aspects and prospects.

The deduction method provided an opportunity to characterize the mechanism of transnational corporations' activities based on their inherent features, principles, and implementation specifics in modern conditions. The induction method was applied to define the characteristics of transnational cor-

porations based on the analysis of current international legal doctrine. The synthesis method helped integrate the obtained results for the development of specific recommendations.

Results

The globalization of the economy and international relations entails an increased role of TNCs. This poses a challenge for countries worldwide in regulating the activities of TNCs operating in different states. TNCs have a complex structure, making their activities challenging to subject to legal regulation. In addition, TNCs significantly influence the economy, politics, and society of the host country, leading to potential negative consequences. Currently, there is no unified international legal system for regulating the activities of TNCs. Each country develops its system of legal norms regulating the activities of foreign companies. As the importance of foreign capital grows, there is a need to improve the legal regulation system of TNC activities. It is crucial to strike a balance between the interests of TNCs and the interests of host countries. Statistical data on the world's largest TNCs are worth considering (Table 1).

Table 1. The world's largest public companies

Company name	Asset valuation, US dollars	Market value, US dollars
JPMorgan Chase	3.744 billion	399.59 billion
Saudi Arabian Oil Company (Saudi Aramco)	660.99 billion	2055.52 billion
ICBC	6166.82 billion	203.01 billion
China Construction Bank	4977.48 billion	172.99 billion
Agricultural Bank of China	5356.86 billion	141.82 billion
Bank of America	3194.66 billion	220.82 billion
Alphabet	369.49 billion	1340.3 billion
ExxonMobil	369.37 billion	439.39 billion
Microsoft	380.09 billion	2309.84 billion
Apple	332.16 billion	2746.21 billion

Source: compiled by the authors based on J. Viridin *et al.* (2021)

These data show the rating of the most influential companies in the world. It is worth noting that the assessment of assets significantly exceeds the state budgets of countries such as Italy, Canada, France, and the United Kingdom, all of which are part of the G7.

Contemporary international legal regulation of TNC activities is insufficient, but there are certain documents regulating their activities. The key regulations include the International Code on Fair Treatment for Foreign Investments (1949), the Charter of Economic Rights and Duties of States (1974), OECD Declaration and Decisions on International Investment and Multinational Enterprises (1976), and others. At the regional level, the countries of the Andean group play an important role in regulating the activities of TNCs. These countries are in favour of the development of trade and economic cooperation and against the influx of foreign capital (Michoud, 2019). They apply their antitrust laws to combat unfair business practices by TNCs. In addition, in the countries of the Andean group, some regulations contribute to the distribution of technological potential between the countries on whose territory TNCs conduct their activities (Viridin *et al.*, 2021).

The revolutions of 2003 and 2004 in Georgia and Ukraine radically changed the political course of these

countries, as the course of integration with the EU was announced, which is the priority area of Georgia's foreign policy. It is worth noting the trade between Georgia and the EU, and the presence of European TNCs and value chains. Statistics show that although the EU is an important trading partner of Georgia, it is not as important as it is for the countries of Central and Eastern Europe (CEE). It is worth noting that the CEE countries exported more than half of their products to the EU, while Georgian exports to the EU make up about 21.5%, and to the Commonwealth of Independent States (CIS) – more than 53.7%; in turn, Georgia is also not a significant trade partner for EU countries; for example, in 2018 it accounted for only 0.1% of the total EU trade with a turnover of 2.6 billion euros (Veshapidze *et al.*, 2021). Unlike the CEE, Western TNCs did not show much interest in creating production facilities in Georgia and turning it into an export hub. The presence of European companies in the Georgian market is very small and focused on the production of clothing and building materials. Transnational retailers, such as Adidas or H&M, partially manufacture products in Georgia through local suppliers, but do not own the factories themselves (Manvelidze *et al.*, 2023). These corporations are unlikely to lobby for further market liberalization because the Georgian market is not strategic for them. Georgia, like

many post-Soviet countries, is trying to attract foreign investment from multinational corporations. The state offers investors a preferential tax regime, liberal labour laws, and other advantages. The main industries that attract foreign companies in Georgia are mining, infrastructure, telecommunications, and financial services. Sometimes TNCs use weak regulations in Georgia to lobby their interests, evade taxes, damage the environment. Due to this, Georgia actively implements a policy of economic liberalism and attracts foreign direct investments, which involves simplifying administrative procedures, preferential taxation, and limited government intervention in the economy. Georgia ranks 7th in ease of doing business, indicating liberal conditions for companies (Kurdadze, 2020). Environmental regulation and protection are relatively weak in Georgia, posing risks to sustainable development in the country. Therefore, in the current conditions, the development of TNCs in Georgia is relatively weak. Existing problematic aspects require resolution, and accordingly, their analysis needs to be conducted.

TNCs are unique subjects of international economic relations with a complex structure, operating within a single mechanism. This creates certain problems for their legal regulation since they are not ordinary legal entities. One of the main problems is the insufficient effectiveness of international legal regulation of TNC activities. This is because existing regulatory documents have a recommendatory nature and are not mandatory for compliance. Another problem is the need to balance the interests of TNCs and the countries in which they operate. TNCs can harm the economies of host countries, for example, through environmental violations or human rights abuses (Virdin *et al.*, 2021). Thus, countries of origin of TNCs must exercise control over their activities. This control should be aimed at ensuring compliance of TNCs with international standards and preventing harm to host countries.

The current stage of economic development is characterized by increased control over the activities of TNCs by countries of origin. This is due to the growing influence of TNCs on the economies of countries worldwide. Specific problems that need to be considered in more detail include the development of effective mechanisms for controlling the activities of TNCs that ensure compliance with international standards, balancing the interests of TNCs and host countries, and regulating relations between these entities. It is worth considering these problems in more detail.

The first problematic issue is that TNCs are an important source of investment for developing countries; however, control over the flow of these investments is insufficient. This view was also supported at the international level. The Doha Declaration (2001) of the World Trade Organization (WTO) called for considering the development aspect of economies of developing countries in the development of investment instruments. Despite this, in developing countries, no instrument has been implemented that would effectively influence investment activities and compel countries of origin to exercise strict control over the functioning of their multinational corporations. This creates some problems. Firstly, it may lead to uneven distribution of investments among developing countries, negatively impacting the development of their economies, as TNCs can use their economic power to manipulate these countries. To address this problem, effective mechanisms for controlling the flow of investments into developing countries should be developed. These mechanisms should

be mandatory for implementation by all countries receiving investments from TNCs.

The second issue is that TNCs and non-governmental organizations (NGOs) have different interests and goals, creating a conflict between these two entities. TNCs seek to protect their interests, such as profit and economic growth, while NGOs advocate for human rights and environmental standards (Kim & Milner, 2021). These two entities have not reached a consensus on the legal regulation of TNC activities. To resolve the conflict between TNCs and NGOs, effective legal regulation that considers the interests of all stakeholders is necessary.

Discussions on creating a Multilateral Agreement on Investment (MAI) (1995) have shifted from investment protection issues to establishing responsibility for inadequate control of investment flows. This has led countries of origin to affirm the jurisdiction of national courts over the activities of their TNCs operating abroad. One problem in regulating TNC activities is determining the level of regulation. Traditionally, there are three levels: the internal legislation of host countries allowing the operation of TNC subsidiaries on their territory, bilateral agreements between the home and host countries, and multilateral agreements, including the MAI project. Implementing the MFIC is a complex task requiring consideration of the interests of all stakeholders. However, its successful resolution can contribute to creating a more just and favourable investment environment.

Another issue related to TNC activities is the lack of an effective mechanism for their accountability. Some national legislation contains rules governing the responsibility of TNCs. Nevertheless, in practice, the application of these rules to foreign legal entities is very difficult. The host country can only deny the protection of TNC investments as stipulated in investment agreements. However, this is insufficient to compel TNCs to adhere to legal norms and prevent harm to the host country. International law lacks general norms regulating TNC responsibility. One possible solution to the absence of TNC accountability is implementing a mechanism that impacts the country of origin. That is, it is necessary to realize the responsibility of the country of origin for the unacceptable behaviour of its residents. In this case, the country itself will be interested so that its TNCs do not use actions that could be a threat to another state. Several works highlight the right to protect their residents (legal entities) in international law; however, they did not raise the issue of protecting foreign nationals from TNCs abusing their activities (Ahmed, 2022). This discrepancy remains today, although the need for such protection is crucial.

In contemporary realities, transnationalization can be an effective mechanism for both Ukraine and Georgia to implement renewed priorities for societal reproduction, foreign policy tasks, and participation in the international division of labour. The need to improve institutional support for transnationalization in Ukraine arises from the need to economize transaction costs during the interaction of Ukrainian economic entities with service TNCs. Transaction costs can be caused by factors such as information asymmetry in the receiving market, the monopolistic position of certain service providers, legislative barriers for TNC entry into the Ukrainian market, incompatibility of standards and certification systems for goods and services, and underdeveloped market infrastructure.

In practice, when a state adopts regulatory acts aimed at eliminating these factors, transaction costs decrease, fostering interaction between counterparties, and promoting external trade and economic growth. Considering this, it is necessary to focus on the directions for the development of TNC activities in Ukraine and Georgia, which will subsequently impact the economic prosperity of the country. These areas can be divided into two groups – current and promising. The first can be attributed:

- to the regulatory support of TNCs activities in the state, primarily to expand the scope of state regulation of the investment direction;
- the use of TNCs experience in implementing internal and external corporate relations to actively involve entities of various forms of business in the implementation of investment activities;
- the effective organization of accounting and reporting of TNCs at enterprises, as well as the implementation of a methodology that will conduct economic analysis of TNCs;
- consolidation at the legislative level of the practice of indicative planning of TNCs activities.

Prospective development areas for TNC activities in Ukraine and Georgia include phased integration into international economic relations, the effectiveness of economic reforms, and overall economic renewal in the countries; implementing robust national structures that can compete with TNCs, ideally combining the development of such structures with a TNC strategy based on a more global approach; implementing a government program at the national level to support the development of Ukrainian TNCs, defining the purpose and tasks of enterprises and determining the areas of their priority, enabling the realization of a working management system for enterprises integrating into the world economy; creating innovative methods that consider and study foreign experience, allowing the reformatting of companies on an international scale and strengthening their influence globally. To do this, it is necessary to provide an incentive to Ukrainian producers in the form of soft loans and to change the concept of activities of trade and financial institutions in the field of material production.

For a favourable development perspective of Ukrainian and Georgian TNCs and the protection of the economy from foreign TNCs, it is advisable to take the following measures:

- introduce taxes on the outflow of national capital abroad to retain capital in the countries that can be used for the development of national TNCs;
- implement preferential taxation to increase the income of national TNCs, stimulating them to expand activities and create new jobs;
- determine a list of sectors of the national economy where Ukrainian TNCs can succeed and restrict access to capital for foreign TNCs in these sectors to enable Ukrainian TNCs to compete on equal terms;
- engage foreign partners based on specialization and cooperation, allowing Ukrainian TNCs to access advanced technologies and the experience of foreign companies.

The challenges of further development of TNC activities in Ukraine and Georgia are closely related to the development of the national economy of the country and the ability of the state to implement effective macroeconomic reforms. Moreover, the perception of the country in the world depends on its ability to conduct macroeconomic reforms, which is also an important argument for stimulating the activity of

foreign capital in states. To prevent the transformation of the Ukrainian market into an area exclusively dominated by foreign TNCs, a government program to stimulate the formation of national TNCs is necessary. The prospects for creating such entities are quite realistic, and their formation can become one of the strategic priorities of state policy. Given the creation of a suitable external environment, this will significantly increase the competitiveness of the economy and ensure the survival of national enterprises in conditions where a “purely” national producer inevitably loses the competitive battle. The establishment of corporate structures for TNCs could be an alternative and effective counterbalance to the expansion of foreign ones for Ukraine and Georgia. Such companies would serve as flagships of the national economy. National capital can withstand competition with TNCs only if it is structured into powerful financial-industrial formations comparable to international analogues and capable of conducting active foreign economic policy. Measures to promote the development of TNCs and protect the national economy from foreign TNCs are necessary to ensure economic growth and increase the competitiveness of Ukraine and Georgia.

Discussion

Modern trends in the development of international markets and technologies and processes of international division of labour create prerequisites for any competitive enterprise to find its place in the global economy. However, to do this, certain conditions must be met. One of them is the understanding and ability to implement the principles of international corporate governance used by leading international companies, according to M. Ahmed (2022). In addition to the author’s position, it should be added that another condition is the understanding by national businesses of the need to use a management system compatible with the management practices of leading TNCs.

The theory and practice of international corporate governance of leading world companies are constantly evolving and changing. Therefore, for any company aiming to be competitive on the global stage, it is necessary to carefully examine international experience, adapting it to existing socio-economic conditions, under the position of D. Bertram (2022). This determines the need to analyse the features of international corporate governance in the context of global cooperation in practically all countries, including Ukraine.

One of the strategically important tasks of international corporate governance is the formation of an optimal territorial organization of TNC activities. As R.V. Aguilera *et al.* (2019) noted, TNCs should be understood as the formation of global value chains (GVC), which are a phenomenon of the modern international division of labor (IDL). Regarding the author’s position, it is worth considering that GVCs are characterized by fragmented specialization, which constantly changes under the influence of production and population needs. Therefore, TNCs must constantly monitor the effectiveness of GVCs and make certain adjustments to their spatial format. There are several approaches in scientific literature to define TNCs. The first approach focuses on the economic aspect of TNCs. In this context, D.S. Lund and E. Pollman (2021) considered TNCs as economic units that operate in two or more countries. They have a single strategy, management, and control. It is reasonable to agree with this, as TNCs have a significant impact on the economic

development of the countries in which they operate. J. Lu and J. Wang (2021) defined TNCs as companies capable of implementing a unified overall strategy through coordinated policies in two or more countries. It should be added to the authors' position that TNCs can also influence the economic policies of host and home countries, as they are an economic phenomenon, and therefore, their definition should be based on economic criteria.

The second approach focuses on the organizational-legal aspect of TNCs, considering them as legal entities with structural units in different countries falling under the jurisdiction of different states. B. Eberlein (2019) defines TNCs as enterprises that operate through their structural units – subjects of national law of different states. It should be noted regarding this position that they are an economically unified entity outside the jurisdiction of a specific state. M. Kluzek and K. Schmidt-Jessa (2022) distinguished TNCs as enterprises that unite legal entities in two or more countries. It is relevant to note that they pursue a coordinated policy and strategy through one or more decision-making centres. The third approach emphasizes the combination of the economic and organizational-legal aspects of TNCs, considering them as economic units with structural units in different countries. F.R. Chen and J. Xu (2023) defined TNCs as a group of companies operating in different (host) countries but controlled by a headquarters located in a specific country – the home country. It is worth adding that the main characteristic of TNCs is the implementation of direct foreign investments from the home country to host countries.

TNCs are characterized by such features as an economically unified system and a group of independent enterprises. TNC consists of individual enterprises that are legal entities, operate in multiple countries, and have structural units participating in national law. Management and control are conducted from a single centre – the TNC's central office, which oversees all structural units. The company operates outside the jurisdiction of a specific state, group of states, or international organization (Atal, 2022). TNCs can be classified according to various criteria. One of the main criteria is the degree of integration. According to this criterion, TNCs are categorized as horizontally integrated, vertically integrated, and networked. Horizontally integrated TNCs have a single management, but their structural units are located in different countries and produce identical or similar goods or services, as mentioned by M. Cooper and Q.T.K. Nguyen (2020). It is noteworthy that they often leverage their scale advantages in production and distribution to reduce costs and enhance efficiency. Vertically integrated TNCs have a single management, but their structural units are located in different countries and are positioned at different stages of the production process. These TNCs can control the entire production process, from raw materials to finished products, according to J. Butler (2020). It should be added to the author's position that this allows them to generate additional income and increase production efficiency. Networked TNCs consist of independent partner companies that collaborate within a single network. These TNCs often leverage their advantages in innovation and technology to enhance competitiveness.

In the process of selecting a country for investment and establishing effective TNC operations, cultural and institutional factors should be considered, in addition to traditional factors. These factors influence the level of transaction costs

for the company, including costs related to management, marketing, overcoming cross-cultural issues, dealing with different institutions in the chosen country, and more. These costs can significantly exceed "traditional" costs such as production, transportation, sales (Abiralava *et al.*, 2023). Therefore, TNCs must carefully evaluate cultural and institutional factors before investing in a country. Processes of internationalization, international economic integration, and globalization lead to changes in the paradigm of international management. The contemporary international business environment is characterized by high dynamics, turbulence, and uncertainty. Thus, organizations must be prepared for and even provoke changes rather than merely reacting to them. Companies must be leaders in creating their future rather than just adapting to external conditions. The processes of globalization have shown that successful business projects are often based not only on calculations but also on intuition. The role of classical analytical research and forecasts is diminishing as it is often impossible to accurately predict the economic situation. This creates a contradiction between the increasing number and complexity of problems and people's limited ability to solve them. The rising pace of change demands new approaches to international management, especially in planning and decision-making. Stereotypes of "classical" management are outdated, giving way to new models based on probability and variability, on consensus among all stakeholders.

Horizontal partnerships are expanding in the activities of TNCs, contributing to their flexibility. Corporations are divesting themselves of accumulated massive capital assets, shifting their management focus to intangible assets such as brands, patents, know-how. TNCs are restructuring their internal organization to have their units compete with each other. This promotes more efficient resource utilization and stimulates innovative activities. Organizational structures based on small groups are becoming more prevalent, where companies encourage intra-firm competition and entrepreneurship. Thus, a new context arises for the operations of international corporations, involving cooperation and competition among stable groups of economic agents. This affects the approaches used by TNCs in entering new global markets and the characteristics of their corporate governance. In the new conditions of TNC management, there is a shift in emphasis towards interaction with external partners. This becomes as (and sometimes more) significant than coordinating work between departments within the corporation. Economic phenomena and processes are not deterministic in time and space. A corporation is a complex open system, and its reaction to changes in the operating environment is not unambiguous and often unpredictable.

Conclusions

The study analysed the legislative doctrine regarding corporate regulation in global business. Accordingly, the concept of TNCs was characterized, and inherent features were highlighted. It was identified that TNCs play a crucial role in the global economy, but their activities also pose a range of problems. One problem is that TNCs significantly influence the economies of host countries. This can lead to an uneven distribution of investment and a negative impact on the development of these countries. Another problem arises from the divergent interests of TNCs and host countries. TNCs aim to maximize profit, while host countries seek to uphold human rights and environmental standards.

Another issue is the lack of an effective mechanism for holding TNCs accountable for their actions. This may result in TNCs abusing their position and harming host countries. To address these problems, the development of effective legal regulation of TNC activities is necessary, considering the interests of all stakeholders, including TNCs, host countries, and the international community. Specific measures were outlined to resolve issues related to TNC activities: establishing international norms regulating TNC responsibility, implementing a mechanism to control the flow of investments into developing countries, and fostering dialogue between TNCs and NGOs to achieve consensus on legal regulation of TNC activities. This would create a more effective and favourable environment for TNC operations while protecting the interests of host countries. The prospects for TNC development in Ukraine and Georgia were

identified. To promote the development of national TNCs and protect the national economy from foreign TNCs, measures such as introducing taxes on the outflow of national capital abroad, providing favourable taxation for national TNCs, restricting foreign TNC access to sectors where Ukrainian and Georgian TNCs have competitive advantages, and attracting foreign partners based on specialization and cooperation are necessary. Future research will focus on examining international legal practices involving the world's largest TNCs.

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Conflict of interest

None.

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Правове регулювання корпоративного управління в глобальному бізнесі: основні проблеми та сучасні тенденції

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Анотація. Актуальність дослідження зумовлено тим, що наразі у світовій доктрині відсутній чіткий механізм щодо управління транснаціональними компаніями, що зумовлює низку проблем. З огляду на це мета роботи полягає в тому, щоб виявити основні проблемні аспекти нормативно-правових актів. Для цього використано такі методи, як юридична герменевтика, логічний аналіз, формально-юридичний, дедукція, індукція, синтез та інші. У процесі дослідження встановлено, що транснаціональні корпорації – особливі суб'єкти міжнародних економічних відносин, які мають складну структуру й діють як єдиний механізм, що ускладнює їхнє правове регулювання, оскільки вони не є звичайними юридичними особами. Виявлено, що одна з ключових проблем полягає в тому, що міжнародно-правові норми, які регулюють діяльність транснаціональних корпорацій, мають рекомендаційний характер і не обов'язкові для виконання. Також встановлено, що інша проблема полягає в необхідності досягти балансу інтересів транснаціональних корпорацій та країн, у яких вони працюють. Відповідно до цього зроблено висновок про важливість запровадження контролю за діяльністю транснаціональних корпорацій з боку країн походження, який повинен спрямовуватися на те, щоб транснаціональні корпорації дотримувалися міжнародних стандартів і не завдавали шкоди країнам, які їх приймають. Визначено проблемні аспекти та перспективи розвитку транснаціональних корпорацій в Україні та Грузії, а також запропоновано відповідні рекомендації. Практична цінність отриманих результатів полягає в розробці механізму міжнародного та національного характеру, який надає можливість урегулювати проблемні аспекти та підвищити ефективність правового регулювання діяльності транснаціональних корпорацій

Ключові слова: перспективи; міжнародне право; економічні відносини; юрисдикція; потік інвестицій; контроль за діяльністю; фінансові установи