



Legal Opportunities and Threats

STEEPLE Analysis

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Consumer Protection Legislation

Laws exist that make it illegal for businesses to provide false or misleading descriptions of their products and services.

Products must meet certain quality standards and be fit for their purpose.

Business are held liable for any damage or injury caused by their defective products.



Employee Protection Legislation

Laws protect the interests and safety of workers

Ex. Anti-discrimination legislation helps to ensure that businesses act fairly towards their employees, despite their age, gender, religion or ethnicity.

Legal employee rights



Case Study

Anti-discrimination Case: Ethnicity

Huge **threat** to Coca-Cola's public reputation

When: November 2000

What: Lawsuit allegations against Coca-Cola that they treated African American workers unfairly by having a company hierarchy with African Americans clustered at the bottom (averaging \$26,000 less than white workers).

Impact: Coca-Cola was made to pay out \$192.5 million. Adopted an outside panel with limited authority to revise the company's personnel policy. The panel was comprised of business and civil rights experts.

Employee Protection Legislation pt.2

Legal Employment Rights: Countries vary in their use of employment legislation, but laws typically found in most developed countries include

Anti-discrimination Laws: Illegal for companies to discriminate against individuals because of gender, race, religion, disability, marital status, or age

Equal Pay Legislation: Unlawful for employers to reward employees differently if work is deemed of equal value

Health & Safety at Work Acts: Covers provision of safe & adequate working conditions. Secure and hygienic environment

Statutory Benefits: Legal benefits that employers are obligated to offer to employees (maternity leave, sick/holiday pay, etc.)

National Minimum Wage: Legal minimum rate of pay for workers (creates incentive for poorest paid workers in country to to work)

Competition Legislation

Purpose: to maintain competition in the market and prevent companies from teaming up for the intent of gaining a monopoly. The government takes action when businesses act against public interest. Doing activities that reduce innovation.

Examples: When businesses team up and purposely raise prices to make money. Reducing quality of services and products to make more money.

Opportunities: competition law such as copyright, trademark and patent laws give legal protection keeping business works private. This can provide businesses with the opportunity to be distinctive create their own special market. Additionally, anti-competitive laws birth innovation.

Threats: There are no real threats other than that companies may not make as much money and will have to put more time into being innovative

Social and Environmental Protection Legislation

Purpose: These laws exist in order to prevent/reduce the consumption of demerit goods (ex. tobacco, alcohol, gambling, illegal drugs) as well as protection of the environment (ex. pollution) A way to protect the overall community

Examples: In 2013, the Turkish Government instituted a series of laws restricting the sale of alcohol within 100 meters of a school/place of worship

Opportunities: Businesses can improve CSR and overall reputation by confronting with legislation enforced by the government

Threats: Many companies that are centered around the sale of so called “demerit goods” may receive harsh regulation regarding the sale of their product

Legal Opportunity

California recently passed bill SB 946

Which businesses does this effect? Street Vendors

What does it do? SB 946 made it illegal for Street Vendors to be charged with criminal offenses for operating their businesses in prohibited areas; they can now only be fined. Additionally, for local authorities who decide to adopt a street vending program, they cannot

“require a sidewalk vendor to operate within **specific parts** of the public right-of-way, except when that restriction is directly related to objective **health, safety, or welfare concerns**, and not restrict sidewalk vendors to operate only in a designated neighborhood or area, except as specified.”

More difficult for authorities to limit vendor's areas of sale-their place utility was increased.

Legal Threat

A legal threat that many Americans are faced with is the Tariffs

Effect on the Agricultural Sector

Trump kicked off a trade war with China, rapidly increasing tariffs on imports and exports. In result, the American economy is the only one suffering and having to pay the tariffs. The agriculture and fruit industry has taken the most damage as China no longer imports all of the fresh fruits and harvests. In turn they obviously will lose a lot of their income affecting the overall economy.

Sources

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