



THE APPEARANCE AND DEVELOPMENT OF CORPORATE RELATIONS

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Abstract *It seemed interesting to us that many people do not know, in economic history, the conditions and the way the corporate-type entities appeared, the relationships that linked them, the various plans, and how the typology of these relationships evolved. was the starting point for the development of our subject and, as such, we want to make light in this regard, all the more so since the discipline of Economic History has disappeared, even from the faculties with an economic profile. We also have the belief that only when we know more closely about what the corporation is, how it has been abolished and what is the relational framework in which it operates, anyone who will think and juggle more easily, no matter what the topic to be developed, on the relationships and their relational framework.*

Key words:

development
corporate relations
entrepreneurship
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1. INTRODUCTION

The emergence and development of corporate governance reflects the legitimacy of the global economy. The new form of administration is the answer to the new requirements to the forms and principles of organizing the business circuit. The emergence of different elements and the formation of corporate management took place as the evolution of the views on the organization of the entrepreneurial associations took place. Therefore, in order to study the historical development of corporate management, it is necessary to examine the content of the notion of "entrepreneurial association

2. CLASSIFICATION INDICATORS OF ENTREPRENEURIAL ASSOCIATIONS

Entrepreneurship Associations are associations of persons or heritage created for the purpose of carrying out economic activity, ie for the purpose of producing the goods or rendering services not for personal needs, but for making it to third parties. [9]

The history of the world economy [3] testifies to the multitude of forms of entrepreneurial associations that existed and exist.

In order to determine the distinction between entrepreneurial associations, it is necessary to establish the indicators, after which they can be classified.

Caves R. proposes the following system of indicators: [7]

- 1 The existence of the unique purpose (of the sole interest).
- 2 Heritage. In entrepreneurial associations, the patrimony is somewhat segregated by members of the association.
- 3 Liability of the members of the association. As far as the development of the entrepreneurial associations is concerned, the general responsibility of the members of the associations is under the responsibility of the associations on all responsibilities.
- 4 The affairs of the members of the associations. Also, to the extent of the development of the entrepreneurial associations, the common affairs of the members pass into the association's own affairs, which differ from the affairs of the members.
- 5 administration. In the simplest forms of entrepreneurial associations the members direct the entrepreneurial association in the superior forms of associations, the direction is transmitted to a separate category of administration.
- 6 Dependence of the management of entrepreneurial associations on the will of their members. In the simplest forms of associations this is expressed only in the need to coordinate the will of the

members with the will of other participants. In the higher forms of associations, it consists in making management decisions through the independent organization of the association, the will of which does not coincide with the will of the members of the association.

The author agrees with such a treatment of the classification of forms of entrepreneurial associations, because, first of all, these indices allow the classification of all forms of entrepreneurial associations. Secondly, these are the most important indicators. And thirdly, all these indicators allow, in the author's opinion, to draw a more precise mapping of the boundary between different forms.

3. THE EVOLUTION OF THE FORMS OF ANTPRENRORIAL ASSOCIATIONS

Based on this classification, we will analyze the evolution of the forms of entrepreneurial associations and, within their limits, the emergence of the corporate form of business management.

The earliest and most simple forms of entrepreneurial association, in the opinion of Kortén D., [14] were the simple societies. The members of such a society had a shared purpose, both separate and shared, and shared a common risk. However, the affairs were carried out by each member individually, under his own responsibility, the simple society being also called "hidden" because for third persons this association did not work.

This form of society was characterized by a strong personal influence of some special members, since such an association could not be conceived as something separate from its members and it did not form an independent subject. Thus, at its appearance, the entrepreneurial associations did not have corporate management features.

However, already in the following form - full society - it is noticed how entrepreneurial associations are separated from the personality of their members, but not so much that society is recognized as an independent subject. The complete association always forms a common patrimony, separate from other assets of the members of society. Administration of the association is carried out either by all members of the association, or by certain authorized members. Obligations on company assets and business liability are also common. So, compared to simple society, complete society does not show signs of effective association inside (between members), or signs of legal association outside (for third parties).

It is accepted that the first societies appeared in Ancient Greece in the 8th - 6th centuries BC. [11], their emergence being linked to the process of colonizing the Mediterranean coastline, the fall of communism and the formation of the Greek polis system. Polis (Greek polis) - city - state, social-economic and political form of state organization. The polis were made up of full-fledged citizens (members of society), each with the right to land ownership and political rights [12]. Subsequently, the form of society began to be used to create entrepreneurial associations in the 6th-5th

centuries BC. in Ancient Rome (so-called Roman societies or "societies").

4. THE APPLICATION OF COMPANIES IN COMAND

The next stage in the development of entrepreneurial associations is the emergence of limited partnerships (or societies based on faith). Two groups of participants are presented in this form of companies: the first group - analogous to the members of the full companies, the second group of participants is separate from the entrepreneurial activity of the company. That is, it does not directly participate in the administration, but only bears responsibility within the limit of its share in the association, it allows to approach the appearance of the corporate management element as a limited liability of the owners. In this way, limited partnerships can be treated as a step towards the subsequent separation of the entrepreneurial associations from the persons who create them and the appearance in the place of the new person's association of people as well as an initial form of transition from the personal entrepreneurial association to the patrimonial (capitalist) [13].

The first mentions of limited companies refer to the year 976 in Venice. However, in the opinion [13], a broad spread of limited companies took place only in the 12th century. In Italy these were the camendas, in Venice - colleges. This form allowed different social groups to participate in maritime trade, obtaining their income share, without bearing the dangers and difficulties of travel. At the same time, camendas also appeared in

France, Spain and the Arab East. In Germany, camendas appeared much later, but not on the basis of maritime trade, but from the Institute of Attorneys.

The first legislative regulation of the camend was marked in the French Trade Ordinance in 1673 and, as an independent economic subject, limited partnerships appeared in the French Commercial Code [15].

As the history of the development of entrepreneurial associations demonstrates, their gradual depersonalization took place, that is, the influence of some members of the entrepreneurial association on its activity was reduced. And at a certain stage in the development of the world economy, there was a need to create entrepreneurial associations not in the form of a group of people but in the form of a new independent legal subject, in which the associations would have been separated both from the rest of the members and from their will. This would have allowed not to stop the activity of societies in connection with the exit or death of members, as the legislation required it, and to make decisions unanimously, as it was so far, but by the majority of votes. Such an entrepreneurial association had to have a certain organization in order not to confuse the will of the association with the will of its members (although the will of the association was formed based on the will of the members).

5. LEGAL PERSON - AUTONOMOUS STRUCTURE

The need arises from the implementation of the legal form "legal person". Its essence consists in moving from higher forms of participation to initial forms of personal participation [10]. That is, instead of the people's association, there is a new person created by the association of people.

Although the elements of the construction of a "legal person" already existed in the Middle Ages, for example, the Italian *corpus mysticum*, and even in Ancient Rome (the Roman universities) [16], the clear criteria of the notion of legal person were formed in the century XIX. One explanation would be that the era of colonization and bourgeois revolutions advanced new demands on the organization of entrepreneurial associations. In legislative acts, however, this notion of legal person began to be used in the middle of the nineteenth century. For example, in the 1807 Commercial Code of France [17].

Thus, the next stage of the logical series of the entrepreneurial associations was the associations which cumulate the signs of companies and legal entities. The most widespread of these are today the limited partnerships and limited partnerships - legal entities (companies with some signs of legal person).

In complete societies - the legal person appears as an independent structure of the governing bodies. Although these structures are the same people, they are outside of entrepreneurial associations. A person is not the other members of the structure but is the organ of the legal person. It

changes the status of the patrimony of the complete society of the legal person - in common it becomes the sole patrimony of the legal person. At the same time, as the personal influence of a participant on such a legal person is high, the essential obligations, including liability for the obligations of the complete company - legal person, are also preserved.

The difference between limited partnerships and simple societies from the point of view of the legal person is that it is also in the construction of the uneducated person, examined above - in the presence of a major capitalist element. That is, the meaning of the money contribution of some of the participants prevails over the obligation to participate in the management of the entrepreneurial association.

6. THE LIMITED LIABILITY COMPANY

Limited Liability Company is a legal entity that retains some association elements. As a legal person, the limited liability company owns a patrimony separate from the patrimony of its members, has independent organization and, ultimately, its members are not liable for its obligations. For the first time, the form of limited liability company was recognized in Germany in 1892, then in France and other Western European countries [2].

But with the capitalist elements, a certain personal element is also preserved, that is, the participants do not only submit the patrimonial contribution, but also hold a number of empowerments and obligations to the association. In this way, it is

possible to exclude the member from its composition, etc. [8]

Therefore, it is possible to say about the emergence of such features of corporate management as the legal status of the corporation, the centralized management, because the management of the entrepreneurial association is not performed by all the members, but by a special body, and the limited liability of the members of the entrepreneurial associations towards the obligations of the latter.

The upper form of the entrepreneurial association, where the initial points of the entrepreneurial activity concentrate, where not only the personality, but first of all the patrimony (the capital), is the action company. That is why this form has spread most in the case of capitalist relations. Legislation in most developed countries only recognizes open-ended companies.

A specific feature of joint-stock companies, through which they differ from the legal entity as a company, is the transformation of the entrepreneurial association from the association of participants in the patrimony association. That is, the only obligation of the member of the joint stock company is the patrimonial contribution. Relationships do not arise between the members of the joint stock company, but between the joint stock company and the shareholders. With the emergence of the forms of entrepreneurial associations, the last and the main feature of corporate management emerges and develops - the free transfer by the shareholders of the share of shares (shares).

In Dunning J.'s opinion, attracting capital, the open-ended joint-stock company increases the number of

members, and they do not play an important role in corporate governance, and the corporation is run by an organ system that practically does not take into account the opinion of the majority of members.]. Thus, in the author's opinion, the corporate formation process has found a logical conclusion. Therefore, from the form of the entrepreneurial association to that of the joint stock company. There are different views about the issue of the moment of the emergence of the corporation. Some researchers consider that the Dutch Ost-India Company was created in 1602. This occurred at the initiative of the state by merging commercial companies from the provinces of the Netherlands for the purpose of trade with Ost-India [8]. Initial capital amounted to 6.5 million guilders. The largest shareholding of 50% and 23% of executives had a province in Amsterdam [18].

The company was set up for a period of 21 years with the right to leave it at the expiration of 10 years from the moment of its establishment. According to the company's constitution, neither the annual shareholders' meeting nor the annual distribution of income were foreseen. Only at the end of 10 years, each of the members could participate in listening to the report.

Ost-India's shares have been traded on the Amsterdam stock exchange at the beginning of the 17th century, although they were not shares in the current formula, but only receipts confirming the quota. The alienation of the shares was made by simple registration in the company's registers in the presence of the person making the alienation, the buyer and the company director.

A special influence on the valuation of the company's shares had the successful or missed races of the navigation company, and in 1672 the company's shares with the nominal price of 100 guildens cost 650.

Company shareholders had patrimonial rights because the state's interference with the company's affairs made it unnecessary for shareholders to participate.

The main advantage of the company, compared to others, was the limited liability of the participants for the company's obligations.

The economic basis for the operation of the Dutch Company Ost-India was the monopolistic right to trade with India, later with China and Japan. As a result, the Company achieved a high return, analyzing bad management and confusing financial reports.

According to the same principle, other companies were created: in the Netherlands (the East Indian company), in England (the English company Ost-India), the companies for valorizing North America. In France (Canadian, Senegalese, East Indians), Prussia and Germany (Asian Commercial Company, Brandenburg African Company) as well as in Sweden, Denmark, etc.

In Boyer R.'s opinion, colonial companies were joint-stock companies, only by name [38]. The first joint stock companies, in his opinion, were created in England at the end of the seventeenth century.

The first was the Bank of England, which emerged in 1684 at the initiative of the state, which was interested in credit. The entire capital of the

corporation (1.2 million pounds, at the same time each shareholder could not hold shares in excess of 20,000 pounds) was loaned to the state with an annual interest rate of 8%, and later Bank of England became the only center borrower from England.

Until 1680, 49 companies were established in England, the shares of which were called "shares".

From 1680 to 1719, another 40 companies emerged from 1719 until 1720-190, but most of them were so-called "soap bubbles." The law that was later issued has banned the establishment of joint-stock companies for a fairly long period.

Explosion of the creation of joint stock companies in the U.S. the period after the end of the Independence War.

During the 10th years of the 18th century, 259 different corporations were set up, the cumulative place capital in 1803 constituted \$ 48.4 million, while only 8 of them were industrial, 29 - the banking - the rest - the commercial [1].

At the beginning of the nineteenth century, the development of the car industry, rail transport and shipbuilding in Western Europe also took the form of joint stock companies.

Approximately in the 20s of the nineteenth century, the joint-stock company became the main form of entrepreneurial association in the United States. and England. The entire nineteenth century is characterized by the prosperity of the joint stock companies (Manchester-Liverpool Railways, etc.).

Still one of the stages of the history of action, as stated [2, p.173], is the creation of

economic associations of independent legal entities and monopolies. At the beginning of the nineteenth century, a first such association became the "Standart Oil" Trust (established in 1882) under the leadership of Jon Rockefeller, formed by the association of several oil corporations based on trusted property. The shareholders of these companies were founders of the trust and its beneficiaries.

A Board of 9 directors was created, to which shareholders handed over their shares in trust, in exchange for trust certificates, as a result of which the administration was sent to the Council, and the shareholders were receiving dividends on certificates.

After Rockefeller Trust, in the U.S. other trusts appeared: oleaginous cotton (1884), oil in oil (1885), alcoholic beverages, sugar, lead (1887).

Trusting with financial structures has favored the emergence of the so-called American financial dynasties, which virtually controlled the entire country. For example, the Morgan and Rockefeller groups on the eve of the First World War accounted for 56 percent of all US equity (ie \$ 22 billion worth of shares) [3].

Sherman's law adopted in 1890, and subsequent court decisions, imposed the monopolistic trusts either to end their existence or to change their shape. This fact favored the stormy development of such a form of joint stock company as the holding, which allowed the influence of the Sherman Law to be avoided. Explosion of holding companies in the U.S. took place between 1898 and 1902 [3].

Many joint-stock companies in this period have grown so much that they have begun to control certain branches of the industry and have since turned into transnational corporations.

In the twentieth century in Western Europe the wave of nationalization of joint stock companies expanded. For example, in England in the 1940s, with the coming of power of the laborers, the coal industry, transport, metallurgy, telecommunications, and a number of other branches were nationalized.

Under the leadership of Margaret Thatcher, in the late 1970s, early 1980s, most of the joint stock companies, nationalized in the 1940s, were privatized.

Written sources of Romanian law highlight in the middle of the seventeenth century the first references to associations of persons for the exploitation of a common fund [6]. It is noted, so book Romanian teaching the rites of the king (1646) in Moldova, Rule big or Correction Law (1652) in Country Romanian and Corpus Juris Hungaria diets Transylvanian collections acts (Approbatæ Constitutiones and Compilatae Constitutiones) privileges royal, Statutes, Leopoldina Diploma (1691), in Transylvania. The Feudal Law in Wallachia and Moldavia considered some lucrative collectivities as subjects of rights and obligations, such as craftsmen and merchant brothers and merchants. Such collective issues of rights and obligations have arisen through the will of their members or state authority.

The legalization of Caragea (1818), adopted in Wallachia, recognized the legal entities

under the name of societies, which were divided into large and small. The methods of association were provided with term and without term, with or without equal contribution, in cash or in kind, with equal or unequal participation in the win. In Transylvania, commercial companies operated in the seventeenth century (Sibiu and Brasov) [6].

The modern age requires the re-establishment of the existing regulations in the three Romanian countries. They introduce an organized law regime and create for the first time commercial law institutions, such as: business facts, including commercial companies (settlement) between bankers, traders and traders, as well as specialized commercial courts [8].

The continuous development of the Romanian economic activity, the progress of the commercial operations required the adaptation of the commercial regulation to the new commercial law relations. Between 1883 and 1887, the first Romanian Commercial Code was conceived and realized. This code was taken almost entirely by the Italian Commercial Code of 1882, thus taking over the forms of commercial companies governed by that code, namely: the collective company, the limited partnership, the anonymous (joint stock) company and the limited share.

In Transylvania, the application of Austrian trade law is noted, between 1863 and 1880, the German Commercial Code applies.

Table 1. Historical bases of the emergence of corporate governance [24], [31]

	<i>The occurrence / where /</i>	<i>Legal status</i>	<i>Limited Liability</i>	<i>Centralized administration</i>	<i>Free transmission of shares</i>
Simple companies and complete (not legal persons)	VIII-VI until our era / Ancient Greece today	missing	missing	missing	missing
Limited partnerships (not legal persons)	Year 976 / Venice/ today	missing	partial	partial	missing
Companies complete - legal persons	New era/ Western Europe / early sec. XVIII	exist	missing	exist	exist
Limited partnerships - legal entities	New era / Western Europe / early sec. XVIII	exist	partial	partial	exist
Limited liability company	Year 1892 / Germany / today	exist	exist	exist	missing
Joint Stock Companies (corporations)	XVII century / Western Europe / beginning of the sec. XIX	exist	exist	exist	exist

Source – [4] [5]

Under this legal regime, between the years 1892-1913, a number of 25 commercial companies and 148 banks (commercial companies, credit and economic institutions) were established which together brought economic benefits to the Romanians in Transylvania, stimulating the spirit of economy and enterprise [8].

So by making a total of research in this paragraph, I would like to focus the results of the paper on the following key conclusions. To look specifically at the stages of the emergence of corporate governance elements, we analyze Table 1.

8. CONCLUSIONS

The emergence and development of the corporate form of administration took place within the evolution of the entrepreneurial associations. Elements of corporate management have already emerged in the form of an entrepreneurial association such as limited companies, without the formation of the legal person, in the 12th century. All the features of corporate management have been embodied in the joint stock company as a superior form of entrepreneurial associations. The first joint stock companies appeared in the seventeenth century, roughly in the 20th of the nineteenth century, the joint stock company became the main form of entrepreneurial associations in the United States. and England.

Speaking about the prospects for the development of entrepreneurial forms of associations, it is necessary to note that, in the author's opinion, the form of action in the future will be the highest form. This assumption is also supported by practice since, after the emergence of the joint stock company, the following form at the historical development stage became the limited liability company, which is not the complication, but the simplification of the form of organization of the joint stock company. Another cause, in connection with which we assume that other more simplified forms of entrepreneurial associations will not occur, is the constantly increasing role of the various forms of corporate entrepreneurial associations. They allow for integrated structures with the necessary legal characteristics.

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