DIFFERENCES ON THE SERVICES MARKET BETWEEN URBAN AND RURAL ENVIRONMENT

DIFERENŢE PE PIATA SERVICIILOR ÎNTRE MEDIUL URBAN ŞI MEDIUL RURAL

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Abstract. *Tourism has become one of the most important economic activities in the world because people express more and more their intention to spend holidays in nature, in a rural area, to discover the traditional world of the villages, to improve its cultural knowledge (cultural / monastic / religious tourism) etc. This intention proved to be a good start to the economic revival of the rural area because: it's required accommodation with reduced comfort, additional sources of income for rural population, revival of the folk traditions, desire to perpetuate traditional skills, improving the living standard in areas equipped as a material base of tourism, decongest overcrowded tourist areas, capitalizing the rich rural potential.*

Keywords : ***Services, services market, international services trade, rural environment, postal services***

INTRODUCTION

Developments in recent decades justify the characterization of developed countries as „services market", leading to increasing concerns of specialists to overcome the relative backwardness of the theory to practice. These concerns were reflected primarily on defining the concept of service, difficult problem due to extreme heterogeneity of services.

Most definitions set out one or more services features that distinguish them from tangible products. These definitions focus on utilities, benefits or satisfactions produced by services activities or on the changes

determined by these on the goods, persons and social relations. There are also negative definitions of services, defined by what they actually are not (by exclusion).

Although there is not, so far, a „perfect" definition of services, defining services as "a human activity with a specialized content, resulting in useful, material and intangible effects, designed to meet a social need" is satisfactory in the attempt to delineate services of material goods.

The evolution of the economic thinking regarding services may be structured in three phases: XVII-XVIII century (services are not treated distinctly in the economic thinking, but in all activities considered socially useful), XIX century (author of reference A. Smith) and XX century (appearance and modernization of conceptions regarding sectorial classification of economy).

Since 1950 – also appear post-industrial theories and neo-industrial (of productive structures transformations) in developed countries are theories which suggest that future society can be characterized as a service economy.

MATERIAL AND METHOD

The authors of this study applied as a working method: data collection, processing, analyse and formation of conclusions.

RESULTS AND DISCUSSIONS

Statistical classifications of services are groups of production results - product classifications, the production units' classifications -classification by activities and trades - classifications by occupation etc. providing data analysis that serve production, trade and consumption of services.

Following the international classification model, in Romania, in 1992, a new hierarchical Classification of Activities in National Economy (CAEN) was elaborated, including: sections, subsections, divisions, groups and classes, coded with letters and numbers, in order to allow electronically processing of data.

The plurality of typological classifications of services highlights their diversity, while demonstrating the difficulty of the mechanisms and

economic laws specific to different categories of tertiary activities and the need to continue methodological researches for such a goal. Even though conceptually there is no distinction between goods and services market, services market has certain characteristics that influence the economic behavior of providers and users, methods of studying and forecasting the overall dimensions of the various components and services market, the measure and modalities of state intervention in the tertiary sector.

The most important feature is the mode of manifestation of market competition that causes most types of market in this sector to be those with imperfect competition. Because of this, the state strongly intervenes in the sector through: public enterprises, leasing, financing or subsidization of services and multiple regulations.

Between services market and goods market there are complex connections of: competition, stimulation or indifference.

Stimulus relations are present between the two markets, e.g.: between durable goods market and services, repair and maintenance market, or between the touristic services market and the market of goods accompanying tourist consumption.

A relation of indifference is manifested especially between goods market and services of first necessity. These types of relationships are found both in products and services market for public, and also in those intended for production use.

Two of the most important categories of services market are: supply and prices. Service offering is defined as the organizational capacity of providers to provide services to the market and has the following characteristics: labor, technical basis, the system of relationships between suppliers and consumers, the report differentiation / similarity (custom / standard), blending elements of high stiffness and those with some flexibility and sizing the offer of services under risk conditions.

The evolution of supply of services resides in the double dissociation/ association trend, both in relation to supply of goods, with strongest emphasis on quality of services.

In market economy, payment services (tariffs, rates, taxes, royalties, fees) is set free, based on a number of criteria considered by producers (cost, ratio between supply and demand, tariffs of competition) and users (service

quality and usefulness, disposable income, the price comparison with substitutable goods of with the effort and to provide the service by oneself).

Differentiation of tariffs for services is made after a series of criteria: change of demand over time, recipient of the service, how to of purchasing services, frequency and motivation of demand, providing unit category, performing emergency services, services at the consumer's home, the amount of services consumed etc.

Despite the general validity of these criteria, mechanisms of supply and demand and price competition have specific forms of manifestation in the service sector.

Pricing of public services is based on a series of criteria related to production - quantity, quality, mode of production, exchange - consumption circumstances, type of indicators of quantity, type of consumption – user, use mode.

By applying these criteria, in pricing the public services we reach the confrontation of two trends, that of standardization and that of differentiation.

The demand for services of the population has as basic features the fact that it covers only a part of the service consumers' needs, the fact that in terms of territorial mobility, services do not allow or impose migration of demand, and the high elasticity in report to factors that influences it.

Demand for business services for enterprises has the following features: disappearance of demand, its strong character and technical dominant and the reduced role of psychological factors in influencing demand.

The demand for international services is influenced by: income growth and modification of consume expenses, growth and liberalization of goods trade, scientific and technical progress, expansion of multinational and transnational corporations' activity, substitution strategies of imports and industrialization strategies implemented by a number of developing countries

Launching in business on international services market involves confronting enterprises concerned with numerous risks, both commercial and political.

International business services organization can take different forms: indirect export, direct export marketing agreements, licensing, franchise, sales offices, joint ventures or subsidiary companies abroad.

The management of companies operating abroad must find an optimal combination of local and foreign managers.

Services functions for business can be classified into five categories: before production (research and development, market research, supply) during production (quality control, maintenance and repair of equipment), sales production, during use of (leasing, consulting), after using products (waste management, recycling).

Services for businesses are different by other categories of services through three major features: a much higher spatial concentration, a much stronger internationalization, a very important role in regional development and local communities.

Ways of organizing production services for a wide range of solutions include: specialized departments within companies, autonomous entities or associates of the enterprise, companies or professionals.

Currently we are moving from an economy based on energy to an economy based on information.

Increased need for information determines three complementary factors: specialization, outsourcing and privatization of informational activities.

Information needed to run businesses can be grouped into the following categories: commercial, industrial, scientific, technological and technical, on regulations, regarding the company's own business.

Services for individuals are designed to meet the many needs of the people, influencing the level and quality of final consumption, but also are involved in distribution and production area.

Classification of services by:

a) The nature of economic and financial relations between provider and beneficiary: market services (goods) and non-market services (non-goods);

b) Beneficiary’s characteristics; personal and collective services.

Measuring the use of services implies three phases: first, taking into consideration the existing services on the market, second, taking into consideration also the non-goods services and third, taking into consideration the gross retail margin.

In Romania, in the years 1999-2000, the services market is about. 17%, consumption of services accounts for approx. 30% and expanded use of services is approx. 47% of total consumption expenditure of households.

Housing and maintenance costs, together with expenses for transportation and telecommunications, are about 60% of total payments for services.

As the trend, after 1990 there is a fluctuating evolution, however, is the dominant trend of decreasing the market for services and for the publicly funded.

International trade in services is export-import business services. In relation to international trade with goods, the typology of trade with services includes: services embedded in goods, trade in services typology includes: services embedded in goods, complementary to trade, that substitute to the trade with goods which are sold independently.

Based on principles of comparative advantage, newer economic theories tend to suggest that developed countries have an advantage in services and developing countries in goods. In fact, between trade in goods and trade in services there is a mutual inter-conditioning, so it can be said that developed countries have comparative advantage in goods and intensive services in knowledge and developing countries in goods and intensive services in labor.

In the postwar period, the volume of international trade in services has experienced a very dynamic growth; it is approx. 50% of world trade in goods and over 30% of total world trade.

Of the total international trade of services about 50% are owned by investment flows (related to capital invested abroad) and to those related to travel abroad of the labor force.

Evolution of employment in services can be analyzed by industries or sectors and professional categories, and after 1980 we can see an evolution of the "third parties" of the economy of developed countries.

Labor market in service is characterized by the existence of a "primary" market which consists of favorable employment status, career options and of a „secondary” market with employments with a mediocre quality and stability level.

In terms of their competitiveness that the different professional categories have in global economy, services may be: of routine production, for public and for conceptual analysis.

The main factors determining the heterogeneity of occupations and employment systems in services are: technical heterogeneity, forms of organization, economic concentration and economic and institutional interests.

The tertiary labor market model has the following features: higher employment share of public services, feminization, and use in a greater degree of part-time employment etc.

The flexible management of labor services includes several categories of employees namely: specialists, technicians and other high-level professionals, permanent employees, part-time employees, employees with fixed term contracts, temporary workers, and labor employed by subcontractors.

Labor productivity in services is more difficult to assess because the services are generally much diversified and less standardized. Thus, for these services we do not have a definition and a measure of the product, so we cannot identify the unit of production and, consequently, the price per unit.

The findings related to low productivity growth in services are contradicted by the findings on relative productivity, which is in most cases, higher in tertiary activities than in other productive activities.

And more, services have, in addition to immediate effects (direct), indirect results (multiplier and on long term), so an indirect productivity.

A current trend in service activities is combining concerns for increased productivity with the increase of service quality and consumer satisfaction.

Despite difficulties in measuring productivity in services, that is necessary, including methods that can be used for this purpose, such as: rates of output/input, time or labor standards, comparative analysis, deterministic models.

Knowing these methods, the algorithm map for analysis and productivity improvement services includes: determining objectives analysis, analysis of service system, specifying service characteristics in

each stage of production, selection and productivity measurement methods, analyze results and propose improvement measures.
Definition of efficiency: the expression ratio of effectiveness (outcome) and effort (cost) made to obtain it, or the ratio between effort and effect.

Aggregate economic efficiency (total) has two components: technical efficiency - the output can be calculated dividing the volume of entries, is equivalent to the notion of productivity and efficiency of allocation - the mix inputs.

Economic efficiency of services - economic results of enterprises and services, means, by summation, the whole economy.

Social efficiency - the results of services in terms of consumers and is reflected in the degree of satisfaction of needs, in the quality of services.

Effects of service activities can be classified as direct effects, indirect effects, multipliers, immediate effects.

The key criteria for evaluating the effectiveness of the services sector are: profitability, costs, and efficiency factors of production, investment efficiency and social efficiency.

Ways to increase efficiency in services relates essentially to: maximize income and expenditure rationalization. Revenue growth can be achieved by increasing revenues, modification of activities, increasing rates of profit margin. Expenditure rationalization can be obtained by increasing productivity, accelerating velocity of capital, management improvement.

In a specific sense, quality is defined as the difference between expected service and the service actually provided. Therefore, evaluating the quality of service depends on the quality standards of customer and manufacturer.

Evaluation of customer service quality depends on the circumstances of the service, frequency of the service demand.

Improving the quality of services can be achieved by improving equipment, improving staff training and behavior and achieving a balance between these groups of elements.

Relations between quality and efficiency concern on the one hand on quality and cost, use and resource efficiency, on the other. Firms aim is to achieve high quality services at low-costs use upper and peak efficiency of resource use.

The gaps between urban and rural areas are obvious and stress the lack of strategies for rural areas. It is necessary such a strategy because at an international and national level are established strategies for development, financing programs for rural development and for elimination of economic disparities.

Implementation and development of postal services in rural areas require full knowledge of it, from its definition to approach. Any definition of rural "world" must take into account three essential elements: demographics, economic and psychological element. Concerns about rural development began in the late '60s, in developed countries.

Poor development of postal services in rural areas was due to low population density, large surface area served, lack of infrastructure, access roads and very weak local economy or even nonexistent in some areas. Underdeveloped areas were taken into consideration by the management of states and international organizations since around the 70'.

United Nations Food Organization (FAO) - in 1969 endorsed the emphasis on an integrated approach in establishing and developing rural institutions and the report presented in 1971 at the Rome Colloquium, stated: "By integrated rural development we understand all governmental and non-governmental measures which aim to disseminate modern techniques in rural populations and facilitate their adoption by those interested; these techniques are to increase production, productivity and incomes, enhancing the living standards of the economically and socially; use, development and environmental protection in order to provide enjoyable and permanent jobs and life; training people who live in the rural area areas to participate fully and actively with people from urban area at the social, political and economic life of the country. "

UN Economic Commission for Europe (UN / ECE)

Developing countries concerned with rural development, in collaboration with FAO, have developed strategies and rural development programs tailored to their conditions. Developed countries in Europe and North America organized between 3 to 8 June 1974 in Plovdiv in Bulgaria, a seminar on "identifying the relationship between government policy of regional development and global planning, on the one hand, and the main tasks planning and development of rural areas on the other side."

International Bank for Reconstruction and Development (IBRD or World Bank)

Through its role in the financing of all economic sectors took into account the issue of rural development. In its report in 1974, it states: "Rural development is a growth strategy aimed at a particular population groups, that of the poor rural. It involves extending the benefits of development on those whose future is linked to the country seeking livelihood that are small farmers, small tenants and those without land."

Organization for Trade and Development (OECD)

The group of experts of this organization, around '80, reviewed the progress period during 1960 and 1980, and the new trends, concluding that: "The rural economy has been integrated into national and international economy, it is not synonymous with agriculture and in many aspects, and it has diversified. These processes of diversification and internationalization have led to a new interdependence ". According to analysis, rural approach is the new concepts of rural economy, rural resource management and rural policy, developed in the U.S. and EU.

EU rural develops the rural concept in a new meaning: "The notion of space or rural world involves more than just a geographical separation; it refers to an entire economic and social tissue, which comprises a set of activities of the various".

Council of Europe, after several interpretations, reached the final interpretation of the rural, with the recommendation no. 1296/1996 of the Parliamentary Assembly of the European Council regarding The European Charta of Rural Environment stating that "rural environment includes an interior or coastal area containing the villages and small towns, where most part of the land is used for:

- Agriculture, forestry, aquaculture and phishing;
- Economic and cultural activities of the inhabitants in these areas (handicraft, industry, services etc.);
- Arrangement of non-urban areas for leisure and entertainment or location of nature reservations;
- Other uses given to existent and unused spaces, except that of living in it.

Regional politics promoted by the member states of U.E. recorded in their evolution five types of instruments for a regional policy:

- Control the location: negative incentives to locate in crowded areas;

- Re-locations of activities in national territory;
- Limited measures of increasing the development;
- Financial stimulants for companies.

Achieving regional programs is possible only through financial support, so the EU struggled to create Regional Development Fund (RDF), on the principle of co-financing.

Romania's regional development policy

Romanian Parliament passed a law of our country's regional development. Romania's regional development objectives aimed at preparing for EU integration, to achieve a higher level of development of regions, ensuring:

- Access to structural funds;
- Reducing regional disparities in Romania;
- Integrating activities from public sector.

Globalization policy adopted by the EU, include sustainable rural development. Treaty of Rome called for the European Community in 1957, to ensure the harmonious development by reducing disparities between regions and the degree of economic backwardness of the most undeveloped. After 1985, U.E. stepping up rural development created two reforms: one in 1988 and one in 1992.

The Reform in 1988 is based on three objectives:

- Transforming structural policies in a system with a real impact;
- Multi-annual approach for expenditure planning to ensure for the member state the existence and predictability of Community aid;
- Establishing a partnership with all stakeholders actively involved in the implementation of structural policies, particularly with local authorities.

The Reform in 1992 is based on the decisions of the Europe Council at Maastricht and includes five specific objectives regarding funds:

- Development of regions lagging behind economically;
- Conversion of declining regions;
- Combating long term unemployment;
- Reduce youth unemployment;
- Structural changes in agriculture and rural development properly.

The problem of integrated rural development was completed in integrated rural development strategy (DRI). After five meetings in Loma,

Bogota, Nairobi, Djakarta and Colombo, were made the following objectives of the DRI:
- increasing productivity of rural sector, where agriculture is the main sector in most third world countries, the initial phase of their development;
- ensuring an equitable distribution of income and provide enough jobs;
- improve social, rural economic and physical infrastructure in rural areas and to ensure that most rural people take advantage of that;
- establish an institutional framework for political and administrative competence and for decisive participation rural people in community activities.

Diversification of the rural rendered impossible a decision on a method of operating the entire area. Faced with this problem, it was to use multiple methods, but so far only three have been implemented:
- Development on areas - at the meeting in Bogota were established the criteria that set a zone in the context of integrated development. These criteria are: size of area, natural boundaries, transport systems, social and cultural factors, homogeneity and complementarity of production factors;
- Delegation of authority and decentralization of decision-making bureaucracy;
- Principle of autonomy.

CONCLUSIONS

Rural area is divided into the following areas: urban areas or suburban, or balance in intermediate and peripheral areas, marginal or disadvantaged.

Rural development involves developing the rural economy, which is no longer limited to producing agricultural crops and livestock products, extending to processing and service development, public services and their maintenance in all areas. Financial services that public postal operators provide, small and medium enterprises, rural tourism and telecommunications services primarily include banking. "Rural businesses can take advantage, being more accessible to potential partners or customers, and through access to information lines can advertise for available resources and outlets that provide their competitiveness".

Rural environment and its development receive special attention after centuries of ignorance. International positions mentioned cannot be ignored and neither those of EU Member States regarding decisions on implementation and assuring postal services in rural areas. In our country, postal services have been treated globally, without having a strategy for rural areas. If in the new economic context postal services are approached within the postal market, this shows that their approach should be made economically. Implementation of postal services in the rural economy cannot be achieved only on the basis of performance of postal services, it is necessary to know this type of economy.

The advantage of postal services is that they can be implemented in all rural areas, but this is possible only by conducting case studies for each rural area to identify opportunities.

Postal services in urban areas are threatened by competition, and in rural areas do not work in the context of the rural economy. A smooth operation of postal services throughout the national territory can only be achieved through a single central coordination, but their efficiency can be achieved only through regional economic policy.

It is necessary: managerial decentralization and flexibility to allow adaptation to the conditions and needs of the area. In addition to internal problems, postal services must be aligned and the requirements imposed by the Universal Postal Union (UPU) and the European Union (EU). They must be able to provide universal service to the new standards. Postal services, even if they develop other infrastructure, are included in rural infrastructure.

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