

THE NECESSITY OF APPROACHING THE SERVICES' PROBLEMS IN THE CONTEXT OF THE INVISIBLE TRADE'S LIBERALIZATION

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The world scale concerns are directed towards services and the protection of intellectual property, so that it is informed in due time, the intervention of some significant structural alterations within the international commerce so that there appear substantial growths within the service commerce, as a direct cause of the deepening of the globalization process of the contemporary economy.

In this study we emphasize on the necessity of approaching the services' problems in the context of the invisible trade's liberalization through a systemic analysis of opinions and concepts that refer to the bonds that appear between services, the invisible trade's liberalization and globalization, also describing the specifics and characteristics of the international service commerce, the influential factors, aspects such as the Directives of the Services adopted by the European Parliament, as well as the need for Romania to participate in the creation of multilateral commerce rules which also include the services.

As a reflection of that certain interdependence, it may be considered as a necessity the on-going process of economic life's globalization under the influence of impact reflection and the importance within the invisible commerce and the adopting of certain strategies within the economic policies on a world-wide scale oriented towards the deepening of the globalization process that can include the liberalization of the invisible commerce as the only contemporary civilised means of growth.

Key words: *globalization process, invisible trade, services liberalization*

Introduction

The worldwide economic exchanges contain streams of material values and money, of results of the science and technical creations also activities based on services.

Taken in their close interconditional relationship, these streams contain activities that, through their specificity have as goals:

1. The object of exchange, which can be material values, money, spiritual or third-party activities or cooperation activities.
2. The geographical aspect, each stream appearing between partners of certain countries or global areas.
3. A certain frequency, value, volume and importance, which offers a certain individualization.

The variation, amplification and emphasis on the interconnections between the world wide economic circuit's streams and the increment of mechanisms' complexity represents, this day and age, one of the world wide contemporary economy's characteristics.

The world scale concerns are directed towards services and the protection of intellectual property, so that it is informed in due time, the intervention of some significant structural alterations within the international commerce so that there appear substantial growths within the service commerce, as a direct cause of the deepening of the globalization process of the contemporary economy.

The systemic analysis of opinions and concepts referring to the specifics and characteristics of the globalization process of economic life include the reflection of impact and the importance of services within the invisible trade.

The liberalization of commercial exchanges is defined as „a sum of actions meant to eliminate or lessen the effects of the barriers which the external contractors are faced with at the market entry point or to diminish the discrimination towards them”. [3]

The globalization process

The globalization process has, at its core, the actions, strategies and interests of the transnational corporations, those that have the economic power and that are present on a world-wide level.

The competition within the global market is very tough. Rémi Kauffer writes about *American Multinationals at War against Europe*, and others consider that “*nothing is more mobile these days than the assets. The international investments direct the commercial streams, transfers worth of billions at the speed of light decide the exchange rates, a country’s purchase power and its currency. No longer do we see as the engine of commerce the differences in relative costs. What matters now is the utmost advantage on all markets and all countries at the same time.*”

In this direction and in that of adopting an import policy, actions are taken on a world scale that include: goods that are not on national territory but which are consumed by individuals and legal entities that are abroad, goods destined to be re-exported with or without national-level entry, as well as services carried out on national territory, or abroad.

The above-mentioned categories contain services that lead to invisible import (currency exchange and transfer, the expenses of various sports, cultural, economic delegations), the re-exporting activities (that imply spending and great efforts, as a commercial risk caused by re-selling) as well as another category which contains: transport services, banking services, postal services, telecommunications, technical assistance, juridical assistance, medical services, schooling, work in various fields, all with deep implications in activities that concern the growth of invisible trade.

Re-exportation activities contain a wider area of utility because:

1. They assure the growth of production, of international economic relations
2. Lead to the growth of specialized import’s income

In this context, the opportunity to establish numerous firms specialized in import operations appears, all concerning the re-exportation, having as object of activity:

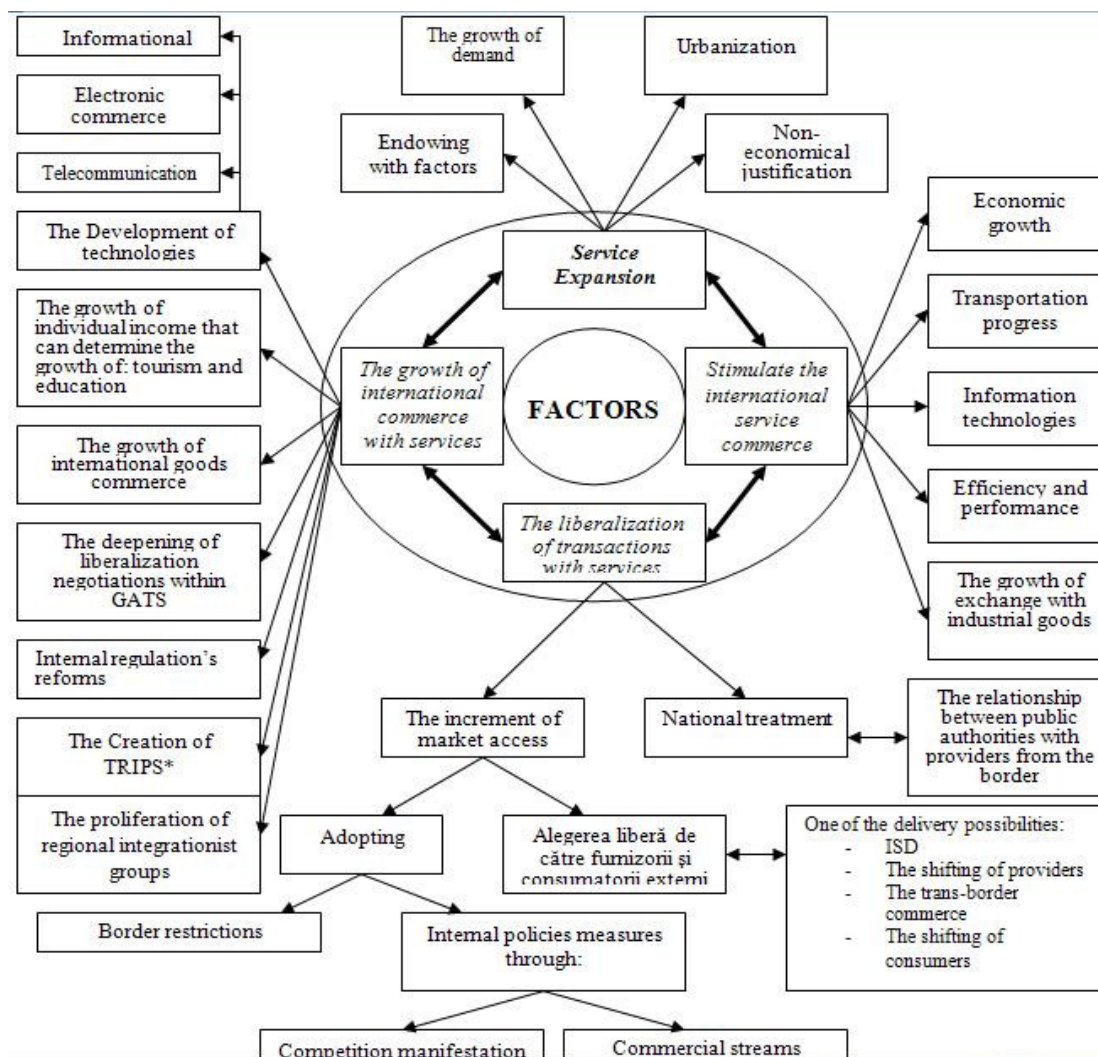
1. Goods that can be kept and preserved in appropriate warehouses on a long term and which are sold in optimal periods from the point of view of economic situations (whenever there is a high demand). Also, other situations exist in which other possibilities of keeping and preservation are created when surplus productions are mentioned as opposed to actual demand, created on the intermediary exporter’s risk.
2. Goods that need an inferior processing and that need an improvement process for re-exporting (their value is increased).

The globalization tendency recorded in more and more businesses in the services’ field highlights the vitality of this field of activity. The phenomenon of accentuated expanding of services is approached by more and more specialists which start proving the theories from the decisive factors which are presented in four categories, depending on their role within the international service commerce (figure 1) such as:

1. Decisive factors within the services’ expansion [8];
2. Factors that stimulate the international services commerce [15];
3. Factors that determine the growth of the international services commerce [2];
4. Factors involved in the liberalization of transactions with services [3];

*TRIPS–Agreement on Trad-Related Aspects of Intellectual Property Commission, Canberra, May

Figure 1. Influential Factors within the International Services Commerce



Negotiation issues regarding the liberalization of worldwide commerce within The World Business Organization (WBO) concern aspects about the “competition” of interests within the great economic powers such as the European Union or the U.S.A., as well as of the great agricultural exporters such as Brazil, Australia and poor countries that, in time, diminish the chance of a better life [13].

The importance of the Directive of Services

The European Council, after years of negotiation, approved the **Directive of Services** which contains the problems of providing trans-border services through eliminating obstacles from the way of free circulation of services in the internal market.

After the Directive is applied (countries that are members have as much as three years to apply the directive), an increase in the life standard of every citizen will be recorded because each European citizen will be able to provide services in any E.U. state, which will be reflected in an accentuated economic growth process.

The Directive is concerned with the quelling of provisions about the temporary detachment of workers and, of the principle of country of origin which was, eventually, replaced with that of the freedom to provide services, creating as such a balance between the interests of the consumers, the workers and those of the providers of services.

The freedom to provide services presumes respecting the rights of the provider to insure services and to give him the warranty of free access and free practice of a service on their territory, so as to, generally there won't be the possibility to ask a provider to open an office in the country where the temporary establishment has been made and he won't be forbidden to establish a "certain infrastructure" on that certain territory. The provider won't be compelled to register within a professional body and he won't be prohibited to use the equipment that he needs at his work place. Also, the Member States won't have to resort to "contractual arrangements between provider and receiver".

On the basis of national laws, the participant member countries can limit this freedom of services, these arguments concerning the fields of public security, environment protection and public health.

The Directive covers services such as:

1. *Services that are specific of enterprises* (counseling and management, certifying and testing, the office maintenance, advertising services or concerned with recruiting, services of economic units);
2. *Services for consumers* (specifically the tourism, including tour guides' services, the leisure services, sports centers and fun parks).
3. *Services provided to enterprises and consumers* (juridical or fiscal counseling, housing agencies, services connected to constructions such as architects, distribution, the organizing of commercial fairs, travel agencies, car rentals);

Among the services that are not covered by the Directive are:

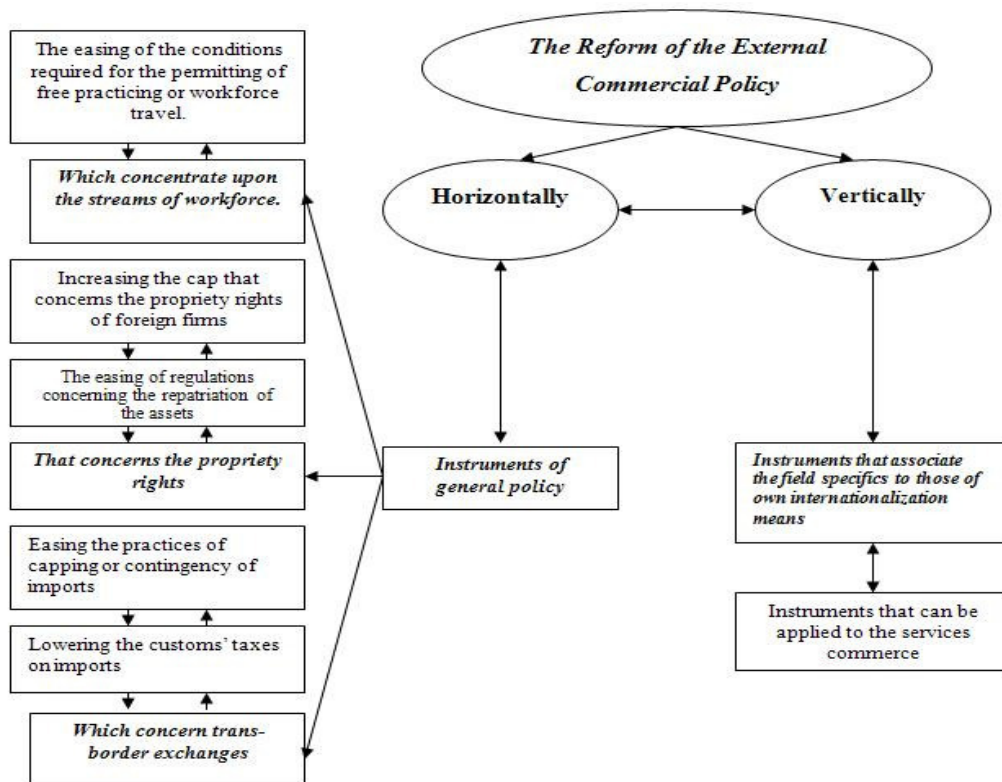
1. *Services covering general economic interest* (water, gas, electricity) which are covered by the Directive's provisions referring to establishing freedom.
2. *General interest services that do not have an economic character* (such as public education).
3. *Some social services insured by the State or by the providers named by the State* (social housing, aiding the individuals in difficulty, children's aides). The Directive will not affect the fields already covered by other legal enforcement of the Union (such as financial services or transport services or others that will be the object of a special legislation in the future – such as health services).
4. *Some occupations* (such as the lawyers' professions) are covered by the Directive but they are under the control of field regulations in the Union. The Directive is, as a consequence, complementary with the specific regulations, because it is applied only upon aspects not covered by the field directives.
5. *The taxation policy* is not covered by the new directive.

In this context, one can observe that the European Council had as a primary objective finding a method through which to open even more the internal services' market in the view of trans-border competition, without deteriorate the social European model.

The possibility of each internal provider of services to compete with equal chances within a branch is the consequence of internal liberalization that can be triggered by the liberalization of the access of foreign providers in the market.

In this state, the goods and services transactions can come under the spectrum of a reform of the external commercial policy, whose action is triggered on two levels as one can see in figure 2.

Figure 2. Levels of external commerce policy reform actions



The Romanian place in the International Commerce

In the actual context, Romania's participation to elaborating a set of multilateral commerce rules appears as a necessity, the advantages of enforcing the multilateral commerce legislation on a national level as well as on an international way, imply a cooperation on a multilateral level on the following directions: constructing the rules of market economy at the same time as establishing a legal frame, predictable and stable in which the Romanian exporters can take actions in an environment of loyal competition.

The negotiation of new multilateral rules in areas such as competition concerned with commerce, foreign investment, the transparency of public acquisitions leads to the creation of a multilateral legal frame more predictable and transparent, based on precise and clear rules, which will do only good for the Romanian national economy. These negotiation processes have, as outcome, the attraction of new investments, the respecting of competition principles, with advantages especially for the consumers and a better use of the public funding.

The enforcement of the multilateral commerce system in Romania, with its quality as an original member of WBO, is made through the country actually participating in the complex activity of this organization.

The commercial negotiations that take place under WBO, must lead to the achievement of a lessening or of the removing of financial fare borders or non-fare borders in the way of commerce. This process of modifying those certain borders constitutes an essential level in the way of the liberalization of the goods and services commerce in the conditions of globalization.

Also, in Romania as well, at the same time with the regional integration process, the process of globalization is as well on-going along with the process of the enforcement of the multilateral commerce system, these processes becoming directly intertwined as a consequence of the phenomenon of mutual supporting.

The association agreements or those of free commerce are completed with the following of the commerce regulation established multilaterally, the liberalization of the regional commerce being a premise for the active participation in the liberalization process within WBO.

As an optimal method for the realization of the balance of the agreed-approved concessions, the agenda of

the Doha Conference contains the idea of a *multilateral commerce round* in Romania. In this direction, for the *service commerce* the development of the liberalization process was established considering the internal realities of each member. It is sought out that, through this liberalization, a process of incrementing the quality of services offered and practiced on the internal market is triggered, as well as the use of agreed openings in the market, in the direction of the growth of export in countries with less tradition in this field.

The adoption of certain internal assistance means is imposed as well, through a better clarification of the commerce rules, so that the continuation of those that have a very reduced effect on the liberalization of commerce is permitted and to lead to the substantial lessening of all forms of subsidizing of exports, so as to eliminate them, depending on the degree of implementation of certain adequate policies in the country.

Commercial multilateral negotiations within WBO, at which Romania took part as well, took place having as an objective the embrace of measures that will not determine the diminishing of the protection degree below that of the European Union, thus not influencing negatively our country's integration process .

As a developing country, Romania continuing to participate in the liberalization of the international services commerce, would have an important advantage that, in the field of this type of commerce would lead to the facilitation to the access of third-party markets for Romanian goods and services exports. This participation at those certain negotiations would amount to, on one hand to directly opening new potential markets for the Romanian services exporters and, on the other hand, indirectly to increasing the competition degree in the national fields. Actually, the indirect effect is reflected in a gradual availability of these facing the foreign competition, the national consumers benefitting fully from this process. A significant example is the expansion of the mobile phone market, which will generate, for Romania as well, a meaningful decrease in the prices of these types of services.

The evolution of economy on a world wide scale reflects two tendencies of development:

1. The intertwining, association, completing, internationalization, integration, globalization of economic processes.
2. The in-depth dimensional diversification of the worldwide work division.

Conclusions

The globalization can increase the growth and economic development of each country only under the conditions of the liberalization of invisible trade. Independent of the specifics of its development, this liberalization process of the invisible trade can have important economic advantages, participating in the international work division, being open to foreign assets and technologies.

The intertwining of the globalization process with the mechanisms of the invisible trade's liberalization creates consolidation opportunities for local, regional and international economic structures by orienting them towards:

1. World Wide Investment, where transnational companies have an important role;
2. The Accentuation of Informational and Technological Exchanges as a basis for efficient use of human, natural, material, financial resources;
3. Specialization and Re-specialization, within the international invisible tradeam de lucrura, by using, at a high standard, the principles of comparative costs by assuring the pay balance as well as choosing the most adequate means of improving activities concerning imports and exports;
4. Accentuating the workforce mobilization process and especially that of the service field, for a better functioning of the world wide work market;
5. The enhancement of the internationalization and institutionalization process by creating multiple international institutions.

The economic policies' strategies on a world wide scale must be oriented towards the deepening of the globalization process which has to include the liberalization of invisible trade as the only means of actual civilized development.

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