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THE IMPACT OF GLOBALIZATION ON SERVICES

L. A. Sosunova (a), E. V. Ryabova (b), A. R. Rakhmatullina (c)*
*Corresponding author

(a) Samara State University of Economics, Soviet Army Str., 141, 443090, Samara, Russia, kafedra-kl@yandex.ru
(b) ITMO UNIVERSITY, 49 Kronverksky Pr., St. Petersburg, 197101, Russia, thik.05@mail.ru
(c) Samara State University of Economics, Soviet Army Str., 141, 443090, Samara, Russia, sseu_ar@mail.ru

Abstract

The globalization taking place in modern conditions permeates all the structural elements of the world economy, leading them to competitive confrontation. Globalization overcomes economic barriers, promotes the growth of trade associations, and previously closed sectors of the economy makes it accessible for international competition. Nowadays, it is difficult to overestimate the importance of the services market in the economy not only of a single state, but also in conditions of international socio-economic relations. In today's world, services are becoming increasingly popular. Many people are willing to pay a lot to have windows installed, the stove repaired, and even screwed in a light bulb. There are several views on the development of services. One of them fully supports the fact that services have replaced work in many areas. Thus, unemployment can be reduced. Since there is someone to perform each service who will perform it for a certain amount, thereby ensuring wages for himself. Services have their pros and cons, while their number is growing every year. According to the statistics of the Russian Federation, in recent years, the share of intangible production in the structure of GDP has been steadily increasing, the employment rate in the provision of services is also actively growing every year, which indicates an increase in population demand for the consumption of various services. The article presents a study of the impact of globalization on the service sector. The factors determining the development of the service economy are determined.

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1. Introduction

The services sector of a particular country in the context of globalization has its own individual trajectory, and the general tendency towards the growing role of the services sector in the global economic space is also clearly visible. The transformation process in the world economy determines new economic, managerial, statistical, technological problems associated with service activities at the national level, global trade in services, the functioning of individual service companies, etc.

2. Problem Statement

Globalization is seen as a process in which the world market is transformed into a global unified system. Globalization represents the formation of a common international economic space. In general, the phenomenon of globalization is also considered outside the economic framework, which has a serious impact on all spheres of social activity.

Recently, the service sector has become one of the most promising segments of the economy. At present, developed and developing groups of countries put the task of accelerating the development of the service sector and the impact on economic growth in the first place.

3. Research Questions

An analysis of global economic development trends reveals a constant increase in the share of the services industry in total GDP. By 2019, it amounted to 75% of the total volume, which significantly exceeded the share of the material production industry. This situation is close not only to economically developed countries, but also to developing ones. Such a change is reflected in the structural indicators of many other countries and affects the situation in the global economy. So, in many countries there are tendencies for a decrease in employment in the industrial sector and agriculture, a significant increase in the number of jobs in the service sector (Boddewyn, Halbrich, & Perry, 1986).

The service sector must be considered on the basis of a number of specific properties and in comparison with the sphere of material production. The first difference from products is that they produce and consume more often at the same time, they are not stored, which creates difficulties in the process of regulating their supply and demand. The second difference is that in most cases services are opposed to products, while both in the sphere of circulation and in industry, the importance of services is expanding, including equipment repair, after-sales service and other services accompanying the sale of goods. Many examples can be noted when a product element is present in a service, and the same presence of a service element can be observed when selling a product. The relationship of the sale of goods and the process of providing services complicates their accounting (Bower & Doz, 1979). The third difference and the complexity of understanding the nature of services currently determines their consideration as a phenomenon characterized by a specific target and object orientation of the functional impact. The supporting conceptual design of research in a similar context is the accentuation of the functional orientation of the service. The fourth distinctive feature of the service sector should be noted the aspect of a greater degree of government protection from foreign competition, in comparison with the sphere of material production. So, in many countries, education and science, financial and insurance services,
utilities, healthcare, transport, communications are usually state-owned, or are clearly controlled and regulated by the state (Crompton & Mackay, 1989).

Consideration of this specificity characterizes the fact that the service sector is allocated in an independent area in order to study ways of implementing social labor and with the formation of special consumer value, which is used by the population not in the form of goods, but in the form of services. Based on what, we consider the service sector as a complex of various types of economic activity with the actualization of the target and object directions of impact on a specific result. In our opinion, highlighting the specifics of the service sector, it is necessary to determine the distinctive characteristics of the service itself.

4. Purpose of the Study

The main purpose of the article is to present a study of the impact of globalization processes on the service sector, and it is also necessary to identify the trends of the process of transformations in the services sector in the context of globalization. The tasks determine the factors that contribute to the development of the service economy.

5. Research Methods

To achieve this goal, the authors used methods of analysis, comparison, synthesis and logical deduction. The facts from scientific and professional publications, periodic and non-periodic press are also analyzed.

6. Findings

Among the important development trends in the service sector, there are currently a sharp increase in its technological and reproductive dependence with the material production sector, increasing interaction of the production sector and services in various sectors and types of economic activity, which leads to blurring the boundaries between individual industries. This conclusion is confirmed by the fact that the service and the materialized result are interconnected in the new economic complexes of the commercial, industrial, medical, industrial, informational and recreational sectors, which satisfy any major social needs.

The functioning of the Russian economy at the world level was accompanied by the development of exports and imports, which had a significant impact on the formation of fundamentally new technologies for the provision of services.

Many impacts on services were provided by the scientific and technological revolution. Favorable conditions for the development of services have been created by the accelerating growth in the production of personal computers, the rapid improvement and cheapening of electronic computers, microelectronics, communications, and the expansion of their maintenance and leasing (McColl-Kennedy, 2003).

The rapid development of the business services industry, which contributes to the qualitative transformation of production organization processes, various links between production activities and consumption, markets for goods and services, which, in turn, leads to an increase in the pace of scientific and technological progress.
In this connection, on the basis of information technology, computerization, new means of communication, a whole range of new services has arisen and is rapidly developing, radically updating their classic forms, increasing the quality of service indicators. Technical barriers to the transfer of services over a distance have decreased, the advent of new technologies has opened the world market.

The development of services aimed at providing advice on housekeeping, the family budget, there are new forms of catering services, modern options for organizing leisure. Also, the list of services focused on the management and maintenance of law enforcement agencies, public authorities, etc. has expanded (Ryabov & Ryabova, 2015).

The increasing role of services in the economic sphere was also determined by the reasons for the emergence of new incentives for their further development. So, in our opinion, the most significant of such incentives should be highlighted:

- an increase in the share of the non-state segment in gross domestic product;
- creation and development of market infrastructure;
- increasing the level of the multiplier effect of an increase in demand for services within the framework of a service market infrastructure system;
- low sensitivity of certain types of services to cyclical fluctuations;
- stable dynamics of the development of industry and subject diversification of the services sector;
- change of predominantly sectoral management to predominantly territorial management of the service sector, taking into account the changing needs of local markets;
- a sharp increase in the role of information support for the production process, the sale of services.

The presence of various points of view in the economic literature on the nature of the service itself, as well as the service sector, its place and role in the national economy, the definition of the boundaries of the service sector and their classification makes it difficult to perceive the service as a specific product with special properties (Sosunova & Ryabova, 2013).

An important reason for the increasing role of services in the economy, we believe, is that in the conditions of the development of market management tools, there has been a transformation in the orientation of producers in the service sector to changes in society, when at present the individuality of an individual has become an important economic property, while the consumption process became the main focus of wealth accumulation.

One of the main features of the development of the services sector in the context of globalization is the sharp increase in its technological and reproductive interdependence with the material production sphere, the deep interpenetration of the production of the so-called “real product” and services in all types of economic activity and the economy.

The above allows us to formulate a number of general conclusions.

Among the most significant phenomena of the last decade in the development of the service sector is their rapid breakthrough into world markets, which, along with other factors, has determined a new stage in globalization. Passing the process of integration of services on a global scale, a new acceleration and measurement of this sphere takes place: the number of market participants, the variety and volume of foreign economic relations, and operations are growing rapidly. Currently, over 160 types of services are involved in the sphere of foreign economic activity (WTO classification) (Liljander & Strandvik, 1993).
The multifaceted transformations of the service industry raised it to a fundamentally different qualitative level: the generic characteristics that were previously inherent in the production of services have changed, structural proportions and the technological base have transformed, and functions have become more complicated. In this connection, the role of the sector in question in the general economic aspect has sharply increased, its impact on the growth rates and sources of the modern economy, on its reproductive and structural parameters, and the competitive advantages of countries in the context of globalization of the economy has increased.

The globalization of the current economic situation in the service sector, formed by developed countries, has been actively supported by developing countries in recent years.

The influence of service industries on economic parameters is determined in many areas. A number of services, as well as advanced industries, are now included in the dynamic center of economic development, determine its pace and other important functioning parameters. Long-term positions in the structure of the economy are occupied by groups of high-tech services, which include financial, information, insurance, business and professional services, education and healthcare services (Triplett & Bosworth, 2003).

An important feature of the service sector is its weak participation in foreign economic activity along with sectors such as agrarian and industrial. This conclusion applies to all types of services, since a number of industries, namely transport, and later financial transactions, have penetrated deeply into the system of foreign economic relations and form its infrastructure. Each technological breakthrough in these types of activities provided, as a rule, the next revolution in the development of the world economy, determined the growth of world trade, and led to structural transformations. The increase in the share of services and the growth of their production in the public product was carried out with the expansion of foreign economic operations, but for most of the last century, the services sector was significantly inferior to the material sphere. Recently, this situation has changed radically in connection with the influence of a number of world economic trends. An increase in the international exchange of services is facilitated by a dramatic reduction in high barriers in some markets and the complete removal of barriers in others. The main reasons for entering a number of new types of services in the global economic space and their rapid expansion are the revolutionary upheaval in the information and communication technology industry and the development of scientific and technological progress. The application of new technologies and the separation on their basis of the previously simultaneous process of production and consumption of services creates the possibility of their storage, accumulation, transmission over distances, consumption in various forms, including in real time. The appearance in many types of services of such a property as mobility in space and time forms a previously uncharacteristic criterion of “tradeability”, opening up access to global markets (Wölfl, 2003). Russian services on the global market are modestly presented. On a large scale, our country lags behind in cross-border trade volumes: its share in world export of services is 1.2% - we are inferior not only to developed countries, but also to China (3.7%), India (2.7%). The share of commercial services in 2018 amounted to 9% of the total value of Russian exports, compared with 28% in the United States, 38% in the UK and the global average of 19%.

Many authoritative researchers distinguish among the main obstacles for the development of service industries and their integration into the global economic space: complex regulatory systems,
relatively strong monopolistic trends and, accordingly, weak competition, high entry barriers for manufacturers. Also, the pros and cons of the general process of globalization are more pronounced, which determines the additional acuteness of this issue in the framework of scientific and public discussion. The arguments in favor of the globalization of service markets are to a greater extent the same as those advocated by the globalization of commodity markets, namely, the optimization of resources in the global economy, their more efficient use against the background of a deepening social division of labor with increased rates of productivity and economic growth. The active pressure of global competition activates strategically important areas of world development: the exchange of intangible assets is intensified, cross-country diffusion of technological and other innovations is intensified, and the international movement of production factors is developing. Among the important public benefits, a high consumer effect is distinguished when expanding the possibilities of choosing services, the appearance of their new types, lowering prices, improving the quality of consumption and service culture.

7. Conclusion

Thus, having conducted the research, we have found that in general, globalization allows us to deepen the international division of labor, increase the efficiency of the distribution of funds, mobilize a more significant amount of financial resources, and expand the life prospects of the population. Also, the process of transformations in the service sector in the context of globalization will not only not be completed in the near future, but will also enter a new stage of its development.

References


