

A SERVICITY VIEW ON THE EU PROJECTS

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Abstract:

The main purpose of our paper is to present a servicity view on the EU projects. The *servicity* concept, a widened approach of productivity, on the underlined renewing research lines, was firstly proposed at the 9th Seminar on the Service Economy in Geneva, September, 6th -7th, 1993 and firstly included in Jivan (1993). An EU project is a small part of an interdependent relation between European funding beneficiaries for the fulfillment of the three objectives of the regional development policy: convergence, regional competitiveness and employment, and European territorial cooperation. The main purpose of the EU projects implementation, from the *servicity* perspective, should be to pay more attention to the requirement of the complementarity of the EU projects with other development strategies, in order to strengthen the regional convergence. The main contribution of our paper consists in highlighting the actuality of the servicity concept for the EU projects, as a quality improving feature at an empirical level.

Keywords: knowledge-based society, servicity, EU projects

1. INTRODUCTION

Numerous aspects are taken into consideration in the *servicity* meaning:

- the needs for creating information;
- the environment-related aspects;
- the limits of the amounts the enterprise can be supplied with etc.

A special attention is paid by entities *implementing EU projects*. The *servicity* assessment trials attempts are hampered by its qualitative aspects, because these are not expressed in figures, and, therefore might be non-measurable.

This approach assumes a plain distinction must be made between the ensemble of utility surplus experienced and its usual expression by economic indicators.

The *servicity* indicator aims a larger content than the individual productivity. It makes the *servicity* concept to be an appropriate feature for the management of transformation in the knowledge-based society (Jivan, 2000).

The theory and reality of the *service economy* was the one who, in the postmodern era, saw the necessity of approaching productivity and effectiveness in a broader sense than the orthodox one, especially by taking into account some social aspects, as well as aspects of a different nature, going beyond the limited sphere of the narrow monetary, traditionalistic economics.

Following this line, such observations were raised at the level of an economic science, in a both microeconomic and macroeconomic approach.

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Non-refundable funds were introduced by the EU as a qualitative investment, in the same time with the awareness raised by the non-desirable impact on the life standards of the increasing tertiary needs, and with the business environment development. The European Union member states offer this financial help for increasing, by economic activities, in accordance with the horizontal policies, the added value level in the society. The structural funding made the EU projects elaboration a very important opportunity, thus stimulating the institutions' contribution to increasing the added value in the socio-economical environment. All these complex aspects mentioned above have made it difficult to objectively measure the results of the EU projects and to assess their sustainable contribution. The use of result indicators represents an objective evaluation of the status of the achievements, with the clear purpose that the applicants accomplish the planned achievements. Such instruments have become a means by which these funds' beneficiaries are able to plan, to observe and to accomplish the added value which has initially been set, during the EU projects implementation (Talpos et al., 2010).

Servicity means effectiveness, for the customer, of the provision. For the provider, it means a gain only if, by this effectiveness for the customer, in a marketing optics, he (the supplier) advertises, improves his image, providing his customers and market position over competitors. It is close to the idea that Adam Smith had in mind when was theorizing "the invisible hand" that the businessman's selfishness is satisfied precisely through customer's satisfaction, and not by other means, which did not even crossed the moralist Smith's mind, but which Veblen and others have revealed.

In conjunction with the ideational content of the previously paragraph we can mention the ways of increasing productivity:

- By increasing quality;
- But also (even though it may be considered less - but not negligible) through social channels etc. (*servicity* reduction).

Moreover, the economy, businesses in general are represented, incited and encouraged by the difference between what economic agents pay and what they charge, of what they „give” to the environment, as a payment, as costs, and what they „take” of it, as an income or revenue.

We would like to highlight the following aspects with regard to the above-mentioned difference:

- a) This difference can be increased by exploiting nature: taking from nature, with minimal cost and sale as "something belonging to the one who sells" (although it is rather "something of the nature"). It is essentially the physiocrats' perception about creating value. But, in addition to agricultural production situation, there are also: forest harvesting, mining, etc..., most of them being destructive for the nature.
- b) But important and normal developments occur by exploiting some elements of the environment, by paying low prices to the suppliers (including the labour factor) and to the creditors (thanks to a position of relative monopsony or oligopsony) and by high prices charged to the customers (thanks to some positions of power at the other pole: monopoly, oligopoly in relation to the buyers). This form of taking advantage of the environment was not revealed until late, at the post-Keynesians Cambridge economists, and not as a creator of value as written in this paper at the points a, c, d, though, for already more than a century, the economic thinking had assumed - by the neoclassical economists - the assumption that any gain of an economic agent would mean a value creation, "rewarded" through the market mechanisms, for his work (the more profitable for him, the more "productive").
- c) The difference we were talking about can be also increased by his own work (i.e. small payments towards the environment, but a too high own energy consumption), which gave the impression (to the classics and Marx) that the economic effects are the result of labour. But, as shown by the neoclassic economists (starting with Jevons' memorable assertions against the value-labour), it is not always rewarded by the market.

2. THE SERVICITY MEASUREMENT

Servicity measurement can be (at least) made as in the manners that are presented below. The bellow lines are, implicitly, and logically, also ways of increasing-reducing *servicity*:

- the difference between the higher price paid to suppliers and the market price;
- the difference between the normal market price (the price under the conditions of fair competition, i.e. pure and perfect competition conditions) and the lower purchase price paid by the economic agent in the position of monopsony; including the wages paid to the workers from the poor countries by the multinational company (they come in such countries especially for taking advantage of lower wages paid to employees, who living under higher poverty and having lower incomes, under higher unemployment, must bear working at the same level as the Western employees, but being less paid): it is basically the difference between the wages paid by the same company to the English employees, and to the Romanian or Indian employees, for instance (if the company makes such distinctions by nationality or by the country in which they operate, produce, make business);
- the difference between the lower accepted price demanded to buyers and the market price;
- the difference between the monopoly price (the higher price demanded to buyers by the economic agent in a position of monopoly) and the market price, under fair competition conditions;
- In the optics of "buyer's advantage", the difference between the price the buyer would offer and the lower price asked by the company, although it could ask for more from that segment of customers;
- the difference between the better quality and the average market quality offered to buyers *at the same price*;
- the expenses with quality investments, which do not reflect themselves in higher prices;
- higher costs - with higher wages and other larger payments, and to other suppliers, than the market price;
- higher costs - with higher quality than that paid by the customer, with better safety and durability than the market level *at the same price*, (than the usual ones in the consumer society, where companies produce not for quality, neither for protecting the resources of the planet, but for selling as much as possible, so with a calculated outage and by respecting fashion trends, i.e. in the purpose of throwing away those goods, after a certain time and thus others be bought);
- lower income, as presented above;
- unrealized profits on grounds of preserving the nature, the forests of the planet, the ozone layer, the conditions for the future generations of the nation
- incomes and for the country, not only for a certain private person or company, and of the mankind - the Kyoto phenomenon - but such ideas will not benefit from good advertising, but they can even

suffer a negative image, or, more simply, they will be suppressed (refused from being published), because most of the publications are based on the sponsorships received exactly from the big companies, among which very many practice with priority such exploitative practices, taking advantage of their dominant positions, unlike many small companies, which, for getting certain positions on the market, however, need to apply the quality and price reductions ways, ways beneficial to others (the services - but not very productive for them, as regards the profits they obtain), as the pure and perfect competition model and the spirit of the optimistic liberalism preconceives them (and as, on a larger scale, the economic reality had manifested itself until the end of the nineteenth century).

3. THE SERVICITY ROLE IN THE EU PROJECTS IMPLEMENTATION

The three objectives of the regional development policy constitute the main starting point of a European sustainable socio-economic development (European Union Policies, 2015). In this view, the harmonization of the European / national / regional / local development strategies with the main objectives targeted within the EU projects represents a key issue.

Therefore, in implementing EU projects, the use of an adequate qualitative management strategy as well as a relevant internal and external monitoring methodology contributes to a coherent and convergent regional development which leads to diminishing disparities among regions.

The main elements of an EU project regard a basic structure made of objectives, activities, budget, sustainability and a methodology and time planning of the project itself. Starting from these components, the logical reasoning of the project is followed by the basic idea of the project represented by these elements and their relation to the socio-economic environment of the beneficiary. In this view, a series of other requirements related to the horizontal principles, context and justification of the project are necessary, along with the complementarity of the project objective with other specific relevant local/regional/national/European development (Jivan et al., 2011).

The main purpose of the EU projects implementation, from the *servicity* perspective, should be to pay more attention to the requirement of the complementarity of the EU projects with other development strategies, in order to strengthen the regional convergence.

An EU project is a small part of an interdependent relation between European funding beneficiaries for the fulfillment of the three objectives of the regional development policy: convergence, regional competitiveness and employment, and European territorial cooperation (European Union Policies, 2015).

Therefore, convergence should be created by relating the developed EU projects among themselves, as well as by guiding their implementation towards the specific objectives targeted within the strategic planning documents.

In practice, the intermediate controls made within the implementation of the projects aim more at the bureaucratic methodology than at actually improving and guiding the beneficiary in qualitatively contributing to the regional development. The intermediate controls should have a double function: on the one side monitor the financial and technical development of the project, its financial planning, and on the other side, provide guidance from a more regional development approach instead of only an individual one.

Returning to the initial general common structure of a project, as previously stated, the indicators of the projects represent the main evaluation instrument for the project's impact over the target group and, at last, over the regional development. In implementing an EU project at a qualitative level, a certain logical overview of its structure must be permanently regarded. In addition, within this internal approach (and externally at the monitoring level) *servicity* plays an important role in quantifying step-by-step the achievement (in the end) of these indicators at an empirical level.

Therefore, *servicity* can determine the level in which the target group has benefited at practical level of the results of the project and also, by extrapolation, the regional/national/European level in which the project contributed to socio-economic development.

When implementing an EU project, the revision of the main objectives of the program and the project's objectives inclusion in these is a key aspect of the qualitative implementation of the project and therefore of a real "service" brought to the target group. This way, the main *servicity* level is achieved by guaranteeing the project implementation's participation into the coherent, complementary overall strategy made at macroeconomic level.

In forward, the implementation of the work package activities as main guidelines and their sub-activities must be permanent connection with the targeted objectives and indicators.

Therefore, *servicity* is implemented at a second level by providing an adequate "service" to the target group, and by extrapolation contributing to the regional development.

The key of a high-level *servicity* impact of a project is the elaboration and implementation of each sub-activity in the view of creating a service for the target group. For example, in the case of a human resource development project in which the key "service" indicator brought to the target group is its training for a special job, than the *servicity* feature will/can consist of the relevance of the training structure and/or its sustainability proven by the training's chosen subject as a highly required thematic on the labour market (Jivan et al., 2011).

In consequence, *servicity* is actually a bridge/connection between the quality of the project implementation and the actual "service" given to the target group.

4. CONCLUSIONS

An EU project is a small part of an interdependent relation between European funding beneficiaries for the fulfillment of the three objectives of the regional development policy: convergence, regional competitiveness and employment, and European territorial cooperation.

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