

Promoting Regional Economy and Management Improvement by Applying Service Economy

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Abstract: This paper started with theoretical analysis, it defined service economy firstly, then it did research on the development trend and real functions of service economy through systematic analysis method, it put forward that only by comprehensive development measures, management innovation on regional economy could be promoted, and the full functions of service economy on regional economy could be realized. Finally it concluded that developing service economy under the market economy could improve the national economy system, and could make the regional economic management as an important link to bring market economy into play.

Keywords: Service economy; Regional economy; Management improvement; Development

1 Introduction

There were a great many literatures on service industry development and reform. However, there was a few literatures on summarizing systematically service economy theory, especially service economy innovation theory. Some scholars analyzed service industry's relationship with industrial structure, manufacturing, industry cluster and urbanization to reveal the interactive relationship between service industry and social labor division. Some scholars explored technology diffusion and institution diffusion mechanism about service industry internationalization and the role service industry played in the integration of global industry and market started with the contemporary international industry transfer features. Some scholars analyzed the internal connection between service appreciation and value innovation from the perspective of service innovation. In addition, some scholars profoundly anatomized characteristics and laws of the third industry development at home and abroad so as to explore the key influencers on supply and demand, internal structure, regional distribution, development scheduling, and institution change regularity of the third industry development.

Regional economic management innovation is actually regional system innovation. Cooke, from English, was the first scholar to study this problem. He put forward that institution, culture and organization should be combined with institution innovation from systematic, dynamic and evolutive perspective to analyze the influence of environment, organization and institution on regional innovation, in order to explain the potential of regional innovation and economic development. There is a few literatures from the angle of the promotive role of service economy in social economy and management. This paper attempts to do research based on the combination of the two.

Service economy refers to economic relations among people that happening in the process of production and circulation of the service product in the human society. This concept is a relatively broad concept. It includes all the economic activities of the services industry that produce and operate service products. As a industry is concerned, it refers to the third level industry or says the third industry. Since the British economist Fisher put forward the concept of "the third industry" in his book named *The conflict between safety and progress* in the 1930s, the third industry economy had been regarded as service economy.

2 Service Economy Development Tendency

Service economy is developing into every aspect of the whole national economy more widely. The development of service economy will greatly improve the quality of the social economy. Its tendency can be manifested as follows:

2.1 The influence of the information technology upon service economy is increasing day by day through transforming service to product.

Information technology development brings service economy into the traditional process of product development, production and delivery. Currently, service industry is developing towards the background operation joint melt, the technical platform networking, operation procedures standardization, and the self-service of foreground. It appears as "services productization" trend overall.

Now, along with the market scale expanding, consumption and production demand layer's diversification and the service content complexity, an enterprise which provides the entire solutions to its customers on its own will have to do as follows: constantly integrating the upstream and downstream resources on the services industry chains; promoting the background operation joint; forming the new labor division and cooperation of the service economy industry chain; and still operating closely with the foreground self-service.

Due to the front desk service labor costs rise ceaselessly, it is hard for the enterprise to offer one-on-one service to every customer. But the customers' needs had been met as far as possible through information technology, which can provide the standardized foreground environment, based on which, foreground self-service operation in modern service industry enterprise gradually come true. The self-service implements the user to complete the whole or part of the service activities by themselves. ATM's extensive use was a typical case.

2.2 The gradual combination of the service economy and the manufacture industry promotes the service industry development in the manufacture industry

Today's fierce market competition makes the traditional high value links transform from the manufacturing process to service links. Consequently, service competition becomes an important way to strengthen the differentiation competitive advantage. Customer transaction is also turning from one-time transaction to long-term service mode.

So the traditional development mode with the products manufacturing as the core is being transformed quickly to the comprehensive service mode based on the product supply. The professional production service and intermediary service, such as production service and intermediary service, such as research and design, logistics, product marketing, e-commerce, financial service, strategic consulting, has become the dominant elements to enhance the enterprises competitiveness and the economic benefits. Manufacturing competitiveness improvement is increasingly relying on services that had been made as an important means to improve the product's added values. Manufacturing value chain is extending and expanding increasingly, and production and service are syncretizing as a whole in the product. Traditionally manufacture industry means tangible products production, but nowadays what the consumers want most is the product that bind the physical objects and intangible service together. It is very hard to find a kind of manufacturing product that neither being contained service activities nor being embedded any service relationship.

2.3 Rapid productive service development accelerating service economy structure adjustment

Productive services in service economy mainly such as finance, logistics, procurement, consulting, design, intermediary and professional consulting services are developing rapidly and had become the most important part of the modern service economy. Productive services had become the pillar industry in many developed countries, and played an increasingly important role in its industry technology and the overall economy, as well as in the world economy and international competition. International trade, industry and agriculture sustainable development, knowledge and technology support brought about by the professional services and information technology rapid development, and the scale economy will make the productive services still maintain a strong momentum in the future.

The development and expansion of the productive services is the result of the technology and organization structure change of the developed countries. The contemporary information technology and knowledge economy provide a strong role for its development, and become the core content.

2.4 Service economy plays a rising important role in international trade and investment domain

At present, the world industrial structure's large-scale adjustment has been brought about by the industry upgrade resulted from the developed countries' economy growth. New world economy structure imbalance formed in the process led to the more large scale demands of the international service economy.

The Internet reduced the ownership control cost and the transaction cost from technical angle, and then magnified the multinational enterprise activities radius so as to make service economy play a rising important role in international trade and investment domain.

As service economy dominate in the world industrial structure and with the developed countries' multinational companies constantly seeking new global competition advantages, the global direct investment focusing on service economy has become a new trend of international industry transfer.

2.5 Emerging service economy is becoming the new growth point of national economy

Since the 1990s, Internet commercialization, which based on TCP/IP and 3W standard, has greatly promote the e-commerce, e-government, financial informatization development. Hence, the modern service economy has been regarded as the important support fields by many countries, as well as the

new growth point of national economy. The research investment input into the modern service economy has been growing increasingly.

A number of service economy such as e-commerce, digital media, network education, information service, which featured with low resources consumption, low energy consumption and high added value, and based on the information network technology, are emerging.

These development trend mentioned above reflected the service economy significance. From the current theory perspective, service economy is an important symbol of the modern society, economy and the modernization level. Service economy means other important strategic significance for China:

First, service economy is the main points of the national economy sustainable development during the period of well-off society construction. Second, the development of service economy is an important way to alleviate employment pressure. Third, it is strategic to promote the national economy quality and operational quality based on the service economy. Fourth, the implementation of the sustainable development strategy of the national economy needs service economy. Fifth, even developing service economy is an effective way to realize the social and economic development purposes. Sixth, it is necessary to develop service economy so as to promote the comprehensive development of economy, society and people, as well as to step into knowledge society.

3 Measures for Promoting Regional Economy and Management Development to Improve Service Economy

3.1 Fully realize the service economy importance and spare no effort to promote its development by improving regional economy and management development

Service economy is an important part of the national economy and plays a more and more important role in the social and economic development. It is a potential industry currently as well as in the future. It should that to regard modern service economy as the same strategic position as industry and agriculture. Service economy involves in many industries and is closely related with policies. Until now there is not a unified service industry management department existing under the current administrative system. So it is necessary to strengthen the local government leadership and coordination. Suggestions are as follows: It is urgent for the two levels of municipal and county (city, area) government to establish a service economy development coordination agency and working mechanism. Only by so doing, the major issues come out in the service economy development can be well planned and coordinated, and working responsibilities and working targets for the functional departments can be further clarified. Responsibility evaluation system should be strengthened to make sure the tasks and goals for the service economy development for various regions. Evaluation of the main leaders and the departments concerned should be implemented to promote the healthy development of service economy.

3.2 Intensify the reform to activate service economy

Reform will bring about pressures, powers and vitality. It can be implemented from the following three levels. Firstly, the continuous service development can be reached by clearing the property rights, diversifying the investment, marketing the labor market, and making the operators professional. Foreign capital and private investment should be introduced and absorbed actively, will promote the state-owned capital to exit from the general service field orderly.

Secondly, According to the following principles: government and enterprises should be separated; government affairs should be publicized; enterprise affairs should be publicized; for-profit organization and non-profit organization should be separated, it is urgent to accelerate restructuring pace. For-profit service institutions based on business management should be transformed to property diversification enterprises.

Thirdly, enterprises and institutions and agencies logistics service should be transformed from serving itself to serving the society. According to the marketization, industrialization and socialization development mentality, part public service fields should be promoted towards industrialization and socialization. Logistics service facilities such as state organs, schools and hospitals etc, should be open to the whole society as far as possible, so as to integrate all kinds of resources, and to improve the social benefits and economic benefits.

3.3 Relax the market access to promote service economy rapid development

The mind should be further liberated and the idea should be changed, so as to explore the competition mechanism introduction. All the fields that are not expressly prohibited by national laws and regulations, and that are open to the foreign capital, should allow and encourage the private capital to enter in the forms of equity joint ventures, cooperation, joint, equity, franchising, etc.

Government should formulate reasonable standards about the market subject qualification, market access requirements and service quality standard. The industry uniform market admittance system featured with open and transparent, specified management regulations should be established. Relevant provisions on service industry market access should be cleaned; market admittance threshold should be lowered; discriminatory relevant provisions should be abolished; administrative approval examination system for market access should be reformed; administrative examination and approval items should be reduced; supervision on the service market according to laws should be strengthened; service market order should be rectified and regulated, so as to build open, fair and orderly competitive market environment.

3.4 Promote innovative technology and talent training to enhance modern service economy

High technologies should be applied to upgrade the service industry, so service enterprises should be encouraged to apply information technology and to realize the information management network. Enterprises' informatization should be promoted led by e-commerce. R&D and technology development center construction should be accelerated. Technology forces from scientific research institutions and universities and colleges should be encouraged into service field or to set up service enterprises, so as to improve service enterprise innovation ability.

It is urgent to speed up to train and introduce all kinds of talents needed in service economy, especially professional talents from finance, insurance, trade, intermediary fields that familiar with international practice, and be good at international association.

Service economy post vocational training should be strengthened, and the occupational qualification certification system should be fully implemented, so as to enhance the professional quality of the service personnel, and to speed up the internal economic structure upgrade and the service industry level upgrade. High scientific and technological industry should be cultivated more, so as to improve the modern service industry competitiveness.

3.5 Improving consumption environment to expand urban and rural residents service consumption

Accompanying by the economy development, urban and rural residents' income should be increased through diversified channels, especially those of the farmers and the low-income earners. The relevant provisions against to service economy development and to consumption should be cleaned continuously. Efforts should be made to improve the service consumption environment, and to improve consumption policies. Social atmosphere help to expand service consumption should be created through developing the social services, housekeeping, pension and other industries, and advocating healthy and civilized consumption mode, and guiding urban and rural residents' service consumption increase.

3.6 Each region need to build a service industry system

Industry chains exist among different categories of service industry, so there is some ecological industry contact. Accordingly, researches on the correlations among the modern service trades and between the upstream industry and downstream industry should be strengthened based on the local actual condition.

From the perspective of constructing industry system, we should try to establish a modern service industry system through building up a reasonable industry layout, highlighting the brand advantages, radiating strongly, and connecting closely with the international market rules.

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