

# **Approaches Regarding the Public Administration Services, Part of the Tertiary Sector**

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**Abstract.** The matter of services can be found more in the specialised literature and more frequently, particularly during the last half of the century- taking into account, on the one hand, the significant structural mutations that have been taking place in the economic activity, mutations which have led to a so-called tertiarization of the economy; and, on the other hand, the description of nowadays society as a society of services, after which followed the autonomization of its quaternary sector, with direct references to the scientific research<sup>74</sup>.

The importance of public services is even bigger to society as long as the state and its administrative-territorial constituents appear as indispensable tools, meant to assure the life standards its citizens are not able to find in any other way. Thereby, when the state proposes itself to satisfy a need of society by means of its authorities, it ascertains the institution that is to satisfy this need, determines its competences and offers it the material, financial and human means that are needed to fulfill the ascertained goal.

**JEL classification: P35, H83**

**Keywords: public services, private services, tertiary sector, immaterial, public administration**

## **Conceptual Aspects and Characteristics of Public Services**

The immaterial economy concept has been defined by Cristureanu C.<sup>75</sup> by three elements: “the immaterial as the final outcome of the activity of an enterprise or economic sector (immaterial artifact), the immaterial as a production factor or assets used by the producer to create and distribute a product or a service addressed to consumption (tangible assets), and the immaterial as a development strategy applicable to all economic sectors, creating new principle of organization, competition and valorization(capitalization). The economy of immaterial transforms the conventional economic expansion model into a complex one, based on the connections ascertained between the economic, social, political, spiritual, cultural order of a changing society, focused on services and creative-content activities.

At first, services have been classified under a class of activities with common features that do not contribute to the long-term economic expansion. As a result of the

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<sup>74</sup> Ecalle Fr., *L’conomie desservices*, PUF, Paris, 1989, p.3

<sup>75</sup> Cristureanu C., “The Economy of the Immaterial: International Service Transactions”, Beck Publishing House, 1999, p.4-5

immaterial feature, they have often been defined by a residual manner, the focus being put on what they are not. The conceptual delimitation of services has been strongly influenced by the classic school of the 19th century, centered on “materialism”. The term of “services” first appeared in P. Le Pesant de Boisguilbert’s pieces of writing (1707), referring to the activities which do not participate in the wealth production and are placed at the origins of the expenses that appear in the economic circular flow.<sup>76</sup>

The extreme heterogeneity of services, which include and serve a wide range of economic branches, is characterized by distinctive production processes, different ways of supplying, different providers and customers and different market structures, making the defining of the “service” term and its classification difficult.

Most of the definitions focus on one or more of the characteristics of services, which generally differentiate them from the tangible products. Other definitions underline the utilities, advantages and satisfactions obtained from service activities or from the changes determined by them regarding goods, individuals or social relations. The conclusion drawn by many economists who have studied service activities is represented by the fact that they can not be differentiated either by the production activities in the material goods field, or by the manner of combining the utilized production factors, or by the utilized technologies, but by means of the outcome of the activities.

Thereby, services can be divided into categories based on their capacity of being transacted on the market as distinctive merchandise. Thereby, we distinguish the merchandise or commercial services, obtained by means of sale-and-purchase documents, and public, collective services, which assure performance in the benefit of the collectivity. Due to the technical progress and the dynamism of the economic life, a significant part of the non-marketable services has been transferred to the field of the marketable ones.

In time, a group of heterogeneous services addressed to the fulfillment of a collective need- generally speaking, for all people, known as public interest needs, needs of a human community related to survival, organizational, social assistance, transport requirements etc.- has been implemented to the tertiary sector. Thus, the public services are utilities resulted from activities which satisfy the public necessities, whose deployment imply the public authority mandatorily. The public services can be: governmental, representing the state’s function and being executed by means of institutions; local, being executed by means of excises, institutions and externalization.

The public authority is thought to be in the service of the citizens, responsible with the development of some work processes which are to serve the whole society, it is a general entrepreneur who either establishes companies with state capital or authorizes private companies, by specific procedures, so that they might provide public utilities. Thus, the execution of the public service is done by: public institutions, concession addressed to a private entrepreneur, foundations and public interest associations, companies with mixed public-private capital, professional associations, autonomous excises. Public services are to be characterized by some features: efficacy, the consumption of public funds, general access to all citizens, decentralization towards the local community.

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<sup>76</sup> Bobirca A., “Services in the Dematerialised Economy”, The Economic Publishing House, 2010, p.29

In the European Union public services are seen as a derogation from the principle of free competition so that services of general interest shall be performed.<sup>77</sup> The main public services are:

- governmental services: the guard service (the public guardians group), the civil protection (part of the national defense), the construction authorization, the civil status;
- town administrative services: the distribution of gas and electricity, thermal energy distribution, water supply and piping, urban transport, green spaces maintenance, scavenging, road maintenance;
- commercial services: market administration (establishes taxes, sanitary and hygiene norms), parking lots, private transport (authorization-licensing), the execution of job specifications and conditions registers, routs, stuff trainings, etc.), advertisements (installed on the public space), graveyards, animal shelters;
- cultural activities: education, art, culture, health. The execution of these activities is run through inspectorates or directorates, in particular excise or in collaboration with governmental and non-governmental institutions.

The consumption of public services is “socialized”, which means that it is decided by society, whereas the customer does not execute a real, direct choice because of the manner of repartition of these services, that are decided by the collectivity.

Lately, we have been assisting to the transfer of some public services from the administration of the government to the administration of some private individuals (e.g.: health, cultural, educational services)- such public services are executed by private companies without being assigned by the public power, by the state, but from underneath its supervision.

As a consequence, the possibility that public services should be executed also by the private sector has arisen, on the condition that the following three conditions should be obeyed:

- a) the satisfying of the general interest- this one, however, states a delicate question, namely that of the delimitation between general interest and particular interest. The distinction which is necessary and which is thought to be the most suitable one, is that arisen from the necessary activities for the collectivity and from the activities developed on commercial bases (profitable). The primary purpose of public services is the satisfaction of the interests of the ones who are being administrated (governed), and not getting a profit;
- b) the means of public power are privileges given to a private company which serves the general interest and therefore, enjoys authority (and not equality)in report to the third party. The authority ratio allows either the monopolization of a certain service, or the issue of certain documents with a unilateral character, or even the setting of some taxes;
- c) the control of the administration over the public services execution activities – this condition derives from the fact that the private company can execute a public service on the condition that it possesses a delegation (by proxy)received from a public person. The delegation can be executed by a contract or an administrative document.

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<sup>77</sup> Plumb I., “The Reengineering of Services”, lecture notes, E.S.A. (ASE), p. 6, [www.ase.ro](http://www.ase.ro)

The Public interest represents, according to the general understanding, the totality of interests expressed by a human collectivity regarding the organizational, cohabitation, social assistance, transport requirements etc. However, the ones which address some individual needs, but are financed from the public budget (public education, public health etc.) are also thought to be public services, with the specification which is necessary in our opinion, that these should be situated at the interference between the individual and the social. The classification of services in private services and public services endorses the nature of the provider at the same time, which means that the private services are offered by private companies and organizations, and the public services are offered by institutions, organisms and public organizations.

In many cases, people resort to public services out of necessity, and not pleasure, or when they find themselves in difficult positions. This applies to health, insurance or mandatory education services, or to social assistance, juridical services etc. Moreover, what is to be remarked is that many public services are standing as a monopoly power reported to their consumers. According to some opinions, this type of characteristics would make public services not to be accepted by the greater amount of the population (not to be popular among them)<sup>78</sup>, generally speaking, on the basis that nobody is willing to (and nobody enjoys) asking for help to get out of a difficult situation, and because they are executed by individuals who know that they are in a monopoly situation. As a consequence, the managers of public services are disadvantaged in relation to the managers of private services regarding the attitude of the customers and the perception on the services.<sup>79</sup> Moreover, some public services are carried out even against the will of the client (hospitals for mental patients, prisons-penitentiaries etc.)

The characteristics of public services have an impact on the attitude of the providers regarding the demand of the customers (consumers). In the case of market private services, their producers are preoccupied with the identification of the needs, the wishes, the preferences and, eventually, the demand of the consumers (customers), who can be either actual customers or potential customers, and act in order to satisfy and stimulate these demands; in the case of public services, the purpose of the producers is to diminish the demand and rationalize the offer. Regarding this purpose, the social assistance, the maintenance of public order, the healing services etc. represent significant examples. It is natural that in such cases there should be courses of action taken for the causes why people end up in difficult positions- mainly economic causes, but they can also be determined by the lack of education.

In regard to public services, we believe that we should also analyse the interface of those with political aspects, which is supported by the fact that the repartition of the public funds (from the public budget) depends on the decisions of economic and social policies of the central, regional and local public authorities. The specialized institutions of the public authorities are confronted with a limited (and insufficient) character of the financial (monetary) resources more and more often (especially in the states less economically developed), reason why they turn to

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<sup>78</sup> Ioncica M., "The Economy of Services. Theory and Practice". Uranus Publishing House, Bucharest, 2002.

<sup>79</sup> Jones P., "Management in Service Industries", Pitman Publishing, London, 1989, p. 98-103

management methods and techniques (administration) specific to the private sector more and more often and claim more decisional autonomy. Also in the purpose of activity efficiency, some organizations which execute public services and more and more compete with the private sector, are using the external contracting formula, respectively the one of an agreement with private companies to provide such services. For instance, hospitals externalize catering and cleaning services (they resort to catering and cleaning services which are executed by private companies). However, this solution implies new problems for the management, in regard to the negotiation and the settlement of a contract, the clauses and specifications in order to react accordingly to the financial constraints and to the exigencies related to the quality of services. The long-term contracting induces the bold differentiation of the public sector organizations which, instead of producing services directly, contracts and organizes them. The external contracting offers a solution to estimating the performance of the public services, to a certain degree, as the contracts have to specify the performance level regarding the quality of services.<sup>80</sup>

The Romanian specialized literature distinguishes the following public services categories<sup>81</sup>:

a. the enactment service which implies the participation of the parliament, whose purpose is to adopt mandatory norms, which should be executed uniformly on the entire territory of the country;

b. the public juridical service which is established by the juridical organisms, which settle the juridical conflicts and penalize the ones who break the law;

c. the public services exercised by the administration, which assure the execution of laws and juridical verdict and creates the development conditions of activities in fields such as health, public training, transport, culture.

There is also a difference between the public service, which is established by a public organization, and the public utility service, which is founded by non-governmental organisms (associations and foundations, established by particulars and which are developing a public interest activity, with a non-profitable purpose).

## **Administrative Public Services**

Whereas the normal purpose of the actions of the particulars is to obtain personal advantages, a human achievement-where the least interested identify their acts with a common goal at most-, the purpose of the actions of the administration is basically disinterested in satisfying the general interest<sup>82</sup>.

The general interest does not limit to the interest of the community only, seen as a distinctive and superior entity from the ones who form it, but also assumes and develops some human necessities of the individuals. The action of the administration aspires to the satisfaction of the general interest, but this purpose does not exclude a cautious management according to economic efficiency and profit. Nowadays, there is a tendency to include an economic activity which claims a certain approach to the

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<sup>80</sup> Ioncica M., the quoted piece of writing

<sup>81</sup> Alexandru I., "Administrative Law", Omnia Publishing House, Brasov, 1999, p. 112

<sup>82</sup> Jean Riverosi Jean Waline, "Droit administratif", Dalloz-Sirey, Paris, 2002, p. 10

private activity, in order to satisfy the general interest<sup>83</sup>. The means of action used by the administration in order to satisfy the general interest resume to the public power. The public power represents the totality of prerogatives given to the administration so that it might prevail the general interest to the interests of the particulars.<sup>84</sup> But it is always necessary to appeal to the public power in order to obtain the general interest, the will of the administration meets the will of the administrated and it can resort to the contract technique. But resorting to unilateral decisions remains the typical and widely used method of operation in the administration.. The administration appears in the above described context as a public authority activity, which can use public power prerogatives when needed, in order to satisfy the general interest<sup>85</sup>.

Sometimes even commercial societies with integral or state majority capital, as well as other public interest organizations can carry out public administration activities and issue administrative documents, which implies that the administrative authority notion be interpreted in a broad sense, especially so that these administrative acts could be appealed in the court according to the 554/2004<sup>86</sup> Law of the disputed claims office(legal department). The public administration is mainly carried out through normative or individual administrative acts, through juridical material deeds and technical material operations.

Administrative public services are as follows: services with an exclusive administrative character which the public authorities cannot entrust to other persons (civil protection, tutelary authority, civil status, urban services or transport licensing, election organizing and census); hygiene services; educational services (schools, high-schools, kindergartens, crèche); cultural and sports services; assistance and social help services.

The 215/2001<sup>87</sup> local public administrative law in Romania states that, in Chapter IV, Section II, entitled “Communal and city public services and the authority local public management’s own special apparatus”, uses these two syntagms, which lead to the idea that two categories of local public services exist, as follows:

a) public services handled by local public administrative authorities in main activity domains, according to local specifics and needs, with following legal issues and financial limitations – i.e. organized public services such as autonomous overhead charges (excises) and commercial societies established by local authorities which carry out general economic interest services for a commune or city;

b) public services run by the local public administration authorities – i.e. services contained in the city hall’s flow chart and run by the mayor, which are exclusively administrative, as well as organized services such as public institutions in the educational, cultural, health, youth, sports, social aid etc. domains run by the city hall.

According to the local public administrative Law, local councils can establish public institutions, commercial societies and local interest public services. They supervise, control and analyze their activity, initiates, while following the general

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<sup>83</sup> Ibid, p. 10

<sup>84</sup> Ibid

<sup>85</sup> Ibid

<sup>86</sup> Posted in the Romanian Official Monitor, part I, no. 1154 of December 7<sup>th</sup>, 2004

<sup>87</sup> Posted in the Romanian Official Monitor no. 204/2001

criteria stipulated by the law, organizational and functioning norms for institutions and local public interest services.

At a local and country level, public services are classified as follows:

a) administrative type public services – protection services ensured by the public guards core; civil protection services; construction authorization services; civil status services; tutelary authority services; child protection services; urban and territory arrangement services; tax and contribution collecting services; communal public services for emergency situations; communal public services for inhabitants registration; police communal public services.

b) social, cultural, educational, youth and sports public services;

c) public communitary services for public utilities<sup>88</sup> which ensure: water supply; sewage and filtering for used and pluvial water; local scavenging; centrally produced heating energy supply; natural gas supply, electric energy supply; local public transportation; public locative fund management; public domain administration.

The public domain administration groups activities and public interest utility actions, which aim at: street, road, bridge, viaduct, road passage and underground and over-ground traffic construction, modernizing, exploitation and maintenance; arranging and taking care of green spaces, parks and public gardens, sport fields, recreational areas and children play grounds; arranging, exploiting and taking care of lakes, beaches, treatment and relaxation establishments; deratization and disinfection of public institutions, residences, commercial and public alimentation grounds, service and production units; constructing, modernizing, maintaining and exploitation of market places, bazaars, enclosures and markets; pedestrian and ruttier traffic organizing and optimizing, traffic signaling and control; snow removal and prevention of frost and glaze frost development; arranging, organizing and exploiting parking lots, public display areas, advertisements, commercial panels, urban and ambient furniture; private and/or public locative fund maintenance services, current redress and rehabilitation; establishing, organizing and exploiting chemical washhouses and cleaners, auto workshops; establishing, organizing and exploiting public bathrooms, gyms and physiotherapy halls, sports areas and halls, skating rinks and tracks and ski installation, cable transport, camping sites; cohering, knackerly activities, graveyard, botanic gardens and zoos management; public illumination services.

The good operation of the administration and of public services has become an element of peacefulness as well as the bad state and flawed operation of the public services is the cause of many political crises and people's riots. The state must pay more and more attention to the number of agents and, at the same time, must not forget that when the administration is overdeveloped, it can become a power and seeks to obtain advantages. The modern state, endowed with an enormous administrative apparatus, must be firm, in order to stay clear of losing control over the administration, not to face helplessness, despite its gigantism, or because of it. More than ever, in today's world, the administration's equality and neutrality qualities must be ensured.

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<sup>88</sup> Law no. 51/2006 concerning public utilities communal services, posted the Romanian Official Monitor, Part I, no. 254/21.03.2006

## CONCLUSIONS

The administrative reform constantly holds an important place in governmental programs, as well as in citizens' quasi-anonymous urgings. Due to this, the subject has become a tenor and even a myth, in this sense there are examples of political figures' speeches, which, in this way, give the illusion that the administrative reform fully clears public administration of all its vices. The subject's consistent presence, however, remove this illusion. This is because the public administration reform can improve the "administrative machine's" working, but its perfecting will never allow it to reach perfection.

In essence, it seeks to adapt the public administration to the law stipulated duties and, in this sense, the adaptation effort must be constant. The idea of an administrative reform, especially if it implies a certain amount of ostentation and amplitude, is evidence of that certain public administration passing through a crisis. In this way, "the ascertainment of constant discrepancies between the administration and society, breeds what is usually called *administration crisis*", reduced, "at first glance into the administrative apparatus' inadequacy to its social environment" after which "the legitimacy, identity, effectiveness crisis appears"<sup>89</sup>. Alternatively, it can also be the consequence of a financial or political crisis, which requires from the state an administrative organisatory reform. In addition, the administrative reform can justify even the fact that the political power has not correctly defined its purpose and, as such, the public administration will appear as a response of political uncertainties and failure.

For this reason, it has been considered that the public administration reform represents, in essence, a new form of its structuring, compatible with the political, social and economic situation in a certain moment of a state's evolution<sup>90</sup>. The administration reform signifies, at the same time, a correction made to the administrative structure and action to that certain level of scientific and technological accomplishments or to the realities and perspectives of European and Euro-Atlantic integration effects and, last but not least, the bonding of the public administration with the citizen and his/her needs<sup>91</sup>.

The necessity of the public administration reform is based on six categories of main statements:

- a) economic; through reduced economic growth and the reduction of budgetary resources given to public administrations; the private sector's need to have an administration which is modern, flexible, and open to public-private partnership;
- b) technological; by introducing computational and communication technologies in the public administration ;
- c) social; citizens, as a public services beneficiary, are more exigent and do not accept their needs and wishes to be exclusively determined by what the administrations offers them;
- d) institutional; Romania's integration in the European Union structures implies a different sort of service administration; the highly formed

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<sup>89</sup> I. Alexandru, *Administration Crisis*, All Beck Publishing, Bucharest, 2001, pg. 89

<sup>90</sup> C. Manda, quoted work, pg. 275

<sup>91</sup> Corneliu Manda, *Administration Science*, Lumina Lex Publishing, Bucharest, 2004, pg. 274



hierarchical system must allow enough space to new types of organizations based on decentralized structures.

The diminishing of the state's authoritarian function and the strengthening of its functions regarding services and their promotion make the administration's activity become a professional activity, by fixing certain adequate rules and procedures. The existing conditions in the Romanian society require the change of the administration on a strategic level, i.e. defining the state's role in relationship with private organizations and on a legal level, aimed towards a reduction of legislative density;

- a) organizational; by reducing hierarchy, by simplifying the procedures of delegation of public service fulfillment by authorities which are not part of the public administration;
- b) cultural; by changing the value and way of action of the politically chosen, of the public employees, of the interest groups users and the citizens.

The reform process' principles at this level are, among others, the severance of the political and administrative functions; the creation and strengthening of a body of the public employee's career, professionally and politically neuter; the taking of decisions by authorities closest to the citizens, decisional autonomy, decisional transparency of the public administration, the simplification of the administrative procedures and respect towards the citizen; appointing certain jurisdictions and decentralizing certain services; protecting the citizens' rights and liberties.

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