

The Social Dimension of Trade - Factor Defining the Quality of Life in the Process of Globalization

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Abstract: Trade, through its activities and functions, is an important sector of a country; it is also a major component in the economic-social system of the national economy. Through its activity, through its place in the economic circuit of goods, commerce makes the connection between production and consumption. Through its functions, trade also plays an important social role - it satisfies the demand of consumers. As a determining factor in social and cultural patterns, lifestyles and spatial planning, trade is the key to the current socio-economic model. The results of the research of the given problem highlight the importance of the quality of the commercial activity, which is expressed through a series of statistical indicators that characterize the level of consumer service. Thus, we consider it appropriate to highlight the social dimension of trade as a factor that determines the quality of life of the population, which in turn influences the sustainable development of the entire national and international economic-social system.

Keywords: trade, functions, efficiency, social efficiency, quality of life

Introduction

Over time, trade has been present, in different forms, since the beginning of human civilization, performing acts of direct exchange between people from product to product, constituting the so-called barter. Gradually, the sphere of business activity increased in volume and expanded relatively, the exchange becoming achieved through the sale and purchase of goods. Gradually, through the evolution of the commercial activity, substantial changes in the content as well as in its role are attested.

Besides the fact that trade has the role of an instrument for regulating the market mechanism, comprising a significant part of the monetary flow of a country, it is, first of all, a creative sector not of goods, but of utilities, with a special role in assurance quality life and decent living standards of the population.

1. Some Aspects Regarding the Definition the Quality of Life

Modernization has brought significant changes in the different aspects of social life, but ensuring the life quality and decent living standards of the population remains an imperative to be achieved in time. In the context of the new expectations of the population regarding the improvement of the standard of living, the researches regarding the quality of life have gained an increased importance.

The definition of the concept of the quality of life has many variants in the specialized literature, starting from a general definition to one that presents the concept through its components or areas of applicability. In the Oxford Dictionary of Sociology, the quality of life is defined as a concept that, although largely originated in sociology, has far exceeded its borders, through the multitude of economic indicators that are used to measure this concept.

According to the definition of the World Trade Organization, the quality of life is understood as the perception of individuals on their social situations, in the context of the cultural values systems in which they live and in dependence on their own needs, standards and aspirations. By highlighting the Quality of Life Index (QLI) (where - to - be - born index), it is appreciated to what extent a country will provide the best conditions for a healthy, secure and prosperous life in the coming years. It is

based on a method that combines the results of subjective life satisfaction studies with objective determinants of quality of life in a country, together with an element of perspective.

As a matter of fact, the concept of quality of life gained theoretical value in the 1970s, initially in the Scandinavian countries and the United States. [11] So that afterwards it can be found in thousands of scientific articles that debated the importance which society, but also each individual must give to improving the quality of life.

The researcher I. Marginean [6] defines the quality of life as the set of elements that refer to physical, social, cultural, political, health conditions, etc. in which people live, the content and nature of their activities, the characteristics of the relationships and social processes in which they participate, the goods and services they have access to, the consumption patterns adopted, the lifestyles, the evaluation of the circumstances and the results of the activities carried out, the subjective state of satisfaction / dissatisfaction, happiness, frustration etc.

Starting from the quality of life as a multifunctional and multidimensional vector, the researchers Cojuhari A. and Gorobievski S., recognize the special role of the different social actors in ensuring its growth: public institutions, local public administration bodies, civil society, economic freedom, business environment, enterprises and others. [5] The concept of the afore-mentioned authors regarding the quality of life is consistent with the new paradigm of the 21st century economy, in which the regional (European) economy faces a new business environment, namely - the one that causes the deep dependencies of technological advances of the global economy by the important changes of the development strategies implemented at national and regional level.

The researcher Bălătescu S. in his works shows that the source of the research regarding the quality of life is represented by the emergence of the awareness that the economic development does not bring wealth and happiness. [3]

Currently, the aspects regarding the quality of life are found in embracing social inclusion. Important dimensions of social exclusion: poverty and inequality, social transfers, labor market, housing conditions, education, health exclusion, public order. [4]

More and more frequent are many debates in order to promote the quality of products and services, as an imperative in ensuring the population's health and a better and sustainable life, starting from the fundamental objective pursued to increase the individual and community welfare and prosperity at national level, in a way that to guarantee the quality of life of future generations. [1]

However, quality of life is and remains a socio-economic category, a factor for competitiveness and economic security of the country. The double hypostasis of CV arises from the dual role of the human factor in the contemporary economy - on the one hand, he/she is one of the most important factors of production, on the other hand - a consumer of goods and services. [13]

2. The Role of Trade in the Current Socio-Economic Environment

Trade is one of the most important activities of an economy, becoming the main element of the market economy, regardless of its form. [8] If in its early stages, modern commerce was considered as the whole of the operations that are performed from the moment the product, in its usable form, enters the shop of the manufacturer or of the last transformer, until the user takes over the delivery. It went on to a broader interpretation of the commercial activity, being considered a placing of the product available to the consumer, through research based on market studies, as well as by raising, highlighting and arguing the new needs that the potential consumer did not notice. [9]

"Trade activity, with the development of the society has undergone profound changes, turning from a mere intermediary activity in creative activity utilities. The complexity of the notion of utility (useful, service, useful or usable), defines the importance of the commercial activity, materialized by its place and role". [8] Thus, the trading activity becomes very important for both producers and consumers.

Through its work, the place it holds in the economic circuit of goods, trade links production and consumption, influenced by the two phases of the economic circuit. In turn, trade, through the quality of its activity, plays an active role on the balance between production and consumption.

At the same time, by carrying out the commercial documents, the circulation and capitalization of the goods and services in the economy are ensured. Besides the fact that trade has the role of an instrument for regulating the market mechanism, comprising a significant part of the monetary flow of a country, it is, first of all, a creative sector not of goods, but of utilities.

Analyzing the functions of trade, we find the major importance it has both to the producer and to the consumers, thus exceeding its status as a mere intermediary [9]:

- the trade recovers the value materialized in the merchandise, by selling to the consumers, and ensuring the possibility of resuming the production activity;
- trade contributes to ensuring the balance between supply and demand of goods within the market;
- studying the needs of consumers and other aspects underlying the formation of the demand for goods;
- trade ensures the production is adapted to the needs of the market;
- trade ensures product promotion.
- trade ensures the transfer of goods to the most remote or isolated areas and points, to be sold to consumers.

Today, business activity in the trade organization includes a variety of actions, including a very flexible part evidenced in methods, shapes and economic means used for operations. These mainly refer to the interior arrangement of the units, the organization of the inflows and outflows of the goods, the modernization of the jobs, the provision of them with labor force.

The measures were extended also on the technical-economic processes within the companies related to supply, relations with suppliers, relations with consumers, organization of sales, etc. For example, the diversity of methods, forms and means of supply, the methods and forms of maintenance and development, of relations with consumers, suppliers, ways of selling the goods and providing services directly to customers etc.

In this context, a particular role belongs to the trading companies, whose relations with the market of goods and services are closely related to the object of activity of the enterprise, deriving from the role of intermediary that it assumes. Thus, companies with a commercial profile have the role of taking over goods from the market of supplying goods and services and offering them to consumers on the sales market.

The relationships that companies with a commercial profile have with the market of goods and services concern not only the selection of suppliers, but also trade through contact or directly with customers. The quality of the organization and conduct of the whole commercial activity and the use of the resources in the trade also depends on the degree of satisfaction of the needs of the clients, and directly the quality of the life of the population.

The accomplishment of the objectives of the commercial enterprise implies the development within them of multiple and varied technological processes, whose rationalization leads to a better functioning and to the efficiency of the commercial activity, beneficial both for the enterprise with commercial profile as such and for the buyer of goods and services.

However, the relationship that the commercial enterprise has with the economic-social environment includes, finally, the relationships with customers, final consumers. Creating a favorable image regarding the relationships between companies among suppliers, customers and other economic agents, with which the company comes into contact, is the main factor in promoting sales and, consequently, in increasing its profitability.

3. Social Efficiency vis-à-vis the Economic Efficiency of Trade

The dimensions and quality of the activity as well as the use of the economic resources, of the factors of production by the economic agents, including by the companies with a commercial profile, are materialized in a set of economic-financial results that define the efficiency of the activity. It is the essential objective of any organization and can be considered as a "success in activity", in accordance with the power to achieve maximum efficiency and performance with minimum efforts by any entrepreneur or national economy. [10] Thus, efficiency is the fundamental principle of the existence and prosperity of any commercial enterprise and, in general, the condition of integrating trade in the requirements of a modern economy.

If the **economic efficiency** refers to the economic results of the organization/enterprise at the microeconomic level, and in sum, at the macroeconomic level - of the whole economy, then the **social efficiency** refers to the results of the economic activities from the point of view of the consumers, consisting of the quality of the commercial service. Such an approach to efficiency is specific to those areas in which entrepreneurs enter into direct relationships with the public, who must ensure a certain level of the services offered when accepting the exchange. Often, this is reflected in the degree of satisfaction of the needs, needs of the people and the level of quality of the products and/or services provided.

In the specialty literature, social efficiency is associated with economic efficiency, a high level of commercial service, determining the formation for each organization/commercial enterprise of stable clients, which, by its purchasing power, determines the volume of economic activity. These two sides of efficiency are difficult to delimit, because they are complemented and in most cases they are mutually conditioned. However, the two concepts may not overlap. The tendency to save and minimize the expenses, specific to the entrepreneurs, has a negative impact on the level of the commercial service.

So, in addition to profitability, the cost level, the efficiency of investments, the social efficiency, is also a criterion for evaluating the efficiency of an activity. However, social efficiency is the most difficult to express with the help of quantitative indicators, for which reason, most models refer to measuring the quality of products and/or services provided by evaluating the level of customer satisfaction.

4. Trade - a Factor that Defines the Quality of Life

Starting from the functions of trade, we find the importance of this field in creating utilities and ensuring human needs. By transferring the goods to the most remote or isolated areas and locations, to be sold to consumers, trade thus ensures the coverage of the space that separates the points of production from those of consumption. [9] At the same time, the companies with a commercial profile, as well as the companies producing through various actions, realize a permanent and complex communication with the market, which implies a careful information of the potential consumers and of its intermediaries, as well as a series of specific actions to influence the behavior of purchase and consumption, to support the sales process. They investigate the needs of consumers, the suggestions and desires of consumers, their purchasing abilities, consumption habits, socio-demographic characteristics of consumers, issues that are directly underlying the formation of the demand for goods.

The interdependence between trade and the quality of life of a country's population determines an intercondition between the economic efficiency of trade and social efficiency. Thus, the efficiency of the economic and financial results of the enterprise in the sphere of commerce determines the maximization of the needs of the consumers, contributing to the improvement of the standard of living and the quality of life of the population. At the same time, by accelerating the speed of movement of the goods, by reducing the time of their realization, the quality of the service is improved, with favorable consequences on the quality of life of the population and the economic development of the enterprises. Accordingly, the results of all enterprises have beneficial repercussions on the development of the national economy.

In the specialized literature, it is reflected a variety of quantitative and qualitative aspects regarding the assessment of the social efficiency of the commercial activity of a company with a commercial profile.

We consider it appropriate to systematize all the studied approaches and to define a *set of indicators* as criteria for evaluating the social efficiency of the trade, among which we mention:

- ❖ the number of employees in trade compared to the total active population,
- ❖ the number of employees in trade to total employees in the economy,
- ❖ the number of commercial units in the locality,
- ❖ the number of commercial units per thousand inhabitants,
- ❖ the number of inhabitants served by a seller,
- ❖ the number of commercial workers per thousand inhabitants,
- ❖ the commercial area of the economic unit with a commercial profile,
- ❖ distance to market / trading unit in the locality,
- ❖ the time required to make and transport the purchases,
- ❖ average daily time spent by buyers to purchase goods,
- ❖ commercial services offered in economic units with commercial profile,
- ❖ the degree of renewal of the offer (the share of new products in the total assortments),
- ❖ the degree of diversification of the range of goods and services,
- ❖ absolute and relative size of stocks in the commercial network,
- ❖ index of territorial distribution of the network of commercial units,
- ❖ quality of public relations,
- ❖ and others.

Thus, trade is classified by the criterion of social efficiency between the factors that define the quality of life, and the indicators on social efficiency can be landmarks for assessing the quality of life of a country's population.

Recognizing the economic and social role of trade in ensuring the well-being of the population, community policies will be based on the major trends that are manifested in trade, at European and global level. Although the economic role or functions of trade mainly concern the physical movement of goods and their complex sale-purchase processes, the social functions are related to meeting the consumption needs of the population. Thus, trade is, beyond its general economic and social role, a factor of social cohesion and a lever for the effective realization of the unity of the internal market.

Conclusions

Trade is an important activity through its role of supplying the population, as well as by contributing to the quality of local life, creating and maintaining links between people within the community, preventing population exodus and fostering the development of new, diversifying activities.

Representing an economic-social phenomenon characteristic of people's life and activity, besides its economic role, trade fulfills a social function - the supply of goods to the population. Through direct and permanent contact with the buyers, the trade is able to know operatively not only the financial needs, but also the aesthetic, spiritual and cultural needs of the population. For this reason, the trade must offer a more diversified range of goods, of superior quality, and as solutions in this regard would be: the specialization of the commercial units (object of activity), the extension and the diversification of the post-sale services.

The role of trade is undoubtedly important by making available to the users, where they find and when they need, the products and services, in the quantity and quality requested and at the desired price, avoiding making very large purchases, which will immobilize important parts of income. Thus, trade contributes to the reduction of the consumers' expenses related to the purchase of the products / services, these being made available to the buyers in the immediate vicinity of the place of purchase.

In order to increase the efficiency of the business activity of the business, both economic efficiency and social efficiency, specialization or product diversification strategies are required. The evaluation

of the results of the activity based on the income indicator on the assortment of goods, would be relevant for an evaluation and of the clients' wishes.

The modernization and development of the forms of distribution in commerce, the promotion of various types of distribution networks and forms of sale, the support and protection of the commercial activity and the provision of market services in the disadvantaged areas would be effective measures of development of the trade and improvement of the quality of life of the population. At the same time, only an appropriate combination of macro and microeconomic policies with the correct fiscal and monetary policies can ultimately determine the success of market-oriented reforms, users, consumers, population, households, households.

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