

# Business Services in European Industry: Growth, Employment and Competitiveness

Luis Rubalcaba-Bermejo



European Commission, DGIII-Industry

# Contents

<b>Preface</b>	v
<b>Introduction</b>	<b>1</b>
<b>Chapter 1. What are business services?</b>	<b>11</b>
1.1. A part of the new service economy	13
1.2. A heterogeneous sector with a common nature	25
1.3. A young but already important sector	41
1.4. Conclusions	56
<b>Chapter 2. Employment in European business services</b>	<b>59</b>
2.1. Employment in business services	63
2.2. Business service employment growth in Europe	72
2.3. Employment types in European business services: a growing flexible employment?	82
2.4. Conclusions	97
<b>Chapter 3. Explanatory factors for business services</b>	<b>101</b>
3.1. A multiplicity of explanatory factors	104
3.2. Key economic and innovation functions	133
3.3. The integration of business services in the economy: input-output analysis	143
3.4. Business services and the business cycle	163
3.5. Conclusions	178
Annex	186
<b>Chapter 4. Business service quality. How to deal with it.</b>	<b>187</b>
4.1. Concept and measurement of quality	189
4.2. Quality as a key competitive factor	217
4.3. The role of information in business service quality	224
4.4. Conclusions	231

<b>Chapter 5. Competitive strategies in business services.</b>	<b>233</b>
5.1. Business services effectiveness	237
5.2 To make or to buy	240
5.3. Marketing of business services	260
5.4 Management of business service	271
5.5 Conclusions	281
<b>Chapter 6. Business service internationalisation</b>	<b>287</b>
6.1. Internationalisation trough nationalisation	290
6.2 Principles and barriers in the Single Market of business services	309
6.3 Removal of barriers in business service markets	324
6.4 Conclusions	331
<b>Chapter 7. Productivity in business services</b>	<b>335</b>
7.1 Importance of productivity in the service sector	339
7.2 Problems of measuring productivity	342
7.3 The productivity of business services in Europe	347
7.4 Conclusions	362
Annexes	366
<b>Chapter 8. The location of business services in Europe</b>	<b>379</b>
8.1 Dynamics of the location	385
8.2 The location of business services in Europe	392
8.3 The level of economic income as a factor of concentration	394
8.4 Productivity as a factor of concentration	401
8.5 Conclusions	412
Annexes	416
<b>Chapter 9. The business service markets</b>	<b>423</b>
9.1. The concentration of business services	426
9.2 The interrelations between business services	441
9.3 Conclusions	449
<b>Chapter 10. Towards a business service policy in Europe</b>	<b>451</b>
10.1 Factors that justify a business service policy	454
10.2 Objectives and instruments of a business service policy	462
10.3 Working framework for a business service policy	467
10.4 Co-ordination of policies and concrete suggestions	490
10.5 Conclusions	494