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DEVELOPMENT OF AGRICULTURE AND RURAL AREAS IN CENTRAL AND EASTERN EUROPE

Thematic Proceedings

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INTRODUCTION

Sustainable regional and rural development policy could be seen as a tool for the efficient administration and utilization of comparative and competitive advantages of local community. The process of decentralisation and democratisation as a crucial - key instrument for the better local development is ongoing in the Republic of Serbia. In the first step it is connected with further capacity building on the local level, finishing of privatisation and decentralization of real estates on the local level as well as with completing the institutional reform. Local development must be based upon the so-called “good administration” which, in its essence, presupposes local strategic action planning as a basis for regional and rural development and a factor of competitiveness (“bottom-up” approach). The local community must be prepared for the implementation of such approach that means building up the needed institutions (formal and informal agents) and their capability for the creation of needed structures on the local level so as to be able to implement the proposed decisions in an acceptable way and efficiently.

"GOOD GOVERNANCE" – THE ELEMENT OF A SUSTAINABLE STRATEGIC PLANNING AND SUCCESSFUL INSTITUTION BUILDING

Recently the words governance and good governance have been increasingly used in the literature connected with a local sustainable development. The concept of good governance is not a new one. To put it simply, good governance as a concept includes decision-making and implementation (or non-implementation) processes. Since governance comprises both the decision-making process and its implementation, the analysis of governance is focused on formal – institutional and informal / civil society agents of decision-making and implementation, as well as on formal and informal structures appointed to make and implement decisions.

The good government cannot make it without an overall strategic planning process. As a rule, local communities that carry out strategic planning are more successful.

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and efficient, at citizens’ disposal, demonstrating more responsibility when it comes to the needs of the local community. If it is to be sustainable, strategic planning at the same time has to be a highly transparent process, thus making sure that all relevant subjects take part in planning the future of the local community. In countries like Serbia, such things do not speak volumes about strategic planning as a sustainable process, so what is going to be presented hereinafter is the history of the problem and an attempt to identify its essence as affirmed in market-oriented economies.

THE CONCEPT OF STRATEGIC PLANNING IN MARKET-ORIENTED AND SUSTAINABLE ECONOMY - PROBLEM HISTORY AND NEW PROPOSALS

The explication of this topic should begin with the question: What has happened meanwhile with the planning function in Serbia and in the international surrounding, especially in developed market economies?

As an answer to this question it is necessary to underline the importance of planning in the light of continual discussions on redefinition of the development concept, existence of a wide range of potential developing areas¹, and finally, its importance in the presence of manifold functions of the state. In addition, it is necessary to depict the level of interrelatedness and complementarity, which is realised in a triangular relation of the market – planning – economic politics, while the structure of economy and society, i.e. institutional organisation, undoubtedly represents a special aspect.

In the Republic of Serbia planning has for decades been not only an important part of the system, but perhaps the most prominent determining element and strength of economic, political and ideological practice. It conditioned the character and modalities of the society under development. The effects of such planning system were obvious and in relation to the planning process itself, whenever recently mentioned it evokes associations that relate planning to the roots of the so called “eastern sin”.

The necessity of building a new approach is inevitable and it has to be harmonised with the fundamental identity of the society, i.e. with the future orientation of the country, while being simultaneous with related achievements accomplished in countries with developed market economies. Monitoring of the latest international

¹ The most important developing areas are the following: international exchange, industrialisation process, technological development and dissemination, economic sectors, relation between nationalisation and trans-nationalisation of development, regional development, local development, rural development, environmental development, sustainable development, cultural development, development of human rights, etc.
experiences in the field of regional development and planning leads us to a conclusion that inherent indicative planning from long ago has gradually transformed itself into something known as a local strategic structural planning. This kind of planning is the integral part of the so-called “Global” approach to regional development and development in general.

Common features of different interpretations of strategic planning and development management can be distinguished as follows:

- Prevailing partial approach, defined with clear specific objectives, i.e. field that is prefixed as – local development, ethno-development or environmental development, which refers to specialised action
- Referring to multidisciplinarity and interdisciplinarity and emphasised necessity to define relations among different developing areas, holders, etc.
- Clearly defined differences, and sometimes underlined controversies as well, between the growth and development that should be ensured through strategic planning
- Growing emphasis on the importance and role of non-economic factors, in the first place information and communication, education, cultural identity, etc.
- Identification of beneficiaries and holders of development as a result of strategic planning without any class, racial and national attributes (man-centred development)
- Localisation of overall civilisation changes, such as the quality of living (individual human values and the like) that are not directly conditioned with economic power, i.e. property
- Readiness to tolerate different value judgements, different economic orientations and differently identified and defined strategic objectives
- Development, its planning and all relevant value connotations, and
- Growing impact and even realisation of ascendancy of technological development or technological transformation as essential precondition, objective and significance of strategic planning

THE BASIC ASPECTS OF STRATEGIC PLANNING

In its essence, strategic planning rests upon the aspiration and need to make some changes at the local level so as to ensure growth and development in the middle and long run through qualitative and quantitative approaches, to enable evolution

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1 This approach is generally known as hybrid model – a combination of Global and Local approaches to developing tendencies
and succession, instead of revolution and restart of initial development processes, over long time periods which will cover a range of generations – diagram 1.

Therefore strategic planning entails, as does any other planning practice, two basic preconditions:

a) Adequate institutional grounds that will establish mutual relations among all agents – stakeholders within a community/joint arena, and

b) Corresponding professional know-how to make sure that local participants at different levels do contribute to the creation of efficient action programmes (where failures are eliminated beforehand, mistakes avoided in advance, etc.).

Institutional arrangements, as do applied professional practices, are activated in accordance with the need to eliminate internal frictions and external tensions, wherefore strategic planning gets attributes that are most often expressed as: knowledge-based, intention-guided, law-based and reason-controlled process.

**MODEL OF LOCAL STRATEGIC PLANNING IN SERBIA**

Local strategic action planning has to be methodologically well-grounded so as to be able to answer the following important questions:

Why is strategic planning so important?

What is strategic planning?

What are requisite preconditions for the initiation of a strategic planning process?

How strategic planning is realised at the local level?

How to make a sustainable process?

The methodology and the model of strategic action planning shown above as a formal and informal institutions instrument, could be considered applicable in Serbia because it represents one of many successfully standardised models that have been developed and implemented in the cities and municipalities of the Western Europe and also implemented in the Republic of Serbia.
Structure of the Municipal Strategic Planning Process

1. Political Agreement and Commitment on Conduction of Strategic Planning Process
2. Diagnostics on present Development Stage and Service Performance of the Municipality
3. Stakeholder Analysis and Identification of Problem Areas and Specific Problems
4. Value Analysis and Mission Statement, SWOT Analysis of the Municipality
5. Identification of Strategic Issues and Definition of Priority Matters
6. Generation of Project Ideas and Proposal for 3-year Investment Structure
7. Preparation of 1st Draft Strategic Municipal Plan
8. Public Hearing and Participation Process
9. Plan Revision according to Public Hearing Results; Preparation of Final Draft Strategic Plan
10. Approval by Municipal Assembly

Based on Performance Indicator System
Problem Identification
WS IV
SWOT Analysis
Values and Mission
WS III
Stakeholder Analysis
WS I
Identification of Strategic Issues
WS V
Project & Investment Planning
WS VI
Generation of Project Ideas
WS II
Coordination & Performance Monitoring

Public Hearings
CONCLUSION

The Republic of Serbia has recently passed the Law on Local Self-Government followed with a set of laws that gives larger autonomy to local authorities and exacts organisational restructuring of the whole system of local authorities in Serbia. Only few important laws are missing as well as some of the basic institutions and networking. If so supported, strategic planning process can be a backbone of the local reform, thus opening the door to new possibilities. Therefore the model described above illustrates how the local authorities can restructure/reformulate their practices and procedures so as to make a positive impact on a far-reaching future of local communities in Serbia. Efficient restructuring of the municipal organisation, application of strategic planning and development of institutions with a long-term strategic management plan based on the local community’s vision and mission should be the main factor of further development of the local society. However, the advantages originating from the realisation of such a concept related to the reform of local authorities should result in tangible and measurable results with direct impact on the everyday life of the citizens in the Republic of Serbia and their aspiration to achieve a high standard of living.

LITERATURE
