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## MODERN APPROACHES TO THE STRATEGIC PLANNING OF AN ECONOMIC SYSTEM DEVELOPMENT

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**Abstract** — The paper describes main modern approaches to the strategic planning of an economic system development on the state level. It discusses characteristics of these approaches, its advantages and disadvantages.

**Key Terms** — strategic planning, economic system, development, partnership.

According to the strategic planning theories [1; 3], the development and implementation of strategic plans for the state economic system of development of can be carried in the following ways:

1) by the authorities, whose competence includes issues of strategic planning of the development of the relevant territory;

2) with the involvement of external experts (in this case, the development of a strategic planning document involves domestic companies, research organizations, higher education institutions, etc., which have the appropriate potential, usually selected on a competitive basis);

3) with the involvement of international experts;

4) in a partnership— all stakeholders are involved in the development of the strategic planning document.

Therefore, it is possible to form three evolutionary approaches to strategic planning for the state economic system development, which are different by the degree of stakeholders' involvement in the strategic planning process.

1. An administrative and managerial approach to strategic planning.

Exclusively the state authorities without any involvement of the public component carry out

the development of strategic planning documents for the development of the respective territories. At the same time, all other stakeholders play only a passive role – they are informed about the results of strategic planning for the development of the respective territories.

The advantages of this approach are the relatively short time spent on developing plans, as it “does not require constant explanations of some specific elements to ignorant, but proactive and populist residents” [3]. However, the objectivity of understanding the real problems of the population is significantly reduced, the causes of destabilizing factors may be unclear. The developed plans may not be perceived by the population, and in the future, when the composition of the authorities changes, they will be rejected altogether. Thus, strategic planning documents developed under this approach are considered to be of the lowest quality, as they take into account the position of only one of the stakeholders, namely the authorities.

2. An expert scientific approach to strategic planning.

Strategic planning documents developed with the involvement of certain experts can be considered of better quality, as the degree of public involvement in the planning process increases. According to this approach, a significant role in the development of strategic plans is transferred to external experts, and government officials provide advice, if necessary. Both domestic and foreign specialists can be involved as experts; they can be employees of research institutions, consulting companies, higher education institutions, etc. This approach allows to consider existing problems from a different angle, and to improve the skills of plan developers. The main criticism of this approach is that as a result we get stereotypical strategies, without taking into account local specifics, and in addition, as in the

case of the administrative approach, almost do not take into account the views and needs of citizens.

3. The partnership approach to strategic planning.

This approach gives the best results. It is based on the involvement of all stakeholders in the strategic planning process. This creates a community committee consisting of representatives of various sectors [3].

Thus, for the development of a quality strategic planning document for the state economic system development it is necessary to take into account the following basic principles:

– principle of partnership – involving all actors in the territory (business, government and public) in the development process;

– principle of realism – the implementation of tasks should be based on available resources, capabilities and powers of the community;

– principle of transparency – open discussion of the results of work, as well as ensuring the most effective cooperation with the media, both in the process of preparation and in the process of implementing strategic plans.

The most optimal is the development of strategies on the basis of publicity, dialogue and coordination of interests of all national entities interested in the results of strategic planning, such as government, business and public [3].

For business, the importance of joining the planning process is justified by the provision that the presence of clearly defined goals and directions of development of certain areas will allow entrepreneurs to see prospects for economic development and state support of industries.

The population, as a public component of the stakeholders, on the basis of strategic documents gets an idea of changes in living conditions in the future and can influence this process. The group of authors led by V. Ilyin [2] points out that “the social orientation of the strategy will contribute to the formation of a constructive worldview of citizens, their consolidation and consolidation of political stability” [2, p. 156].

Involvement of stakeholders in the development of the strategy assumes creative and voluntary cooperation of government, business, community, self-government of citizens, scientific, religious and cultural organizations, as well as their associations and

other potential actors in the development of the state.

The basis of this approach to the development of future vision of territories is the awareness of the importance and practical implementation of the idea of partnership of all sectors of the national economy in the process of developing strategies and consolidated responsibility for their implementation [1].

The main advantages of the partnership approach to strategic planning of the state economic system development can be summarized as following:

– synergetic effect from the intellectual potential and efforts of a group of experts with the potential of the local community;

– pooling the financial and logistical resources of partners and stakeholders;

– introduction of innovative technologies in the planning process;

– increasing the transparency of government, developing public relations (business, scientific, etc.) and the formation of civil society.

The main condition of a partnership approach to the development of strategic documents is compliance with maximum transparency and publicity of the strategic planning process from the initial stages of developing a strategy to the final works, highlighting the major results in the media.

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