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## STRATEGIZING AS FUNCTION OF ADMINISTRATIVE MANAGEMENT

**Abstract:** The development of strategies by public authorities has become widespread in recent years. The strategizing technology penetrated in administrative management together with the concept of New State Management, designed to improve the efficiency of public administration. The technology of strategizing transferred from business to administrative management included the establishment of long-term goals for various territorial levels and a resource-balanced activity to achieve them. Until 2014, the participation of authorities in the development of strategies had not been necessary. However since 1995, at least 70% of Russian cities and 60% of the subjects of the federation are beginning to actively participate in the development of strategic plans.

In 2014, the Federal Law 172 “On Strategic Planning in the Russian Federation” was adopted, under which strategic documents become an integral part of administrative management, that assumes control by the state. The law provides for the creation of the Register of Strategic Planning Documents, designed to consolidate the goals set out in various planning documents, to develop promising measures to improve the quality of life in the territory based on the dot distribution of investment funds.

Territorial development strategies allow an appropriate territorial level viewing their place in the territorial division of labor, identify vulnerable points of their position, outline promising directions for development, and optimize budget financing schemes for priority projects.

Strategizing includes the development of programs that are internal mechanisms in the implementation of the strategy. Within the strategies, the programs are coordinated with each other and embedded in the logic of achieving the goals. The strategic goal is determined by the results of economic analysis and forecast and is focused on achieving a favorable result.

However, the question is: will allow the technology of strategizing to improve the administrative management system? What really can technology of strategizing give to the territories and what limits today the prospects for using this technology in the practice of public administration?

The empirical basis of the research is the strategies and concepts of socio-economic development of a number of regions and cities of the Siberian Federal District (Omsk and Novosibirsk regions, Krasnoyarsk Krai, Tomsk regions, Omsk and others). Having different planning horizons and executed on the basis of various methodological guidelines, they reveal similar features that make it possible to identify sustainable elements of strategy technology.

In the framework of strategic planning, the subject of planning should be able to direct the processes of socio-economic development of the territory in a given direction. This can be done through flexible budget and tax policies.

**Keywords:** strategizing, strategy of socio-economic development of the territory, administrative management, public administration, region

## INTRODUCTION

The development of strategies by public authorities has become widespread in recent years. The strategizing technology penetrated in administrative management together with the concept of New State Management, designed to improve the efficiency of public administration. The technology of strategizing transferred from business to administrative management included the establishment of long-term goals for various territorial levels and a resource-balanced activity to achieve them. Until 2014, the participation of authorities in the development of strategies had not been necessary. However since 1995, at least 70% of Russian cities and 60% of the subjects of the federation are beginning to actively participate in the development of strategic plans.

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According to J.Pressman, strategies suggest the using of theories. Regardless of whether a strategy is accurate or not, it relies on a chain of causal relationships between baseline conditions and future consequences. A strategy becomes a program when baseline conditions are created (Pressman, 2003, p. 464). Strategizing involves developing horizons, not setting goals. Horizons are defined by laying fundamentally new patterns of activity, the outcome of which is difficult to predict under existing conditions. Horizons set new conditions for setting goals, the realization of which leads to an improvement in the state of the planned system. An indispensable element of strategy is the forecast, thanks to which the contours of the horizon are outlined, its most pronounced points, which are the main guidelines for the development of strategic actions.

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## BASIC APPROACHES TO STRATEGIZING

There are different approaches to the application of strategies in the management of territories. Under the first approach, strategizing can be considered as a model for the development of a territory, based on the interaction of economic agents. In this case, the regional economy is divided into a set of economic agents along the boundaries of sections and subsections of the *Russian Classification of Types of Economic Activity* with the inclusion of the household sector with the definition of targets (Tsybatov, 2015). Under another approach, strategizing performs an organizing function rather, and its purpose is to form *institutional relations* focused on achieving complex goals. This approach does not imply sectoral thematization, but provides for the formulation of complex tasks that are of high priority for society. (Shmakova, 2013).

The third approach considers strategic activity as a self-sufficient practice, allowing to consolidate community groups to achieve goals. The objective function of strategizing here gives way to a social one, when the consolidation of public interests is more important for the development of society than what they are consolidated for. Goals are not rigid and can be revised in accordance with current changes. As part of this approach, the process of strategizing allows you to consolidate professional and social groups around priorities, and this is its main role (Roy, 2015).

## ANALYSIS OF THE IMPLEMENTATION OF THE STRATEGIZING IN THE RUSSIAN REGIONS

**The initial analysis of the implementation of strategic activities in the regions showed that the territorial units of different levels were actively involved in the process of developing strategies. In 2018, the author analyzed regional strategies on the pages of official websites implemented in the period from 2014 to 2019.**

The empirical basis of the research is the strategies and concepts of socio-economic development of a number of regions and cities of the Siberian Federal District (Omsk and Novosibirsk regions, Krasnoyarsk Krai, Tomsk regions, Omsk and others). Having different planning horizons and executed on the basis of various methodological guidelines, they reveal similar features that make it possible to identify sustainable elements of strategy technology.

Analysis of the practice of territorial strategizing revealed a number of problems:

- Weak involvement of the real sector in the strategic development of settlements. In accordance with 172-FL there are no private sector enterprises among the participants. In most versions of regional strategies, there were no sections describing the mechanism for supporting small and medium-sized businesses, with indicating the detailed performance to capture positive developments, in this process. However, is not surprising, since in the 172-FL among the participants there are no private sector enterprises.
- Regional strategies often feature large transterritorial companies. Developers of territorial strategies are often confident that these companies will work for the region, but actual practice shows the opposite: large transterritorial companies are not interested in the development of the territories where their assets are located. They pay most of their taxes at the place of their registration, i.e. mainly in the Russian capitals - Moscow and St. Petersburg. However, it is impossible to keep them in the region by the norms of regional legislation.
- The choice of priorities for the development of territories of lower territorial levels is largely determined by the policy of higher territorial levels, rather than the real needs of the territory itself. Regional strategies are mostly being developed in order to receive federal subsidies, rather than solve the problems of region.
- Insufficient forecast accuracy and lack of a forecast base. The sections on forecasts are generally the weakest point of public strategizing, since they rely on an extremely narrow and often unreliable information base. In addition, when developing forecasts, real threats that radically change the conditions for the use of forecast models are rarely taken into account.

The status of the strategic regional plan is not defined: whether the plan related to the budget? In the framework of strategic planning, the subject of planning should be able to direct the processes of socio-economic development of the territory in a given direction. This can be done through flexible budget and tax policies. However, at present, regional budgets in Russia are not self-sufficient, are dependent on intergovernmental transfers, and are focused mainly on the implementation of federal priorities.

## THE IMPACT OF STRATEGY ON INTERREGIONAL INTEGRATION

In early 2019, the Strategy for the Spatial Development of the Russian Federation until 2025 was approved in Russia, denoting important areas in the development of the territorial organization of Russian society, highlighting the macro-regional level as a source of promising investment projects and programs. As indicated in the Strategy, several large centers of economic growth have been formed in the Russian Federation. They consist of 19 large urban agglomerations, as well as 4 mineral resource centers. Large economic growth centers separately provide for more than 1% of the total gross regional product growth of all constituent entities of the Russian Federation, and in total for the period from 2010 they created 68% of the total GRP growth of the constituent entities of the Russian Federation, with their share in the country's population of 40%. Ultimately, the Strategy identified 12 macro-regions with included in them "effective economic specializations". It is allow to ensure the solution of major national economic tasks. The adoption of this Strategy has caused a transformation of the strategy function at the regional level. Now regional strategies should be coordinated not only within the federal district, but also in the macro-region, in which they have an "effective specializations".

On the territory of the Siberian Federal District there are two macro-regions - South-Siberian and Angara-Yenisei. At the same time, a comparative analysis of the subjects of the federation included in these macro-regions showed that, by the criterion of "effective economic specializations," the regions largely duplicate each other, that significantly limits their willingness to cooperate with each other. A number of other scientific studies also revealed the fact that Russian regions do not at all demonstrate the need to form close economic relations with other regions, preferring to build "special" relations with the federal center, relying on its support (Gusev, 2011). Under these conditions, an effective organization of the strategic policy of the regions, based on the formation of integration effects produced by engaging the economic entities of adjacent regions in long-term development programs, will give technologies of strategy a new impetus.

The role of strategizing in shaping the integration effect in the interaction of adjacent regions will be manifested in determining the strategic priority of one of the regions endowed with the ability to engage the economic entities of another region in development. The methodological tool for determining the integration effect caused by the combination of economic specialization of adjacent regions within the macro-region can be an integration effect assessment matrix presented in Table. 1.

**Table 1:** An integration effect assessment matrix

Regions	Regions				
	R1	R2	R3	R4	R5
R1					
R2					
R3					

R 4					
R 5					

Filling the cells of the matrix can be made depending on which region the integration will be based on. In this case, in the structure of the strategic plan of the region - dominant, there are directions focused on solving the urgent problems of the adjacent region, the assets of which are insufficient for an independent solution. Evaluation of the quality of the macroregion's strategic planning procedure depends on the maximum possible number of integration effects manifested in the implementation of joint projects of adjacent regions. Thus, priority strategic goals are implemented in the cells of the matrix, undertaken by the dominant- region, complemented by expert-defined integration effect, indicated in numerical terms.

## **DIRECTIONS FOR IMPROVING THE REGIONAL STRATEGIZING PROCESS**

Despite the active participation of Russian regions in the strategic activities provoked by the 172-FL "On Strategic Planning in the Russian Federation", the possibilities of strategic territorial planning in Russia are far from exhausted. The most significant changes in the procedure of strategic management of administrative management include the following:

1. Increasing the role of the population, public organizations, business in the formulation and implementation of strategic policy goals at the municipal level.
2. Formation of a system of coordination procedures in the organization of interaction between the state and municipal levels of strategic planning.
3. Determination of the legal status of the strategic development plan of the territory.
4. Development of methodological bases for the use of forecast estimates in the selection of strategic priorities for the development of the territory.

The importance of each of these directions is high. Increasing the role of the population should be manifested in more active efforts of the authorities to involve citizens in the process of goal-setting. Without the participation of citizens in goal-setting, the realization of the strategic goals of the region is impossible. The current work on such involvement is carried out by municipal authorities, who transform this process into the development of municipal programs, which become the basis for the development of regional strategies.

Conciliation procedures are an essential for the implementation of strategizing at different territorial levels. At the same time, it is not the territorial levels of the lowest rank that should ensure this coordination, as is customary in Russia, but, on the contrary, the highest levels that consider the municipal strategies as the basis for the formation of government strategies. The key condition for the development of a strategy is the preparation of an accurate and reliable forecast, for the execution of which a good information-statistical base should be created. Unfortunately, the system of municipal statistics has not yet been formed in Russia, and the official data of Rosstat are based on average and uninformative indicators.

But the most significant problem in the organization of public strategizing is the uncertainty of the status of a regional strategy. The priorities prescribed in the strategic document aren't connected with the obligations of their implementation. Therefore, the procedure for developing a regional strategy is formal, and the strategies themselves do not imply a budgeting procedure.

## **CONCLUSION**

Thus, it is possible to state the non-exhaust possibilities of the use of strategizing in administrative management. Thanks to the use of strategies in the regional administration, budgetary resources are saved, the most important and significant for the society development prospects of territories are determined, a comprehensive assessment of current changes in the society is carried out.

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