

Galyna VASYLCHENKO\*, Serhii VASYLCHENKO\*\*, Lesya VERBOVSKA\*

## STRATEGIES OF LOCAL DEVELOPMENT: SUCCESSFUL APPROACHES AND METHODS

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The approaches and methods of working out the strategy of local economic development and success factors of strategic plans of development of territorial communities and micro-regions have been analyzed in the article. The authors use the practical experience of the “Business Initiatives Public Center” (Ivano-Frankivsk) in working out the strategies of local economic development for the Bilshivtsi, Halych and Burshtyn potential new local communities, and also for the Starobohorodchany local community of the Ivano-Frankivsk region. Materials in the article can be useful for scientists, activists and leaders of local communities, who created, or prepare themselves for the creation of their new local communities.

**Keywords:** decentralization, strategic planning, local community, community development strategy

### 1. INTRODUCTION

The third millennium is before us, and the ability of the present generations to plan, forecast, and be creative will determine how the next generations will live in this millennium. Today, role planning in the system of local government is changing substantially. In the conditions of decentralization it increasingly becomes an instrument of the state’s rising social status, competitiveness of local communities,

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\* Ivano-Frankivsk National Technical University of Oil and Gas.

\*\* Vasyl Stefanyk Precarpathian National University.

the means of rallying civil society around new values and long-term priorities. The rising social status of the state, - as V. Hroisman, the Prime Minister of Ukraine states, - directly depends on the successful implementation of these reforms by the state in partnership with civil society (Hroisman, p. 27). Attention to planning activities is a consistent phenomenon for local development in conditions of globalization. Globalization and localization of development go alongside. Therefore, the attempt of communities and separate territories to find adequate mechanisms, which will help them react to challenges of globalization and rapid changes in policy, economy, technologies, ecology, etc., becomes fully understandable (Vasylchenko, Vasylchenko). The terms and the environment in which communities of the world's countries live do not look like anything ever seen before. They are very dynamic with the convergence of technologies, globalization, new public tendencies and a greater participation of the parties concerned. In order to not only survive but also to prosper in these conditions, societies must be far-sighted, have the desire and stimulus to perceive these changes and to implement them. The use of strategic planning in economic development gives an opportunity to take into account these changes and difficulties, and also provides the demand for the achievement of certain goals, which all interested parties, habitants of society want to see. Strategic planning is a necessary provision that the activity of local development in communities should be progressive and constant, rely on the rational use of resources and develop local factors of competitive advantage without superfluous losses of resources, and it should be maximally productive. The developed municipalities of the world do not undertake a single action today if it does not correspond to the strategy and is not a step to its realization. First should be the strategy, then projects and actions. That is why it is very important to understand what the successful realization of strategic plans of micro-regions depends on. Or whether successful development of one territorial community can cause and speed up the development of other territorial communities which form the micro-region. The article includes the practical experience of the "Business Initiatives Public Center" (Ivano-Frankivsk) in working out the strategies of local economic development for the Bilshivtsi, Halych and Burshtyn potential united local communities, and also for the Starobohorodchany united local community of the Ivano-Frankivsk region ("Societies of Galych"; "Basic priorities"; "Conception of strategy").

## **2. RESEARCH AIMS**

It is obvious that without a proper understanding of the content and instruments of strategic planning, not a single activity in local development will be effective. Therefore, we consider it necessary to pay attention to scientists, activists and leaders of local communities, who created or prepare for the creation of united local

communities under the Law of Ukraine “On voluntary association of local communities,” and to important aspects of strategic planning, which concern the possibilities of local self-government, development priorities, methods and stages of working out the strategy, and the step by step algorithm of the planning process.

### 3. RESULTS

Often the question arises: why do some local communities, regions, cities or municipalities in a difficult time of global changes have, as it appears, the natural ability to concentrate and mobilize resources for development, to adapt to changes and challenges, and to use them as new possibilities; at the same time, the others complain constantly about problems and the absence of money and they “go with the current”. “The thing lies in the fact that”, – as H. Vasylychenko, an expert in local economic development considers, – “the success in local development does not arise by itself, it requires adequate actions, corresponding planning, development of effective strategy, and persistent work in achievement of goals. Experience of many countries gives grounds for a conclusion that planning is the key aspect of effective activity in providing development of communities. Without the use of strategic approach the action of public agents has a risk to be partial, uncoordinated and unsuccessful” (Vasylychenko, Parasyuk, Yeremenko; p. 74). An analogical opinion is expressed by A. Tkachuk: “to understand the aim and task of strategic planning in an association to local society in more detail, it is worth getting acquainted with general approaches to strategic planning in the context of balanced interests of the state, region and, as a matter of fact, society” (Tkachuk, Kashevskiy, Mavko; p. 5).

The word “strategy” comes from the ancient Greek “stratos” (an art of leadership of public, political struggle). The popularity of strategic planning in the world is predetermined by the modern requirements of a global economy, the transition of countries-leaders to a system of management that corresponds to the demands of a “new economy” and the need for modeling the development of the future in conditions of a postindustrial society. The choice of strategy of development which could be proclaimed publicly today is an important task of officials at different levels and different governments that are engaged in the planning of development. A modern strategy must:

- contain clear aims, the achievement of which is crucial for the general result of local development;
- support public initiatives;
- concentrate its main efforts at the right time in the right place;
- foresee such flexibility of behavior so as to use minimum resources for achievement of a maximal result;

- assist the adaptation of development of a territory to external changes;
- direct the actions of bodies of local government in the necessary direction;
- determine coordinative guidance;
- outline the correct sequence of actions;
- provide the ensured resources.

Strategic planning embraces the system of long-term, medium-term and short-term plans, programs and projects. However, the main emphasis is put on long-term aims and the search for the ways of their achievement. Sometimes it is considered that strategic planning is just the same as long-term planning. But this is not correct, the content of these categories is different<sup>1</sup>.

Table 1. Comparison of long-term and strategic planning

Long-term planning	Strategic planning
The future is predictable by analyzing trends	The future is unpredictable and depends on concrete positions
Long-term planning determines “what is necessary to do”	Strategic planning determines “what can be done”
Planning is carried out periodically	Planning is permanent (a constant process)
Plans are prepared on the basis of current conditions	Plans are prepared taking into account the expected changes
Planning is carried out on the basis of attracting the available local resources	Planning takes into account possible variants of development of competitive creative local resources
Planning is detailed in separate annual operative plans	Planning is detailed in separate projects, the duration of which is determined by concrete terms
One variant of development is taken into account	A few reliable scenarios on the basis of the current estimation of the state of society’s development and environment are prepared

<sup>1</sup> It is worth noting the correlation of the concepts of “strategic planning” and “strategic management.” STRATEGIC MANAGEMENT is a system, a successive process of influence (planning, organization, motivation, control), that determines the course of action in the development and realization of the strategy. It is a permanent activity and control with the aim of taking the correct actions that must be done today to reach the desirable aims in the future. STRATEGIC PLANNING is the process of goal setting, a search of the ways of its achievement, working out of the plan of action, planning the necessary resources, a system of monitoring and communicating with environment. *Strategic planning is a part of strategic management, but strategic management is impossible without the strategy.*

In the approach to the creation of strategy, as in the distorting mirror, the approach of the local authority to local democracy is reflected. The creation of strategies of development of a society is an exceptional possibility to create a feeling of civil responsibility for local businesses. The sense of responsibility can be widespread far beyond the environment of the local self-government and has a chance to include the circle of local leaders from different segments of public life. Although, it can follow a “the authorities know better” way of thinking. It is possible to come to such a conclusion depending upon the caricature understanding of the principles of a representative democracy – “if we have already been chosen and we are trusted”, – some deputies say, – “then why must we invite the society, that has already passed the plenary powers to us, to decide for them.” In this connection, it is possible to distinguish a few methods (ways) of strategy development:

1. Method of paternalism. The strategy is developed by the authorities and municipal management, is written by the cabinet without any consultations with society.
2. Expert method. The strategy is developed by experts, who delve deeply into research on statistical indexes, use a mathematical apparatus, conduct correlation or factor analyses, forecast tendencies and suggest plans of action, work professionally on the creation of strategy and devotedly work off the obtained salary.
3. Expert and consultative. The strategy is developed by experts who in the process of research on the environment and the basic directions of development conduct consultations (round tables, public listening sessions, questionnaires, etc.) with the local community (businesses, public organizations, etc.) and authorities.
4. Administrative and consultative. The strategy is developed by the authorities and municipal management along with consultations with society through the questioning of public opinion, round tables, public listening sessions, etc.
5. Method of “participation” that is based on a long-term partnership with the addition of experts. The conception of the method is built on the collective participation of society and formation of a group of professionals from the leaders of local communities, businesses and authorities which works on creating the strategy of development by means of the additional independent experts.

Considered the most effective method today is the method of “participation” which is based on a long-term partnership with the addition of experts. Successful steady economic development requires a real partnership, and strategic planning gives a system the instrument for changes in management and achievement of a society’s consensus in relation to the general vision of a better economic future. The addition of outside experts to the work strengthens considerably the ponderability of the process of development of a document, directs the actions of participants and gives them confidence in making the correct decisions.

From the point of view of methodology, strategic planning is a difficult instrument of influence on the economic future. During the process of strategic planning,

local economic terms are revised, and also the forces that influence the local economy from the outside are analyzed. Later, concrete measures (programs, projects or tasks) which must be carried out are developed. At the same time, the changes that are necessary to be implemented, must influence the local economy by means of a concrete set of chosen measures. It is, actually, a selective constituent of the process of strategic planning. As the present possibilities in a society and resources are always limited, the exposure and selection of problems, tasks and measures, that are most necessary, reliable and feasible, must constantly be accomplished in the process of strategic planning.

#### 4. CONCLUSIONS

Strategic plans may concern a society (villages, settlements or cities), a micro-region (united local society, a few communities within the limits of a region), a region, or a macro-region (a few local units within the limits of nearby regions). The success of strategic plans in territories bigger than a local society or a united local society, depends on the success of the strategy in every separate society. Development of one society induces the development of the surrounding communities that live on one territory and share a common space of vital activity. The development of a territory increases if communities concentrate their attention on general questions that must be decided together and then unite. In concentrating efforts on joint projects and new possibilities, they create new factors of competitive advantage and they save resources at that.

The correct approach to the development of a strategic plan and the process of its realization will convert the strategy into an instrument that will help to use limited resources rationally, attract local businesses, raise competitiveness of local society and form conditions for further economic growth and the welfare of its habitants.

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## STRATEGICZNE PLANOWANIE ZJEDNOCZONEGO ROZWOJU SPOŁECZNOŚCI LOKALNEJ

### Streszczenie

W artykule uwzględniono ważne aspekty strategicznego planowania rozwoju społeczności lokalnych zjednoczonych: możliwości samorządu lokalnego, priorytety rozwoju, podejścia i sposoby opracowywania Strategii. Autorzy wykorzystują praktyczne doświadczenia Centrum publiczne „Dilowi iniatywy” (Iwano-Frankowsk) w opracowaniu strategii rozwoju lokalnego dla Bilshivcivskoj, Halickoj i Bursztynskoj zjednoczonych społeczności lokalnych, a także dla Starobohorodchanskij zjednoczonej społeczności lokalnej regionu Iwano-Frankowskiego. Materiały tego artykułu mogą być przydatne dla naukowców, aktywistów i liderów lokalnych społeczności, którzy stworzyli, lub przygotowują się do stworzenia zjednoczonych społeczności lokalnych.

**Słowa kluczowe:** decentralizacja, planowanie strategiczne, zjednoczona społeczność lokalna, strategia rozwoju społeczności

