The concept of strategy and its main determinations at the level of local public administration

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Abstract: The strategy, both for the Romanian local communities and for the entire public sector, ensures the permanent monitoring of the resources-transformation process, public services obtained mechanism, both on short term through the plans of measures adopted and also on long term. No matter the way in which the strategy is defined, it ensures the “way” to support the local economic development, harmonizing the limited character of the resources with the unlimited need of the consumers (beneficiaries) for public services. That is why the purpose of the current paper is to emphasize the efforts and action directions that both the Local Councils and especially the town halls must accomplish for only in this way their elective programmes transformed into strategies can be implemented.

Key words: strategy, local community, local public administration, public services

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Strategy has a millenary history, of a real interest being the remark of the American Brian Quinn who defined strategy as: “Initially, in the early ancient Greece, the term “strategos” referred to the role of a general who ruled an army. Subsequently, it gained the meaning of the general’s art, referring to his psychological and behavioural abilities, which enabled the general to fulfil his role. In the epoch of Pericles (450 BC), strategy gained a managerial (administrative, leadership, rhetoric, power) acceptation. During the time of Alexander the Great (330 BC), strategy referred to the ability of deploying one’s forces in order to overwhelm the opposition (the enemy) and of creating a unitary system of global governing. This last meaning had been used, for centuries, for the highest part of military approaches, expanding, beginning with the 20th century, to economics, political science a.s.o.

The definition of strategy, even though it has a pronounced character determined by the need for national protection at that time, is related to the wording out of objectives in order to achieve this purpose.

The objectives-purpose relation is thus “the oldest” relation capitalizing strategy as a concept, according to which once the objectives capitalized, all the means (including the resources) must be identified in order to achieve the purposes, no matter the form they wear.

Moreover, the objectives-purpose relation would later define the development direction of an organization which, as the research would prove, used to depend on a series of factors out of which we mention:

- the human factors, without which the objectives would not reach the purpose established;
- the material factors, which transformed by the human factor, had to serve the consumer market in the form of products and services;
- the financial factors, known for their exchange function would later interpose, in order to transform the human resources, through labour, into products and services.

For the contemporary scientific community, strategy designates the set of the organization’s long-term core objectives, the main ways to achieve them and the resources allotted in order to obtain the competitive advantage, according to the mission of the organization.

899 J. B. Quinn, Strategies of Change, Logical Incrementalism, Homewood, Richard Irwin, 1980, p. 3
900 Ovidiu Nicolescu (coordinator) – Strategii manageriale de firmă, Ed. Economică, București, p. 37
Thus defining strategy, it means that the **objectives-purpose** relation has as finality to acquire the **competitive** advantage, specific to a competitive market, which once assimilated it ensures the **perenniality** of the producer on the market in front of the consumer who, it is true, wants to acquire an as high as possible quality of the products and services, for as low as possible prices.

That producer ensuring the **competitive advantage** in relation to other producers existing on the market and who is harmonizing the best the relation between quality and price, without overlooking the utility as a requirement of the consumer has all the “chances” to satisfy the interests of the owners of the organization, of the employees and also of the stakeholders interested in the managerial performance of the organization.

Placing in the middle of the attention “the consumer” who requires form the producer, as we have mentioned, utility, price and quality for the products and services obtained, relating the consumer’s requirements to the production capacity and, generally, to the factors of production that the producer has, it results an organization and working mechanism of the organization which started the interest of the researchers to study the way in which, in a systemic vision, the resources, through specific **production processes**, are transformed into products and services.

That is why, meeting such challenges, the Romanian scientific community and the entire world “jumped” to help the producer in order to provide the **theoretical-methodological instruments** meant to trace the path to be followed, the path that it will have to make in order to get victorious from the bitter fight between the producers to survive on the market.

The strategy, underlined in this way, answers, in our opinion, to the organizations’ requests, generally, and especially to those of the producers, **like traders**, whose immediate but also a perspective purpose is to maximize the profit when the production costs are minimized, thus ensuring the answer to a series of questions like:

1. What activities will be performed in the future?
2. Which are the means necessary to achieve the objectives, related to the existing production capacity and the technological equipment?
3. Which are the deadlines required in order to achieve the objectives established?
4. What kind of resources are necessary (own, attracted or borrowed) to implement the objectives?
5. What is the **competitive advantage** to the acquired and whether it can be “converted” in terms of performance and profile requested by the owner of the organization?

Yet, how can strategy defined for the public management science, taking into account the fact that the institutions in the public sector present a series of particularities such as:

- **financial resources** are not levied by the public institutions, the latter being only the beneficiaries of “budgetary credits” approved and open according to the law;
- even though the manager of the public institution has the quality of loan officer, the distribution of **resources** (coming from taxes and fees) is made only based on the approved budget;
- engaging **material resources** in “the process of acquiring” public services will take place within the limit of the approved budget so that at least from the perspective of the volume of public services this will take place considering the materials that can be ensured;
- engaging human resources is made according to the rule of remuneration and the number of employees established according to the legal norms in force.

Strategy, in this context, will designate for the public management science, the set of long term core objectives, defined in the conditions of budgetary constraint, the main ways of achievement, together with the budgetary resources allotted, in order to obtain public services at as optimal as possible quality, price and utility for the consumers.

Even though, at first sight it could be considered that the definition of strategy, resulted from the definition formulated by the Romanian scientific community, is a particularization of it, I appreciate
that such a definition of strategy is necessary for the public management, the differences in concept being determined by:

- **the budgetary constraints**, usually imposed by the financial-budgetary discipline;
- **the nature of the resources**, mainly fiscal, which require a certain rigorousness in collecting and using them;
- **the competitive advantage**, in my opinion the most important problem, cannot be obtained as long as the public services have the monopoly market, but it is possible to be argued in terms of price, quality and utility requested by the consumers.

Without averting from the subject, I consider that strategy will answer to the same categories of questions like in the situation of the producers (companies) and for the European local communities and why not for the Romanian local communities, it is a necessity determined by:

a) **legislative requirements**, the local authorities (The Local Council and town halls) having to draw up the economic-social development strategy for each administrative-territorial unit;\(^ {901} \);

b) **political** requirements, the mayor’s elective programme, at least for some time, can be implemented only using as an instrument the economic-social development strategies;

c) **communitary (public)** strategies, for the financial resources belong to the entire community and the administrators (mayors and the Local Council) have to account for the **reliabilization of this resource consumerism**.

The strategy, both for the Romanian local communities and for the entire public sector, ensures the permanent “control” of the **resources-transformation processes, public services obtained** mechanism, both on short-term, through the plans of measures adopted, and especially on long-term, which can have an impact on:

- the demographic movements of the population;
- the dynamics of the taxation base (economic base);
- the attraction of investments in the area with long-term benefits from the perspective of extra gains and the social policy concerning the creation of new jobs.

Who gains from a strategy drawn up at the level of a local community? It is a question I am trying to answer in what follows:

In my opinion, there are a lot of stakeholders interested, out of whom we mention:

1) **the local community**, which being the “owner” of the resources, it is interested in knowing the way in which these are used, in compliance with the conditions of efficiency, efficacy, and economy in order to obtain services satisfying the needs of the community;

2) **the local authorities** (the Local Council and town halls) which based on the mandate given by vote, are responsible (juridically and morally) of the way in which the budgetary resources are constituted and used and especially of the quality, utility and price of the public services obtained;

3) **the financial creditors** who, in their turn, are interested in the financial capacity to reimburse the local communities when these use borrowed sources, especially to make public investments in the infrastructure, in the conditions of the law, (maximum 30% of own revenues that the local community has);

4) **mass-media**, known as the fourth in the state, has the “main” mission to ensure transparency in constituting and using the budgetary resources, noting, it is true most of the times the “mistakes” in the management of resource administration but also appreciating, if possible, the performance in the use of community resources;

\(^ {901} \) Art. 38, paragraph (2) of Law 215/2001 concerning the local public administration, published in the Romanian Official Gazette no 204 of 23 April 2001
5) **the suppliers of public goods and the service suppliers** are interested in knowing the local development strategies to be able to draw up their possible business plans, but also to be informed with promptness on the financial capacity of the local community;

6) **the state**, to be able to underlie the future budgetary transfers, conditioned or unconditioned, especially in order to financially support some public services (for example, pre-university education, health, culture etc.) but also to draw up national strategies;

7) **the regulating authorities**, interested in knowing the **strategies drawn up** from the perspective of conceiving some frame – regulations and ensuring the underlying of the development strategies nationally.

Enumerated, the **stakeholders**, would seem enough to monitor the process of transformation of resources into goods and services and, then, based on the definition of strategy, we consider as representative the model to draw up **local strategies**, presented below.

![Figure 1. – A model to draw up local strategies and the interested stakeholders](image)

No matter the way in which **strategy** is defined, it ensures as we have mentioned the “way” to support the future local economic development, harmonizing the limited character of the resources with the unlimited need of the consumers (beneficiaries) for public services. That is why important efforts are required, both of the **Local Councils** and especially of the **mayors** for only in this way their elective programmes transformed into strategies can be implemented during their mandates.
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