

# **Socio-economic strategies on the example of selected EU countries – cognitive theory and application approach**

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## **Abstract**

The article's aim is to explain the essence and specificity of the creation of socio-economic strategies on the example of key documents of development character in selected EU countries. The author discusses the definitional issues related to socio-economic strategies, the motives for their creation, the institutions preparing them, typologies of strategies and methods of their development, as well as the overarching goals formulated in these documents. A separate part of the research is devoted to selected issues that are presented in key strategic documents of the European countries. In the article, examples of solutions implemented in the leading socio-economic strategies of the selected EU countries such as Lithuania, Latvia, Estonia, the Czech Republic, Poland, and Croatia are woven into theoretical considerations. Primary sources in the form of strategic documents and available scientific literature were used for the analysis. The article allows, on the one hand, to better prepare for the initiation of the entire process of drawing up socio-economic strategies and, on the other hand, to familiarise readers with the development directions of individual European countries.

**Keywords:** socio-economic strategies, European Union, development, EU countries

## **Strategie społeczno-gospodarcze na przykładzie wybranych państw UE – ujęcie teoriopoznawcze i aplikacyjne**

### **Streszczenie**

Celem artykułu jest wyjaśnienie istoty i specyfiki tworzenia strategii społeczno-gospodarczych na przykładzie kluczowych dokumentów o charakterze rozwojowym w wybranych państwach UE. W artykule omówiono kwestie definicyjne związane ze strategiami społeczno-gospodarczymi,

motywy ich powstawania, instytucje je przygotowujące, typologie strategii i metody ich opracowywania, a także cele nadrzędne, sformułowane w tych dokumentach. Osobna część badania poświęcona została wybranym zagadnieniom, które są prezentowane w kluczowych dokumentach strategicznych analizowanych państw europejskich. W artykule w rozważania o charakterze teoretycznym wpleciono przykłady rozwiązań zaimplementowanych w wiodących strategiach społeczno-gospodarczych wybranych państw UE, takich jak Litwa, Łotwa, Estonia, Republika Czeska, Polska i Chorwacja. Do analizy wykorzystano źródła pierwotne w postaci dokumentów strategicznych, a także dostępną literaturę naukową. Zawarte w artykule treści pozwalają z jednej strony lepiej przygotować się poszczególnym krajom do zainicjowania całego procesu sporządzania strategii społeczno-gospodarczych, z drugiej zaś – artykuł pomaga czytelnikom zaznajomić się z kierunkami rozwoju poszczególnych państw Europy Środkowej i Wschodniej.

**Słowa kluczowe:** strategie społeczno-gospodarcze, Unia Europejska, rozwój, państwa UE

The socio-economic transformation in Central and Eastern European countries has resulted in a shift away from traditional economic planning and the use of the term *economic plan*. Programme activities are a permanent function of the state, so the notion *plan* began to be replaced by *programme*, and especially the use of the term *strategy* became common. Still, some documents of a strategic nature are called plans as in the case of the *National Development Plan of Latvia for 2021–2027* (Cross-Sectoral Coordination Center 2020).

Although the process of creating various documents of a strategic nature is visible in practice, the issue of terminology related to the use of the terms *plan*, *programme* and *strategy* has not yet been sorted out. These terms are often used interchangeably in quite different contexts to refer to several types of documents and processes. In particular, the term *strategy* is used often and in different contexts. The socio-economic strategies of different countries are complex and cover many areas.

The author analyses in this article some key socio-economic strategies of the Central and Eastern European countries. The cognitive theory approach addresses the effectiveness of information, education and communication activities, which can influence the effectiveness of socio-economic strategies, especially in the context of building public support or implementing economic policies (Ross 2005). This article's aim is to explain the essence and specificity of the creation of socio-economic strategies using the example of key development documents of selected European countries.

## Literature review in the context of socio-economic strategies

In the literature on socio-economic strategies, it is assumed that the essence of the strategy is the selection of domains and courses of action, considered to be the most important in terms of stimulating the process of socio-economic development and achieving the objectives of the strategy (Freedman 2013; Besanko et al. 2015; Hirschman 1958). These selected domains and activities are treated as priorities, the "winning" of which

– like winning battles as a means of achieving the goals of war – allows the strategy's stated aim to be realised (Dimitriu 2020; Kornberger 2013; Handel 1986). It is emphasised that a country's socio-economic strategy is the planning of activities at the state level to achieve specific socio-economic goals in a country (Szirmai 2015; Besanko et al. 2015). It is also a defined set of actions that aim to ensure the sustainable development of a country, considering social, economic, and environmental aspects. The authors point out that a country's socioeconomic strategy is a comprehensive approach to economic management that encompasses both economic and social policies to ensure a balance between economic development and social progress (Freedman 2013; Acemoglu, Robinson 2013; Palan et al. 2005; Hirschman 1958). A country's socio-economic strategy is a document that sets out the aims, priorities, and instruments of public policy to help achieve specific social and economic goals (Freedman 2013; Ocampo et al. 2009; Jaffee 1998). For this study, it is considered that a country's socio-economic strategy is a long-term or medium-term plan that names aim and priorities for social and economic development, as well as the tools to help achieve them.

The element that distinguishes a long-term and medium-term socio-economic development strategy from other programming documents of strategic nature is the time horizon (Karpiński 2014; Besanko et al. 2015). Although the definitions of strategies cited above do not imply their specific time horizon (apart from the fact that it is supposed to be long or medium), in the case of the country's socio-economic development strategies, due to the type of issues they address, these studies should cover a relatively long framework (understood in economics as no less than 10 years and in principle no more than 20 years). Such horizon is required by the nature of the strategy's tasks, e.g. addressing development challenges, changes in the demographic structure, increasing the quality of human capital, modernising infrastructure, or structural change as a means of dynamising economic development (Karpiński 2014; Wilson 2006; Beugelsdijk, van Schaik 2005; Barro 1991, 1997; Benhabib, Spiegel 1994).

The main benefits of developing this type of document are:

- a) the strategy presents the most important challenges and problems that need to be addressed, thus enabling action to be taken in advance to prepare the country and society for the needs that the future will bring,
- b) allows resources to be concentrated on the most important projects,
- c) supplies a directional overall vision and more detailed sectional snapshots to help organise activities in specific areas of life in such way that they are mutually compatible and correspond to the goals set out in the strategy,
- d) avoids contradictions between short-term decisions and long-term needs,
- e) makes it possible to coordinate the activities of the various actors around goals considered to be of overriding importance,
- f) shows which actions should not be taken in order not to create obstacles to solving problems that will arise in the future.

At the same time, the strategy informs economic actors about the future conditions of the economy, helping to stabilise them in the long term.

## Motivations for creating strategies and institutions developing strategies

When analysing the motives for the creation of development strategies, the following categories can be distinguished: firstly, those resulting from the national planning system in the country; secondly, those resulting from the parliamentary cycle; and thirdly, those resulting from the responsibilities of ministries and political changes.

Extensive national planning systems exist in many European countries that have transformed their economies such as Lithuania, Latvia, Estonia, the Czech Republic, and Poland. In this group of countries, strategies were developed within the timeline of the national planning cycle. Each successive strategy or plan covered a further period beginning with the expiry of the earlier one.

The basic and superior documents presenting the assumptions and directions of the country's development are, as already mentioned, long-term strategies with a time horizon of twenty or even 30 years. Documents of this type have general formulations of strategic goals and set out priority directions for action, while the implementation sphere of these guidelines is contained in supplementary long-term documents with a time horizon of 10 years or less. In Poland, an example of this type of document was the *National Development Strategy 2007–2015* (Ministry of Regional Development 2006). The main aim of the Polish *National Development Strategy 2007–2015* was to raise the level and quality of life of the Polish population: individual citizens and families. By raising the standard of living, the authors of the document understand, inter alia, an increase in income in the household sector, facilitating access to education and training, increasing the level of education of the population, raising the qualifications of citizens, increasing employment and labor productivity, improving the health of the Polish population (Ministry of Regional Development 2006). Another example of a document with a medium-term time horizon is the *National Development Plan of Latvia for 2021–2027* (Cross-Sectoral Coordination Center 2020), which is focused on developing a knowledge and innovation-based economy, improving the living conditions of citizens, and increasing the country's competitiveness. *National Development Plan of Latvia for 2021–2027* is the country's highest medium-term planning document at the national level (Cross-Sectoral Coordination Center 2020). It was developed in line with the *Latvian Sustainable Development Strategy until 2030* (Saeima of the Republic of Latvia 2010) to improve the quality of life of each Latvian citizen within seven years (Cross-Sectoral Coordination Center 2020: p. 5).

In many countries, the presentation of a long-term plan is the responsibility of every new government. The origins of this rule may lie, for example, in an economic crisis or other crises, such as the Covid-19 pandemic. To minimise the risk of future crises, society has come to appreciate the importance of thinking in long-term terms for socio-economic development. The creation of such documents is also a result of the responsibilities of the ministries responsible for economic planning in a country.

Political changes, above all the attainment of national independence and the need to define the framework of its system, is an important moment, prompting the country to

think about the future. It becomes the impetus for creating a vision of society and defining a development strategy. This group includes all analysed documents from selected countries of research.

Based on the information contained in the strategies found on the official government websites of the individual CEE countries, the institutions responsible for developing strategies can be divided into the following three groups: government, ministry, and other institutions responsible for long-term planning issues in the country (Office of the Government of the Czech Republic 2017; Ministry of Development 2017; Republic of Estonia Government 2020; Ministry of Regional Development and European Union Funds 2021; State Progress Council 2012; Cross-Sectoral Coordination Center 2020).

In all analysed strategies it is said that the institutions responsible for the elaboration of a given development strategy do not prepare it themselves, but only coordinate the work on a given strategy. In the definitive version of the document, however, the coordinating institution often appears as the author of the strategy.

Other institutions permanently or temporarily cooperating with the lead institution are usually also involved in the development of a country's strategy. These are usually other governmental units and scientific or academic centres, or diverse types of expert groups. Another way is to set up a special working group to develop the strategy under the leadership of the lead institution. An example of this type of action is the medium-term economic strategy for Latvia (Cross-Sectoral Coordination Center 2020).

Often the government is the strategy developer. This approach of entrusting the responsibility for strategy development to the government of the country is found in Poland or the Czech Republic. On several occasions, the coordination of the work on strategy development has been handled by the Prime Minister's Office (see: Office of the Government of the Czech Republic 2017). In such a system, where the government plays a dominant role in the elaboration of overall development strategies, other institutions and units work on long-term planning and programming.

It is rare to meet a situation where a single ministry of a country develops a long-term socio-economic development strategy for that country. In general, in the EU countries discussed here, strategic planning is a young field – the first government documents of this kind were only produced at the turn of the 20th and 21st centuries.

The analysed material demonstrates that a certain type of coordination of work on long-term socioeconomic development strategies, in which the role of coordinator and the institution responsible for developing such strategy is played by governmental institution other than the ministry, is a characteristic approach for the countries analysed in the study.

## **Typology of strategies and methods of their development**

Strategies can be divided into 3 types from the point of view of their thematic scope:

- a) comprehensive strategies (covering the entire range of socio-economic and environmental issues),