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CIVIL SOCIETY ORGANIZATIONS INFLUENCE ON THE DEVELOPMENT STRATEGIES FORMULATION PROCESS AT THE MUNICIPAL LEVEL

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Abstract

This research is aimed at analyzing the rate and mode of Citizens Society Organizations' (CSO) participation in the process of development strategies formulation in the Central Bosnia Canton (CBC), as well as to measure their impact on the actual substance of development strategies. To get a deeper insight into research topics, a questionnaire was developed and sent out to more than 300 CSOs from the CBC, yielding 117 valid responses. The research results show that 39.2% of the surveyed CSOs participated in the development strategies formulation process in the CBC, where the most common mode of participation was public consultations and debates. The research also revealed that the more proficient CSOs' contribution to the process is, the greater influence on the development strategy substance they have. The main implication of this research is better understanding of the development strategies formulation process at the municipal level, and a deeper insight into the nature of relationships between municipalities and CSOs in regard to that process.

Keywords: Civil Society Organization, Development Strategies, Municipalities

1. INTRODUCTION

The guiding principles of strategic planning at municipal level are transparency, sustainability and social inclusion. Imperative for the municipal level of government is to act in a transparent manner. Transparency means conducting business in an open, communicative and accountable fashion. It ensures simple and efficient mechanisms of access to information and keeping local community informed on all relevant developments. Sustainability, as a modern phenomenon, is defined as lasting endurance of systems and processes. In this context sustainability is about prudent and responsible management of economic, environmental and social potentials, by local decision makers, so as to ensure adequate living environment for many generations to come. An additional principle that should guide strategic planning at municipal level is social inclusion. Applying this principle to local governments means to interact with all elements of the society, especially marginalized groups, thus providing equal opportunities for participation and benefits for all stakeholders in the local community.

Participatory democracy requires that governments are in constant interaction with citizens and other stakeholders and thus adopt decisions that meet their demands and make the most efficient and effective use of the available resources. Strategic planning at municipal level creates a framework or a guide for proactive and sound decision making process, which should ensure sustainable development of the community.

By increasing the participation of civil society organizations (CSO) and other non-formal civic groups in the process of strategic planning, municipalities increase the probability that the development strategies will better meet citizens' demands in all areas covered. CSOs in particular have their say in social, environmental and spatial development of municipalities.

In the light of what has been said, the purpose of this research is to analyze interaction between municipalities and CSOs in the Central Bosnia Canton (CBC) in the process of formulating development strategies. Thus, the objectives of the research are as follows:

- to measure the degree of participation of CSOs in the process of formulating development strategies at the municipal level; and
- to analyze what specific characteristics of CSOs make them more influential in the process of formulating development strategies at the municipal level.

The following section reviews the literature related to the strategic planning process in municipalities, and provides an analysis of the framework for strategic planning in CBC. The third section describes the data and methods used in the analysis of empirical data. This section ends with a detailed report about the results obtained. Finally, the study wraps up with some concluding remarks about the study itself and its implications.

2. THEORETICAL OVERVIEW

Having been in use for over 50 years, strategic planning remains one of the key management techniques for anticipating the future and for making decisions in many different organizational environments—business, government, civic and community, etc. Strategic planning is an organizational process of formulating a strategy, where strategy formulation steps are scheduled, tasks are specified, responsibilities are assigned, budgets are allocated, and evaluation mechanisms are put in place (De Wit & Meyer, 2014). Jones and Hill (2009) note that a result of the strategic planning process is a strategy, which represents a direction for making decisions by managers. In other words, strategic planning is about knowing where the organization is heading, how it will reach there and how it will know if it got that end (Web Management, 2015).

Formulating a sophisticated strategic plan is just one part of the story. In accordance with the design school of strategic thought, the strategy planning process consists of five main steps (Mintzberg et al, 1998), where the fifth step comprises strategy implementation. To be successful, an organization must create an appropriate organizational system for both strategy formulation and implementation. That system, nowadays called strategic management (Haines & McKinlay, 2007), must be designed to lead the organization into new territories, to grow, to develop and to change. Growing from formulating strategic plan into strategic management means committing the whole organization into strategic thinking and thus installing mechanism of continuous improvement.

2.1. Strategic planning process in municipalities

The strategic planning process is always a commitment to a particular course of action. In order to make that process work effectively, strategists need to properly use the information at their disposal, through the sound strategic decision making (Hill & Jones, 2013). Strategic planning and formulation of sustainable development strategies at the municipality level represent important aspects of local development (Vele *et al*, 2016).

Experience suggests that limiting strategic planning to the top of the hierarchy is one of the reasons why strategic plans go unimplemented (Hill & Jones, 2013). As a consequence, the strategic planning process increasingly involves work in groups and teams. For successful planning and decision making in the group, members should be diverse and informed and they should hold independent judgments that are not coordinated in advance (Saaty & Peniwati, 2013). Benefits of the group work include diversity, rich experience base, enhanced organizational memory, error detection, creativity and greater acceptance of decisions and outcomes, (Butterfield, 2012).

Successful strategic planning in municipalities involve partnerships between local government and citizens/citizens groups, which increases potential for solving problems and acceptance of the proposed solutions (Poister, 2010). If a development strategy is produced on these premises, then there is

an increased likelihood that the plan will be accepted by the community and ultimately successfully implemented (Dalal-Clayton & Bass, 2002). In order to achieve this goal, municipalities tend to form small, easily manageable groups, so called steering groups, which meet often and facilitate organization of meetings of the planning committees.

Another very important fact that needs to be taken into account is the fact that decision making in municipalities is influenced by local politics and emotions. Thus, during the environmental scanning stage of the development strategies formulation process, participants should also focus on understanding local dynamics and perspectives, which if integrated increase probability that the plan is accepted and implemented (Agranoff & McGuire, 2003).

2.2. Models and methods of strategic planning for municipalities

Strategic planning in a municipal setting prescribes a systematic process, which enables a community leadership to understand numerous environmental facets that the community will face in future, establishes consensus about how to achieve its most desired vision, and illuminates actions that will most likely make that happen, all within the context of expected financial and human resources (Gordon, 2005). Strategic planning in public sector should not be viewed as an end in itself but merely a tool to improve municipality's performance and meeting citizens' demands (Terstegen & Willemsen, 2005).

In the USA, strategic planning at the municipal level, having been in use for more than twenty years (Bryson, 2010), has been characterized by multiple success factors – local promotion of the process, the importance of starting the process with strategic thinking, and the importance of the environmental scan as an application of collective wisdom of participants in describing future as clearly and comprehensively as possible (Gordon, 2005).

Three mostly applied methods of formulating development strategies in municipalities of Bosnia and Herzegovina are as follows:

1) Rights based Municipal Assessment and Planning Project (RMAP)

Method of development planning for municipalities in B&H developed by the United Nations Development Programme (UNDP), which is based on the protection of human rights. According to RMAP, the core driver of local development is economic development, however it is equally important to ensure access to and quality of social services and political representation (UNDP B&H, 2009).

2) Integrated Local Development Planning Methodology (MiPRO)

The MiPRO methodology, developed by UNDP and Swiss Agency for Development and Cooperation (SDC), is a balanced approach to local development planning, which is based on a practical combina-

tion of necessary technical expertise and adequate citizens' participation (SDC, UNDP, 2011)

3) *Municipal Development Planning Committee (MDPC)*

Strategic planning methodology developed by the Organization for Security and Co-operation in Europe (OSCE), Mission to B&H. This concept is aimed to install a functional local mechanism for strategic planning in partnership with citizens ("Ugovor" Prospectus, 2005).

2.3. Analysis of the framework for planning and participation in the CBC

The Central Bosnia Canton (CBC) is one of the ten cantons that make up the Federation of Bosnia and Herzegovina. It is located in the central part of B&H, encompassing twelve municipalities. CBC governance structure is made of the Assembly, and the Government with 8 Ministries and the Office of the Prime Minister. Ethnic representation is one of the key characteristics of the decision making system. Municipalities in the CBC enjoy similar competencies to those across FB&H, which are primarily defined by the FB&H Law on principles of local self-governance (FB&H Official Gazette 49/06, 2006). The CBC, similarly to other Cantons in the FB&H, functions within a complex constitutional and legal system. Cantons in the FB&H maintain strong competencies; however in many areas they share their powers with the Entity level of Government. Overall the CBC is regarded as an area with poorer economic conditions in relation to the FB&H average.

2.3.1. Regulatory framework and strategic planning

Civil society organizations (CSO) are popularly defined as nonprofit organizations that work in the arena between the household, the private sector, and the state to negotiate matters of public concern (Forrester & Sunar, 2011). CSOs or civic sector, in addition to governmental and business sectors, make up a tripod of any democratic society. CSOs perform a variety of service and humanitarian functions. In B&H they also deal with sports and culture activities, bring citizen concerns to governments, advocate and monitor policies and encourage political participation through supply of information.

In Bosnia and Herzegovina, the CSO sector is defined by the Law on Associations and Foundations of B&H (Official Gazette B&H 32/01, 2001), and the Law on Associations and Foundations in the F B&H (FB&H Official Gazette 45/02, 2002). According to the FB&H Law on Associations and Foundations, CSO is any form of voluntary association of multiple natural or legal entities for the benefit of advancement and achievement of a common or public interest or goal, in line with the Constitution and Laws, whose primary purpose is not to acquire profit.

Formulating development strategies using strategic planning technique has become a regular practice in many CBC municipalities. Over the

past ten years all municipalities, except two have adopted their development strategies, some even drafted two successive ones. Several methods of strategic planning have been applied in CBC. The process of formulation of development strategies, in a procedural sense, applies the following logic:

1. Adoption of a decision to start the process, and appointment of a team/working group, which runs the process of formulating strategies.
2. Establishment of sectoral working groups.
3. Data collection relating to all programmatic areas that fall under municipal jurisdictions.
4. SWOT analysis, general SWOT analysis or sectoral SWOT analysis, definition of key problems.
5. Definition of the mission, vision and key values.
6. Definition of the strategic goals.
7. Definition of operational plans.
8. Definition of monitoring and evaluation mechanisms.

2.3.2. CSOs in the CBC – situational analysis

In the CBC, CSOs are mainly registered with the Cantonal Ministry of Justice and Governance. This Ministry runs a registry of all CSOs registered at the cantonal level. According to information provided by the CBC Ministry of justice and governance, in 2014 there were 1504 CSOs registered in the Ministry's CSO Register. CSOs get registered as individual associations, alliances or foundations. Comparing numbers from the official register obtained from the CBC Ministry of justice and governance and contact directories obtained from municipalities, it can be concluded that the number of active CSOs is probably close to half of the official number, or 750, which will be used as the number of the entire population in this research.

The CBC Ministry of justice and governance does not group CSOs based on their preferred field of action. Analyzing names of CSOs, it is broadly recognizable that they are registered in the following thematic areas: sport, culture, rights-based associations, war veterans associations, protection of environment, pensioners associations, associations of professions/professionals, youth and general civic associations. For the purpose of this research, CSOs have been grouped in the categories presented in Figure 1.

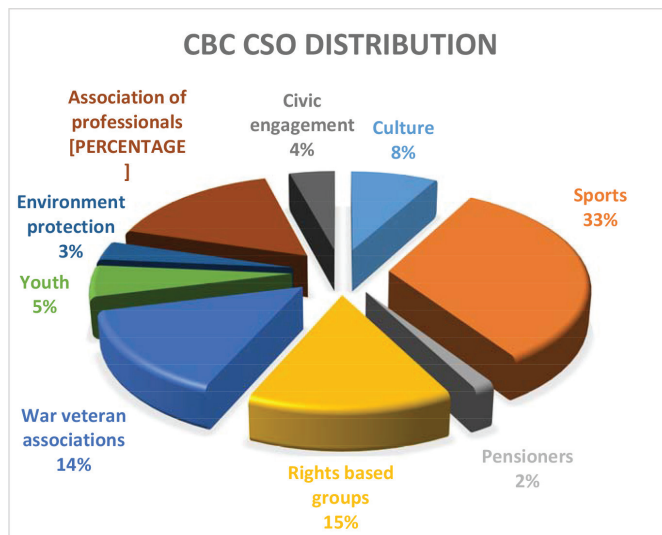


Figure 1 Distribution of types of registered CSOs in CBC

3. DATA AND METHODOLOGY

To get a deeper insight into the research topics, an appropriate survey questionnaire, consisting of 15 questions, was developed, and then sent to 305 CSOs from the Central Bosnia Canton, which were randomly chosen from within the whole population of the CSOs.

A total of 117 valid responses (38.36%) were received. Slightly more than a half of the responding CSOs (54.70%) have between 11 and 100 members, while 43.59% have more than 100 members. It must be noted here that only 20% of the responding CSOs employ at least one person on regular basis.

A very important indicator of CSOs' presence and effectiveness is the project implementation rate. In this regard, the responding CSOs can be grouped into three categories: a) CSOs that barely implement one project a year (26.50%), b) CSOs that implement between 1 and 5 projects a year (51%), and c) CSOs that implement more than 5 projects a year (22%).

Another important indicator for CSOs is the fund securing level. CSOs face big difficulties in securing funding for their operations. More than a half of the responding CSOs (58.97%) have managed to secure less than 10,000 KM annually. However, at the same time, 15.38% of the responding CSOs had a budget of more than 100,000 KM annually.

The estimated population of the CSOs in the CBC is about 750, so the expected statistical error is around 9% (95% confidence level). The responding CSOs are proportionally distributed among different categories and different municipalities from the CBC.

3.1. Results

Data analysis in this research is done for the purpose of meeting two specific objectives:

- The first objective is to test the overall CSOs' participation in the development strategies formulation process in the CBC at the municipal level.
- The second objective is to test the mode of CSOs' participation in the process of formulating development strategies.

The participation of CSOs in formulating development strategies in the Central Bosnia Canton at the municipal level amounts to 39.32% (Figure 2). Overall this rate of participation exceeded the expectations and can be assessed as good. The result is even more significant if one takes into account that municipalities entered the process of formulating development strategies for the first time and had no previous experience, not to mention lack of participatory culture in general.

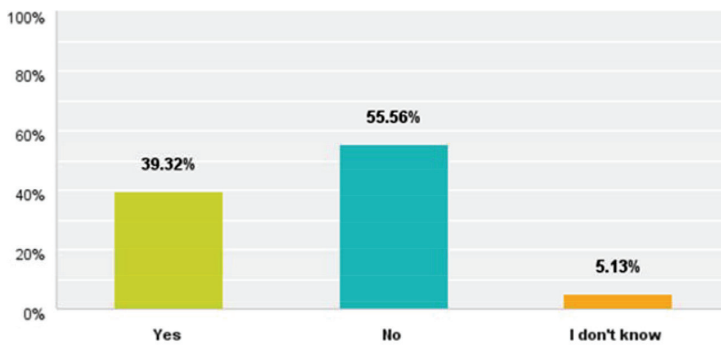


Figure 2 Participation of CSOs in formulating development strategies in the CBC

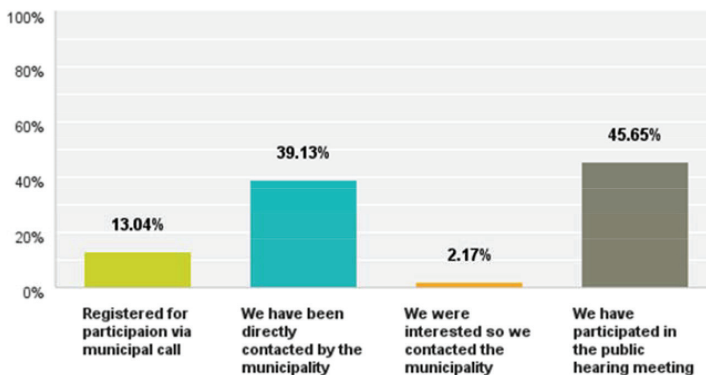


Figure 3 Inclusion of CSOs in the development strategies formulation process

Regarding the mode of “continuous” CSOs’ participation, the CSOs exercised most direct participation through membership in the Municipal Development Planning Commission and through membership in sectoral working groups (21 CSOs or 45.66%). The remaining 54.34% of the CSOs participated through “*ad hoc*” forms of participation, such as consultations with sectoral working groups and public debates (Figure 4).

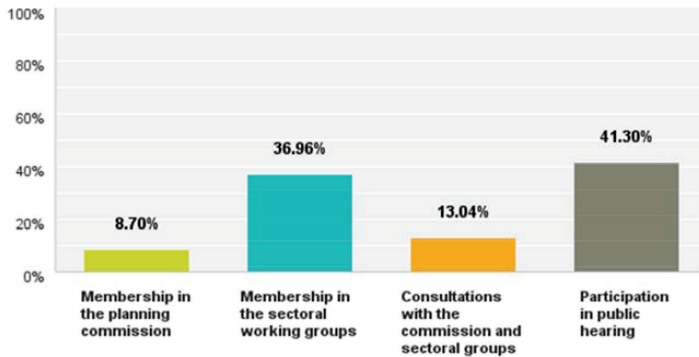


Figure 4 Mode of interaction between CSOs and municipalities

The actual contribution of the CSOs that participated in the drafting process is presented in the chart below (Figure 5). CSOs contributed the most or showed the most interest in defining future-oriented parts of the plan i.e. vision, goals and projects.

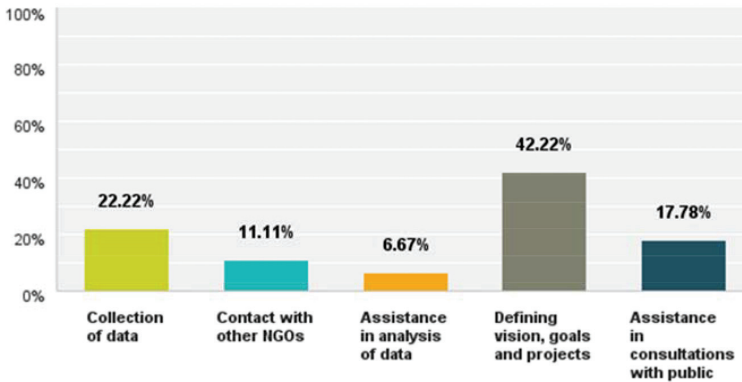


Figure 5 Contribution of CSOs to the development strategies formulation process

Concerning the level of integration of CSOs’ proposals and suggestions into the final version of the development plan, 56.53% of CSOs have had

positive experience, where the majority of their proposals were accepted (Figure 6). Tightly related to this finding is the CSOs' satisfaction level related to the satisfaction with their own participation in the development strategies formulation process (Figure 7).

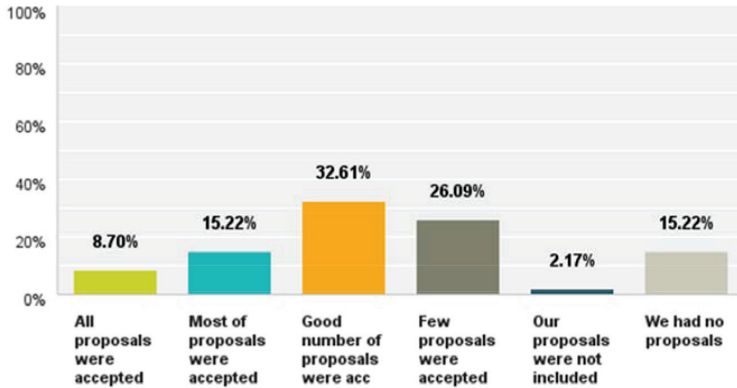


Figure 6 Acceptance of proposals put forward by CSOs

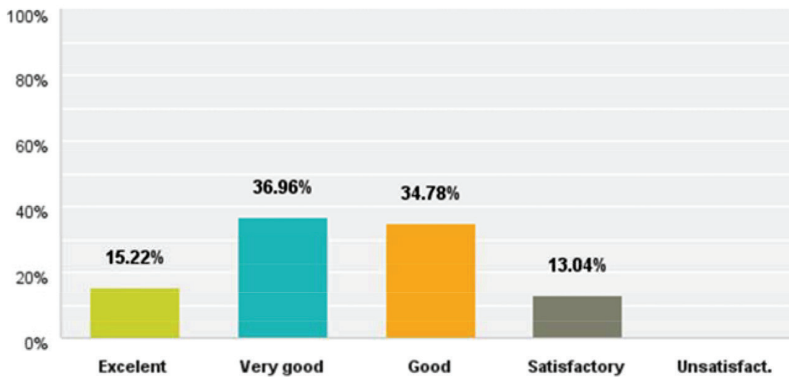


Figure 7 CSOs satisfaction with their participation in the process

Combined together, the last three findings point to the fact that the more knowledge-based assistance was offered by CSOs, the greater their influence was on the process of strategy formulation.

4. CONCLUSIONS

In democracies, citizens and groups of citizens assume active role in shaping up the development of their communities. In fact it is generally known

that their active participation yields positive effects on the quality of development and well-being of communities. By working together, governments, CSOs, and citizens make better and broadly accepted development decisions. At the municipal level, a functional system of strategic management should therefore encourage a purposeful participation of CSOs.

Results of the research reveal that participation of the CSOs in the process of formulating development strategies in the Central Bosnia Canton (CBC) is 39.32%, which is relatively good, especially since participation of CSOs in the process of public strategies development is not legally obligatory in F B&H. This level of participation is higher than 10%, which has been set as the threshold for significant participation, as per rule of thumb often used in statistical analysis of effect (Field, 2009). Thus it can be concluded that CSOs significantly participated in the process of formulating development strategies at the municipal level in the CBC.

However, as is usually the case, there are two sides to this story, too. Probably the biggest obstacle to a greater and more fruitful participation is the lack of participatory culture, which is beneficial to the operation of CSOs and their participation in the decision making processes. Authorities in B&H have adopted the required legislation which ensures lawfulness of CSO operations. However, in order to have vibrant participatory democracy, both CSOs and authorities need to raise their awareness on the need and importance of having a functional CSO sector.

The research also showed that the mode of contribution of CSOs during the development strategy formulation process matters. Those CSOs that offer more knowledge-based assistance to the process of strategy formulation have eventually succeed in integrating more of their proposals into the final document. The authorities who manage the process of strategic planning should pay more attention to what CSOs are doing and what they can offer. Participation via open call for participation and predetermined criteria, being the most transparent mode of inclusion, has not been used widely enough. This mechanism of inclusion ensures transparency and selection of CSOs that meet the criteria and show interest to contribute to the process.

On the other hand, in order to have purposeful cooperation the CSOs also bear must their share of responsibility. The CSO sector in the CBC has been burdened by excessive fragmentation and a high number of inactive, just formally registered organizations. Those that are active suffer from inability to position themselves as credible partners within the communities, which can offer added value. Participation in the development strategies formulation process should be attractive to CSOs, not because they can only influence projections for the well-being of their communities, but can also influence areas of their interest and improve partnerships with the authorities. Ever since the end of last war in Bosnia and Herzegovina CSOs have been recipients of significant financial and technical assistance. CSOs that wish to see their home community growing should deploy these capacities for the benefit of all.

Obviously there is a lot of room for improvement. CSOs should be regarded as a valuable assets for communities. In fact, the CSOs that use the highest volume of funds through their accounts actually secure those funds mainly through the external/non-municipal sources. This implies that CSOs are good channels for bringing investments into the communities. Even more so, one fifth of the CSOs provide employment for citizens of the CBC. Coupling this and CSOs experience and expertise in dealing with projects highlights a rational need for their inclusion in the strategic planning process within the communities.

4.1. Limitations and suggestions for future research

There are a few different limitations that apply to this research. However, the biggest and most important limitation is that all collected data come from one part of the country only (one canton), so the obtained results could be generalized only for the population from which the sample was drawn.

Thus, in order to validate findings of this research and make it more general, another datasets, from other cantons or, even, other countries, should be obtained and analyzed in the same way.

Beside this validation issue, another particularly interesting extension to this research would be comparative analysis of the success and/or implementation level of development strategies, which are formulated with and without CSOs participation.

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