

KNOWLEDGE BASED SUSTAINABLE DEVELOPMENT STRATEGY OF SUCEAVA COUNTY

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The instruments meant to implement the 2020 EU Strategy must be better structured compared with those used for the implementation of Lisbon Strategy. The sustainable development strategies implemented at local, regional level must be continuously updated in order to respond to the real needs of local communities. The present paper presents the results obtained within a pilot project carried in 2012 in the Suceava County, Romania, which tried to rebuild the local sustainable development strategy based on the capabilities and expertise of local specialists. The strategy was modeled using the Balanced Scorecard tool and for the first time a strategic map was created for the pilot region.

Keywords: sustainable development, knowledge management, Balanced Scorecard, strategy

1. Introduction

The Lisbon strategy, adopted in 2000 by the EU members, had as the main objective that Europe will “become the most dynamic and competitive knowledge based economy in the world by 2010, capable of sustainable economic growth with more and better jobs and greater social cohesion and respect for environment” (Lisbon Strategy, 2000). The strategy failed to achieve its objectives and among the reasons EU officials found that (Lisbon Strategy Evaluation Document, 2010):

- The strategy should have been better focused on critical elements responsible for the economic crisis
- Communication, awareness and public support for the strategy was a weak point both at European and national level
- The non-binding character contributed to strategy failure

The implementation of new strategies is asking for surpassing the above mentioned limitations of Lisbon Strategy. The newly developed Europe 2020 Strategy (Europe 2020, 2010) includes three main priorities:

- Smart growth: development of an knowledge and innovation based economy
- Sustainable growth: a more efficient use of resources
- Inclusive growth: a high employment economy

Even if the value of Europe 2020 objectives must be recognized, it should be stressed that implementation of a knowledge based strategy must start from local communities and strategies.

The paper is presenting the results of a project carried in 2012 that tried to update the sustainable development strategy for Suceava County, using a bottom up approach in which the objectives were identified and prioritized by the local specialists.

The main lacks of Suceava County strategy, elaborated in 2010, were the followings:

- The preliminary diagnostic represents mainly an informative material (details about rivers lengths, species of plants etc) and is not an managerial document
- SWOT analysis from 2010 contains redundancies that must be eliminated
- There is no prioritization of the proposed managerial options

2. Used Methodology

2.1 Preliminary diagnostic

A SWOT analysis was performed and the findings were grouped in 8 main categories / domains:

- Natural habitat
- Resources, tourism
- Population, localities
- Territorial planning
- Economic and social infrastructure
- Education and culture
- Health

- Environmental protection

The SWOT questionnaires were circulated among local authorities and specialists from the all above mentioned domains and a score (using a 1-5 scale) was assigned on each item based on:

- The relevance for county development (1=weak, 5=essential)
- The capability to act upon the identified risk (1=no capacity, 5=full capacity)

The main findings of performed SWOT analysis on each domain were prioritized resulting in a classification of action directions on each of the domains. In the following tables are presented the main issues raised from SWOT analysis on natural habitat and environmental protection domains:

Table 1 Natural habitat

	Consolidated Score
STRENGTHS	
High economic value of forests	4.44
Hydrographic network with density higher than country average that can be capitalized from energetic, tourism and economic point of view	4.00
WEAKNESSES	
Forests administration not in line with sustainable principles	4.50
Excessive going on grass resulted in degraded areas	4.00
OPPORTUNITIES	
Traditional materials, diets, customs	5.00
Knowledge based development of communities through involvement of local specialists	4.44
THREATS	
Delays in adopting the legislation on territorial development	3.94

Table 2 Environmental protection

	Consolidated Score
STRENGTHS	
Existence of institutional structures for environmental protection	4.24
Implementation of development program for integrated management of water resources and waste	4.74
Permanent monitoring and assessment of environmental media	4.44
WEAKNESSES	
Uncontrolled used of pesticides/fungicides and chemical fertilizers mainly in individual agricultural gardens and small farms	3.73
Weak receptivity of rural population regarding separate collection of waste and payment of taxes for sanitation services	4.00
Weak awareness of population and economic units regarding the importance of protected areas	4.44
OPPORTUNITIES	
Permanent training of the personnel responsible for implementation of environmental policies	4.44
Evaluation tools for environmental media are available, in order to set up scenarios and strategies in the field of environmental protection, population health, sustainable use of resources	4.50
THREATS	
Weak awareness activities implemented by public authorities responsible with environmental protection	4.44
Frequent changes in environmental legislation	4.12

2.2 Vision. Mission.

The vision of one organization even if it is a local administration represents an ideal status wanted in the future and is configuring the development needed by the organization. The vision assumes a dynamic thinking capable to evaluate the real development chances of the organization on the long term. The vision must be accepted by all organization's members.

For example: “Suceava county: Bucovina dreamed by our ancestral”.

On the other hand, the mission is concentrating on the external image of the organization and on external decisional factors (local authorities, regulators, control bodies). The mission is communicating what the respective community represents and how it wish to contribute at the society progress. It is recommended to include also a set of fundamental values to be followed during the strategy's implementation.

For example: “Suceava county is living based on traditions, peoples power and handsomeness of the places. We are promoting innovative and responsible initiatives such as:

- Creation of new economic opportunities based on local resources and peoples skills
- Conservation of the environment
- Promotion of cooperation with our neighbors
- Dignity for aged and helpless people”

2.3 Objectives and strategic maps

These objectives must be generated at local level, depending on its local specifics and priorities, local traditions and opportunities, and those objectives revealed by SWOT analysis. A model and a strategy for sustainable development must comprise five essential elements:

1. Social progress must take into account the needs and aspirations of everyone;
2. A efficient protection of the environment;
3. Prudent use of natural resources;
4. Balanced and stable development at economic and social level;
5. A dynamic and flexible institutional structure, ready to serve the citizen.

At the local communities' level, we are proposing a model in which strategic objectives must take into account both the triple bottom line of sustainable development and the four managerial perspectives inspired from Balanced Scorecard (The Balanced Scorecard Institute, 2012):

1. Financial perspective
2. Partners perspective

3. Internal processes perspective
4. Learning and growth perspective

These four perspectives and three directions are structuring the strategic map of the community. At the intersections between rows and columns relevant strategic objectives are placed. The number of objectives should be 15-25 (Constantin et al, 2008). Such strategic map is obliging the local authorities' representatives to take into consideration economic, environmental and social factors. And if it is obliged to do it, the strategic objectives must be consistent, respond to peoples' expectations, to create welfare, and contribute to community's development. The proposed strategic map is taking into account the SWOT analysis performed with together with local responsible authorities. It is still subject to discussion and should be approved by all responsible with strategy's implementation.

Figure 1 Strategic map proposed for Suceava county

<i>VIZIUNE – MISIUNE: (see the Vision – Mission section)</i>				
Perspectives	Financial	Local resources capitalization Accession of EU and similar funds	Capitalization of traditions, touristic and religious sites	Transformation of waste into resources
	Partners	Attraction of foreign investors	Public – private partnership	Increased role for Church GREEN county
	Internal processes	Experts in key positions No to bureaucracy e-government	Preservation of traditions and natural habitat Reduction of delinquency	Decoupling of development from resources. Essential services for each inhabitant (water, sewerage, waste collection)
	Learning and growth	Continuous learning with attraction of local specialists	Support for aged, helpless people	Awareness Responsibility
		Economic	Social	Environment
Sustainable development directions				

Concentrated on a single page, the community sustainable development strategy represents an important dissemination tool for the intentions of local authorities but also generates responsibility for objectives achievement.

2.4 Strategy’s implementation

Translation into practice of the strategic objectives is asking for clear, credible policies both at community and county level, must identify and mobilize resources needed for achievement of these objectives, set up clear targets with terms and responsibilities.

From now on the tasks related to the achievement of strategic objectives should be delegated. To put strategy in practice at the level of cities, communes are the responsibility of the local elected administration. They can ask for support from county administration but they have the responsibility to implement the action plans. The responsible local persons should establish implementation teams, action plans, and adequate measures. The county authorities remain with the task to monitor the progress and allocate resources based on the received feedback and community’s priorities.

2.5 Key performance indicators

Each strategic objective must be accompanied by one or more key performance indicators (KPI). Building the KPIs set is the most difficult part of structuring a strategy. Even if it is a voluntary approach, once the county strategy is established it has to be monitored and monitoring indicators are compulsory.

The practice showed that:

- KPIs must completely characterize the process and its dynamic
- KPIs number should not be too large (maximum 15-25) because their daily calculation (in order to monitor the strategy in real time) should not be difficult, time and resource consuming
- We recommend to use lagging indicators calculated at specific periods of time (for example financial indicators at the end of the year) and leading indicators that are looking in the future, provoking the managers and employees to achieve them (for example x% of inhabitants with access to IT services).

Examples of KPIs are presented in the following table:

Table 3 KPIs examples

Nº	Objectives	Actions	Performance index	Target	Term	Responsibilities	Remarks
<i>FINANCIAL perspective</i>							
1.	Capitalization of local resources	Inventory of local resources	Data base	Completion	2013	Responsible 1	
		Value added to WOOD	Processing capacities	120000 t/year	2014	Responsible 2	
		Income from tourism	Number of tourists	1000000/year	2015	Responsible 3	

For each strategic objective an Action Plan will be set up, which will include:

- Description of the strategic objective
- Directions of actions for the objective completion
- Associated KPIs
- Assigned terms
- Actions needed to be implemented
- Responsible persons
- Allocated resources (financial, human, buildings, transport, IT etc)
- Reporting method

These mentions are completing the country sustainable development strategy.

3. Conclusions

The updated county strategy can't be set up as the previous one, detailed to the smallest locality, source of water and transport road. It should be a synthetic, flexible and adaptable document, based on which the administrative sub-units should establish their own strategies. We recommend applying the subsidiary principle, leaving to low local levels the task to build their strategy in compliance with the county strategy. The most difficult part is to establish local priorities and to proper allocate the resources needed to progress the county strategy toward achievement of its objectives. An adapted Balanced Scorecard model is proposed to be used for the strategy's implementation and a first version of county strategic map is presented. The ways followed in order to set up the mission, vision, associated fundamental values are also presented.

Due to the fact that we are taking about a knowledge based strategy, the research, development and innovation resources available at local level must be known. The approach used local expertise and specialists in order to indentify county strategic objectives. It is a bottom – up approach that should be used also in the implementation phase, because local specialists are the first ones called to solve local problems, because they are familiarized with these problems.

It should be stressed that the most difficult part in the implementation of a knowledge based sustainable development strategy it is to set up a coherent set of key performance indicators used to monitor strategy's progress toward objectives achievement and to identify in due time the problems , allowing proper corrective actions.

4. References

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