



Strategic Thinking and Strategic Planning: Not Yet Habitual in Albania

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Abstract

Overall, short-term and medium-term thinking prevails in Albania, while long-term strategic thinking is inexistent. This is reflected in the planning of each sector, where strategic planning is completely missing. The actual cost of addressing problems is much higher and almost unaffordable compared to a hypothetical situation where there would have been strategic studies in place to anticipate them. After analyzing the constitutional functions of the President of the Republic, we conclude that strategic planning functions should be vested on the President's Office. Being that these functions are not carried out by any other institution the President is impartial according to the Constitution, therefore more reliable; this creates better chances of a solid communication between the President and the Prime Minister and the Speaker of the Assembly. This can be achieved by amending the Constitution, by a popular referendum, or simply by incorporating the solutions in the President's Organic Law.

Keywords: strategic thinking, strategic planning, President's office, constitution

1. Introduction

Strategic thinking is a process that determines how people think about a particular issue. This is a mental exercise that individuals apply in the context of achieving success in a game, business or life. But, in the strategic management of things, the issue becomes more difficult, because it involves strategic planning which is complementary to strategic thinking, according to many authors, (Mintzberg, 1994; Wash, 2014) who went so far as to claim that strategic thinking is more related to the synthesis of anything learned from various sources, rather than with the problem analysis¹.

In this sense, strategic planning may be considered as the highest level of strategic thinking and that it cannot exist, unless involved individuals possess strategic thinking (Oestreicher, 2017).

According to Graetz (2002), strategic thinking and strategic planning are complementary concepts, albeit different. So, applied in a strategic planning process, strategic thinking also includes clear objectives on how policy decisions can be made by decision-makers. In this case, there would not be the conventional question "what?", but rather the more complicated "why?" and

¹ Connecting the dots versus finding the dots

"how?". This type of conclusion is supported by the majority of authors (Mintzberg, 1994) engaged in this issue, but also draws an obvious distinction between strategic thinking and strategic planning. Strategic Planning is the process of determining the direction to pursue and the required financial resources required. But the mindset of drafting strategies is a relatively new notion that found room to develop only during the 1960s.

Although there is no exhaustive definition of these concepts, it is acknowledged that they entail the synthesis of psychological and material data. This incomplete analysis is more relevant to public administration, because the concepts are more complete for the private sector. Business managers are much clearer on how to strategically analyze each business policy (Stenleigh, 2009).

Strategists, those drafting strategic documents, and particularly those dealing with long-term strategies, should have the capacity to perform both processes: analysis and synthesis. The analysis is necessary to collect the appropriate data that allows the strategist to find diagnoses. Synthesis is indispensable to determine alternative solutions – at the background of the diagnosis made-and select the most priority one. The strategy has different definitions, but it generally involves setting objectives, selecting the actions to be taken to ensure fulfillment of these objectives and commitment of adequate human and financial resources to execute these actions. In this view, the strategist profession becomes a coveted profession of the best. Usually, after the civil service competitions, training is provided to strategists. In Albania, this profession does not exist and no specific knowledge/training on strategic thinking and planning is provided to civil servants. Particularly, strategic thinking is a very effective way of thinking for decision-makers, who, in most cases do not know their profession. After all, the question is how a decision-maker can become more strategic (Bowman, 2016; CMOE, 2017) and this is learned in training courses. On the other hand, decision-makers themselves are very interested in learning the basic concepts of strategic planning and feel the pressure to have this knowledge and apply it (Oestreicher, 2017). Decision makers think more in the short- or medium term and almost never in the long run. This is evident from the analysis of the Council of Ministers (Cabiri, 2018) or the analysis we made to strategic documents which set national, local, sector and crosscutting targets up to 2020.

Specifically, strategic thinking is a very efficient way of thinking for decision-makers. Because, eventually, the point is how a decision-maker may be more strategic (Bowman, 2016).

In Albania, decision-makers think more in the short and mid-term, and almost never in the long term. One of the main drivers of this mindset-apart from the individual qualities of decision-makers seems to be the governing mandate restricted to 4 years at best. Such short time-span promotes short-term thinking, because there is no guarantee that a decision-maker will keep the job for a long time, despite the political choices made and the change of majority. This is why politicians tend to have a short-term thinking and hardly ever project their thinking in the long term. This mandate duration promotes short-term thinking, because there is no guarantee that the decision-maker will keep the same position later on. Such mind-set is clearly reflected also in the time span of various national, crosscutting, sector or local strategies. Budget Strategies are the typical case. These have a 3-year time span with annual revision. The strategic MTF² document included in our fiscal framework by the World Bank itself has 3-year duration. It is considered our country's Finance Constitution. So, the World Bank experts included a 3-year budget planning in our legislation expected to be implemented by public administration specialists used to implementing 5-year plans of the previous system. This is a paradox, according to us.

2. Methodology

The basis of the full study was a detailed analysis of the constitutional functions of the President of the Republic against the background of the organizational set-up approved by many Albanian Presidents.

The assessment of the constitutional functions of the President of the Republic is based on a

² *Medium-Term Financial Review*

full functional analysis and the set-up of the institution (Jeha, 2017b).

Similarly, all sector, cross-cutting, national and local strategies adopted so far were examined to understand the level of strategic thinking and to what extent this level has been translated into strategic planning.

Also, five focus-group discussions were organised. The goal was to obtain the opinion of public administration specialists on the necessity of adding the strategic planning function to the public administration functions and how to introduce this function into the existing institutions. An additional goal of these discussions was also to test our opinions on this matter.

3. Strategic Studies are Indispensable

A typical example is the 'patriotic' public investment on the Nation's Highway. The World Bank ranked Albania as heavily dependent on agriculture (55%), followed by industry (24%) and services (21%). Only 40% of the population lived in urban areas (The World Bank, 2001). Given that Albania had inherited a very poor transport infrastructure, a poor and lacking road network, and an inexistent rail transport from the previous regime, there was a complete political consent to build Durres-Morine highway as a top priority. This costly road was built to link two vital parts of the Albanian nation-Albania and Kosovo. It was projected to generate significant economic gain on both parts due to more exchange opportunities, the better use of the one of the Albanian Ports and a much larger tourist inflow to the Adriatic beaches. But, it fell short of projecting the real high cost of the road! The highway maintenance was not considered by numerous World Bank (The World Bank, 2003) documents which attributed everything to the road: improving traffic flow, reduced transport costs for goods and people, significant reduction of accident rates in priority sections, etc. The documents identified some indispensable aspects: the environmental assessment, the degree of forest damage, the cultural values that may be encountered, but strangely enough, it failed to at least mention the maintenance cost. Although decision-makers are hesitant to state it openly, the connection of both parts (Albania and Kosovo), whenever it happens, has a high cost which is yet to be calculated. It is not yet studied how the customs union will take place, what impact it will have, how electricity generation will fare in the future given that Kosovo has coal-based generation and Albania is dependent on hydropower plants; also, Kosovo is seen to have a more developed agriculture sector with more potential than Albania.

Integration into the European Union can also be a major and far-reaching event for Albania; it is no longer a hypothetical integration, (European Commission, 2018) but it is unstudied.

Economically, the country is thought to become stronger due to greater development and infrastructure harmonization. Also, some economic sectors might develop at a faster pace: agriculture and industry may be the two key sectors to benefit. Besides, foreign investment can grow much more due to the elimination of bureaucratic barriers and increased reliability of Albania in the eyes of investors. So, revenue would grow due to this economic advancement, but could be reduced on the other hand due to the customs union.

The continuous migration of villagers to urban centers is another unstudied trend. This is considered a typical phenomenon of the Albanian transition. Rural families from remote areas moved to cities under the motto "better off jobless in the city than staying in village" (UNDP, 2003), mainly to the capital Tirana; this led to the establishment of the Kamza Municipality consisting almost totally of newcomers (it is the fifth Municipality by number of inhabitants, compared to the 2,000-year old city of Berati which is eighth). Kamza Municipality also has a big number of births compared to the rest of the other municipalities. So, it is almost certain that it will be ranked higher in the next 2021 Census. But the integration of newcomers and, in particular, the services offered to them leave to be desired. Each example above shows that the lack of strategic studies has a very high cost, so strategic studies are imperative. In each of the above cases, we tried to argue that strategic planning is indispensable, but this task must be properly addressed by the relevant institutions.

4. Where may this Function be Introduced

We think that any function related to strategic thinking and strategic planning should be introduced in the institution of the President of the Republic. Strategic planning involves an array of issues and in a country like Albania where strategic mind-set is like rare gems, there is hardly any chance that quality documents are produced by a handful of people employed in an institution other than at the President's Office.

We think that a unit, must be urgently introduced at the President's Office, responsible for the management of contracts with third parties, on the assumption that the only way for quality delivery of strategic planning is to hire external expertise.

This unit could draft the terms of reference for strategic plans, contracts them with non-profit organizations, private individuals or businesses, through open competition and according to public procurement rules established by the Council of Ministers. It will manage contracts and remain liable for the quality of studies presented to the contractor.

When this unit deems it necessary, a strategic study of the same issue could be done several times, with required funds to be paid from the State budget or international partners interested in this new function to be rolled out in Albania.

According to the Albanian Constitution (October 1998), the main functions of the President of the Republic include: (i) decree dates of meetings, referenda and elections; (ii) decree/promulgate draft laws or return them for consideration (only once) to the Assembly (iii) appoint senior officials such as the Prime Minister, Ministers, Director of National Intelligence Service, Chairman of the Academy of Science and University Rectors; propose to the Assembly the election/discharge of the Chairman of the State Audit Institution; appoint/discharge plenipotentiaries of Albania in other countries and international organizations; (iv) protocol functions; (v) chair the High Council of Justice; (vi) President of Republic is the Commander in Chief of the Armed Forces and is advised by the National Security Council; and (vii) other functions.

These functions clearly show that: (i) Albania has a President with important functions, so the media and political debate over the President being a "notary of the Government decisions" seems to stem from the consideration (by a few) that the President deals with politics, not with duties; (ii) The President has no strategic constitutional functions that require strategic thinking from the institution on long-term development issues in the country. Inclusion in the Constitution of new functions for the President related to the drafting of long-term strategies for certain issues is necessary, because these functions are not carried out by any public institution at the moment; and the President is considered *super partes*, so this institution is the most appropriate place to think strategically and impartially, with constitutional consideration that the Albanian president is politically independent and unbiased. Even if the President of the Republic is impartial and politically independent, this Unit cannot be independent in each of the existing institutions, because the latter are constitutionally political. That is why we think that the Strategic Plans Management Unit can fit in the President's Office better than in any other institution. This would further facilitate cooperation with two other powers: the government and the Assembly. The issues affecting cooperation between these two institutions are well known, to the point that it is claimed that there is no need for legal improvement. It is seen as a genetic issue driven by the past system. Albanians, as Balkans, feel the need to control, be above others, and this makes the "three-way system" with the President, Prime Minister and Assembly Speaker hardly functional. Apart from launching strategic studies and negotiating the recommendations and conclusions with the other branches of power, the awareness-raising function must be considered; it is indispensable to raise awareness among stakeholders on long-term strategic thinking, starting with the public, media, civil society and decision-makers (Schroer, 2015). The President would feed this three-way system the strategic conclusions of studies to be reflected in the short and medium term strategies they draft and approve, as well as in the respective legal and regulatory framework they adopt. This would mean that any strategy drafted by the Ministries would consider the relevant long-term objectives laid down in the national strategic plans. So, such documents would be much more accurate and valuable. Prior to developing strategic planning, strategic thinking needs to be developed properly in each key state administration position. Each group of experts has correct concepts of strategic

planning when each member of the group has the right concept of strategic thinking. The staff selected for this Unit may be trained on strategic planning, including training on raising awareness among all stakeholders, particularly decision-makers. Eventually, all these recommendations could be the subject of a popular referendum, so far an experience in Albania (Jeha, 2017a). This could also be a good opportunity to promote public participation in decision-making through referenda, but also to test the relevant legal framework that is said to obstruct such initiatives.

5. Conclusions and Recommendations

In Albania, strategic thinking is hard to come by; designation of strategic plans even less so. This is proved by many examples, where the most typical one is the national, sector, crosscutting, local strategic documents adopted so far. This evident phenomenon is also a good lesson to decision-makers who lack information on what strategic planning is and how it is conducted. It is recommended that the strategic planning function is incorporated in the constitutional functions of the President of the Republic. For this, an appropriate constitutional amendment should be made, which can be tested in public through a popular referendum. Following the modification of the Constitution, the new function requires a dedicated unit at the President's Office, with a minimum number of experts properly trained on strategic thinking and well familiar with strategic planning. This Unit will have to manage the contracts signed by the institution with non-profit organizations, individuals or private businesses, and also assess their outputs. Such a unit may be established without the need for constitutional changes. It can be set up by Order of the President of the Republic or through the Organic Law of the President's Institution. The necessity for constitutional amendments related more to the financial resources required to exercise this function. International partners might adequately finance the implementation of such a function, but they might need it to be enshrined in a legal act. This would make it easier on them to plan funds. The President of the Republic will have to share to Prime Minister and Speaker of the Assembly the conclusions and recommendations of strategic studies conducted, and lobby that the latter are considered in the medium and short-term strategic documents drafted and endorsed by various institutions.

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