

Strategic Guidelines for the Management of State Administration in Bulgaria

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Abstract: *Strategic management refers to many aspects of administration. It provides an insight into the possible focus of strategic thinking and action both in relation to government and in the work of public organisations.*

This paper examines the strategic guidelines for the management of the state administration in Bulgaria. For the purposes of the present study, combined methods of analysis and synthesis of information were used. The report applies a systematic analysis of a database of publications in specialized journals and official sites of institutions regarding strategic documents for administration management. Emphasis is placed on European experience and practices in the context of strategic guidelines for state administration management. Aspects of long-term programming of the development of Bulgaria are presented.

Keywords: strategic directions, state administration, Bulgaria.

Introduction

Applying strategic management can help public sector organizations improve day-to-day decision-making, assess problems and set measurable goals to determine success. In fact, 75% of successful organizations have a system to inform and manage their strategy. (Martin, 2022)

In recent years, the Bulgarian state administration has faced a challenge - on the one hand, fiscal restrictions, and on the other hand, the demand for public services and support from the state is growing. Citizens have increasingly high expectations for institutions related to improving the quality of the services provided and a higher standard of living.

Strategic management concerns many aspects of an organization. Strategic management is a tool for seeing future conditions with the knowledge of the present. At its core, the public sector strategy is to build a better, sustainable community. Most of the long-term goals are broad-based at the community level.

Local government plays an important role in community building, but the role sometimes varies depending on the community's problem. Sufficient data and in-depth situational analysis (also known as environmental scanning) are required to identify strategic issues across multiple services and diverse populations, and then select actions that are based on impact, not just delivery in accordance. And this requires consideration of organizational capacity. To implement the strategy, the organization must have sufficient capacity, either by reallocating existing resources, by adding new resources (such as a new tax), or by other means. A reason why a strategy may not be delivered as expected is that the analysis is not done properly due to a lack of understanding and expertise about the uniqueness of the public sector strategy or a lack of capacity in terms of resources or data. (Wang, 2021)

Literature review

Strategic management theory encompasses the formed views and understandings regarding strategic behavior and action in various spheres of human activity. (Arabadzhiyski, 2008, p.19) Strategy as a concept, an ideology of the organization's behavior, as a guideline for its development, manifests itself as different types of strategies depending on the object in the organization that they affect. Strategies in the public sphere are a matter of "good tone in the management of individual spheres of activity, of municipalities, schools, etc. "Strategy is simultaneously a plan, a position, a perspective, and a model." The principles of strategic management in the public sphere are twelve: (Tanev, etc., 2017, p.43-59, p.100)

1) Missionary: values are leading, not parameters, but the situation. When creating a strategic project, start from the mission, not the vision, to fix the general meaning of the whole project.

2) Uniqueness: inimitable abilities, not what others can do. The mission is built on the inimitable distinctive capabilities of the organization, not on what others can do.

3) Realism: own predetermination, not imported ideal. The mission describes the socially shared essence of the organization and the central problem, not subjective preconceptions.

4) Visionary: permanent monopolistic positioning, not reaction to the situation. The vision formulates the maximum allowable success within the historical period with its guiding central problem, not within the framework of everyday behavior.

5) Consistency: managing time, not the moment. Strategic management is the systematic management of a process of approximation to a remote ideal.

6) Cooperativeness: alliance instead of confrontation. The implementation of the strategic project is unthinkable without putting cooperation at the forefront because of the enormous resources of all kinds that are necessary for its success.

7) Advantage: competitive advantage all the time, not prosperity someday;

8) Dynamism: firm priorities, moving goals. The difference between final (planning) goals and moving (strategic) goals should be taken into account. A strategic plan consists of similar "moving" goals for each situation, subordinated to a general movement in a strategic direction.

9) Flexibility: chain rather than block scheduling. By its very nature, strategic planning does not aim at a monolithic plan for the future at all, but implies a chain of linked successive short-term plans with moving intermediate goals.

10) Systematic: simultaneous application of all strategic principles, not only selected ones. Strategy implies complete unity, concentration and completion of the undertaking instead of scattering success.

11) Effectiveness: effect, not economy. Strategy is a constant achievement, not a pattern of discrete achievement. The achievement of effect is its reality, not the achievement of efficiency. Characteristic of the strategic manager is the expression "I want at a low price"

12) Decisiveness: premeditated boldness instead of logical calculation.

Strategic management implies a synthetic rather than an analytical approach. In order to comply with the principles of strategic management, it is recommended to create a strategic center that has some functional autonomy. According to him, the strategic center may consist of some of the following elements: (Tanev, etc., 2017, p.312-314)

- Interdepartmental Committee;
- Management of the strategic center;
- Permanent body for monitoring;

- Expert advice;
- Public relations;
- Board;
- Secretariat;
- Financial Accounting, Legal Advisory and Fundraising Group.

In the public sector, strategy is developed at different organizational levels as follows: (Panova & Panov, 2017, p. 65, pp. 101-102).

First level. State strategy - a strategy for the state and for the spheres of its activity as a whole.

Second level. Business strategies for the state sphere of activity - for each individual type of state activity: economy, energy, agriculture, transport, communications, education, culture, environmental protection, social policy, etc.

Third level. Functional strategy - for each functional direction of a certain field of activity (financial strategy, human resources strategy, risk management strategy, etc.).

Fourth level. Operational strategy - strategy for individual structural units: ministries - sectoral and functional, agencies, state and municipal organizations of the public sector, etc.

Fifth level. Specialized strategy – strategy of individual structural units: directorates, departments, offices, etc. in public sector organizations.

The strategy in the public sector also has a territorial aspect, as the state strategy for regional development finds expression in regional and municipal strategies and development plans.

Expert-analytical methods for strategic management in state administration

Among the wealth of approaches and methods available to modern management science are the so-called expert analytical methods. These methods can be considered as a system of probabilistic ideas, opinions, assessments and proposals related to the disclosure of the content and characteristic features of a given problem in the administration, the alternatives for its solution, the expected results and the necessary resources. By their nature, these methods represent a qualitative (intuitive-logical) analysis of the problem under consideration, carried out by experts using discussion procedures, surveys, questionnaires, etc. Among the most widespread and proven their practical usefulness are the methods "Brainstorming", "Delphi", "Scenario", "Morphological analysis", "Prognostic graph", "Communication analysis". Of essential importance for the successful application of the system of expert-analytical methods is the competent selection of the most suitable combination of methods according to the characteristic features of the various types of management and administrative problems. Expert-analytical methods are efficient modern tools, due to the following characteristics that distinguish them from traditional expertise: (Pavlov, Mihaleva & Pavlova, 2005)

- the science-based organization of conducting the expertise, ensuring the desired objectivity at each of its stages;
- the use of specific techniques both in the organization and in the analysis and evaluation of the judgments of the experts and processing of the obtained results;
- the possibility of using modern software products and techniques for processing expert information.

The specified methods are not the only possible ones, but should be considered as practically applicable with the rich possibilities of the system of expert-analytical methods at the

different levels of management. The choice presupposes a good knowledge of all methods, as researchers should justify the chosen methods.

Methodology

For the purposes of the present study, combined methods of analysis and synthesis of information were used. The report applies a systematic analysis of a database of publications in specialized journals, official websites of institutions, Internet sources on European experience and practices in the context of strategic guidelines for public administration management. Aspects of long-term programming for the development of Bulgaria are presented, based on strategic documents. As a result of the discussion, our view on guidelines for the study of the strategic development of public administration is proposed.

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Results and discussions

This section presents and interprets aspects of researched specialized reports and official websites of institutions on European experience and practices in the context of strategic guidelines for public administration management. Emphasis is placed on long-term programming, the development of Bulgaria based on historical documents.

The European experience and practices in the context of strategic guidelines for public administration management

Experts from PwC's global network point out that the public sector is facing enormous challenges. Whether it's digitization, skills shortages, climate change or new conflict zones threatening domestic and international security: rapid changes are putting pressure on the state and administration. Technologies such as artificial intelligence are revolutionizing entire industries and require well-thought-out regulatory responses. The lack of specialists and limited budgets are forcing the state to become more efficient, while at the same time society is increasingly demanding a digital, people-oriented administration. A modern, resilient and sustainable state is needed to meet the diverse demands and increased expectations of the general public, politicians and businesses. (PWC. Strategy&) The European Commission's Resilience dashboards show Bulgaria's relative capacity and vulnerabilities for resilience, which may be relevant for societal, economic, digital and green transformations and for coping with future shocks and geopolitical challenges. Resilience dashboards are an interactive tool that helps Member States identify their existing and emerging challenges for further analysis and potential policy action. A tool to strengthen Member States' ability to build stronger and more resilient societies. (European Commission. Resilience dashboards, Update Spring 2024)

According to the set of resilience indicators in the Resilience dashboards, Bulgaria has overall medium-medium vulnerabilities (in line with the EU level) and medium-low capacity (compared to medium-high at the EU level). Vulnerabilities describe characteristics that may exacerbate the negative impact of crises and transitions, or obstacles that may impede the achievement of long-term strategic goals, while capacities refer to factors or abilities to cope with crises and structural changes and to manage transitions. (European Commission. 2024 Country Report – Bulgaria, p. 39)

The practices show four areas that the public sector should focus on in 2024: embracing digital transformation and AI; strategic investments in infrastructure; prioritizing sustainability; navigating cybersecurity and ethical AI. Leaders must partner with experts, develop

comprehensive plans, and apply ethical standards to address these complexities. Partnerships with local communities and stakeholders throughout the decision-making process are recommended to ensure that infrastructure projects are aligned with their needs and concerns. (GEP 2024 Public Sector Outlook Report)

The experience of the OECD (Organisation for Economic Co-operation and Development) shows that governments often try to address too many problems through their strategy documents, jeopardizing the successful achievement of the set goals due to untargeted delivery and scarce resources that do not always allow to address all problems at once. To meet this threat, prioritization should be an important part of the early stages of the strategic planning process and should be derived from the problem analysis phase. To increase the effectiveness of strategic plans, the list of goals and activities should be either limited (where resources are scarce) or phased in (where some issues require immediate action while others are less urgent). In order to improve the effectiveness of the future strategy, the Bulgarian government should focus on a small number of set goals and activities. For this purpose, the government may consider: (OECD, Supporting Bulgaria's Public Administration Reform Strategies, 2022, p. 8-9)

- Focus on a more limited number of programs and pilot projects that would allow experimentation, identification of lessons learned and sharing of practices.
- Establishing clear guidelines for the prioritization process, starting with assigning a specific center of responsibilities and resources for setting goals and prioritizing, coordinating and monitoring the implementation of plans.
- Systematically incorporate prioritization methodology and tools into decision-making processes, such as feasibility and impact analysis.
- Define, analyze and compare strategy objectives according to the theory of change.
- Prioritize (1) evidence gathered during the problem analysis phase, (2) costing and resource identification, (3) outcomes of stakeholder engagement consultations.
- Prioritize only areas that are (1) results-oriented, (2) cross-cutting, (3) measurable with an indicator.
- Clearly communicating in the plan itself the chosen priorities and the reasons behind those choices, areas to ensure support within and outside the administration.

The Strategic Agenda 2024 – 2029 states that the European Union will strengthen its resilience, preparedness, crisis prevention and response capacity through an all-hazards and whole-of-society approach to protect our citizens and societies from various crises, including natural disasters and health emergencies. The collective response to cyber and hybrid warfare will be enhanced, and special attention will be paid to increasing societal resilience. (European Council. Strategic Agenda 2024 – 2029, p.5)

Successful examples of countries applying strategic foresight and long-term thinking to their governance tend to have four main elements in common. These components are fundamental to addressing current and future challenges. They will ensure that the formulation and management of public policies are effective and sustainable in the long term. These are presented in Figure 1. (World Economic Forum. Fredy Vargas Lama, Jun 5, 2024)

What is required for a Government to implement strategic foresight in public policies and management?



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Figure 1. Successful examples of government's using strategic foresight have four elements in common

Image: Fredy Vargas Lama

Source: <https://www.weforum.org/stories/2024/06/strategic-foresight-help-leaders-plan-for-a-changing-world/>

Aspects of long-term programming development of Bulgaria

Bulgaria faces challenges related to the green transition, the business environment, access to healthcare, education, labor shortages and social inclusion. Addressing these challenges will help increase Bulgaria's long-term competitiveness and ensure the sustainability of its economy. It is important that the identified challenges are addressed both at the national and regional level. This will help reduce regional disparities and improve administrative and investment capacity in a balanced way throughout the country. Improving the functioning of public administration is essential to creating a favorable business environment. The attractiveness of the state administration as an employer is a major factor in this regard. (European Commission. Country Report – Bulgaria, 2024)

The state administration in Bulgaria recognizes the need for greater efforts to expand its innovative capacity. The country lacks a strategic framework and central coordination in public sector innovation. This lack of clear priorities and guidelines can prevent the achievement of the main goals of the state administration. (OECD. Strengthening the Innovative Capacity of the Public Sector of Bulgaria, 2024)

The development of policies is the main function of the state administration and ensures the normal functioning of the state on the one hand and its development on the other. Achieving national priorities requires a strong management and coordination capacity in the formulation and implementation of national development policies. Key strategies and programs at national level providing a basis for the legislation are:

- National Development Program: Bulgaria 2030 (National Development Program: Bulgaria 2030)

The National Development Program of BULGARIA 2030 is a framework strategic document of the highest order in the hierarchy of national program documents, determining the vision and general objectives of development policies in each sector of the state administration, including their territorial dimensions.

When preparing the National Development Program BULGARIA 2030, special attention was paid to the Sustainable Development Program for the period until 2030 of the United Nations

Organization "Let's transform the world" and to the 17 global goals for sustainable development included in it. The Program and Goals are considered as a framework of national development policies, and the National Development Program Bulgaria 2030 itself - as the government's response to their implementation.

The national development program BULGARIA 2030 steps on an Analysis of the socio-economic development of the country after its accession to the European Union, aimed at identifying the key problem areas and gaps in the country's development policies, discussed with the socio-economic partners in the framework of the Economic and Social Council and the National Council for Tripartite Cooperation. This detailed version of the National Development Program: Bulgaria 2030 sets out the vision, goals and priorities for socio-economic development of Bulgaria in the period 2021-2030. The document describes in detail the areas of impact that will be the subject of targeted interventions until 2030 d., prioritized and sub-prioritized and accompanied by result indicators.

A special challenge will be the coordination with parallel processes of developing the strategic documents under the Cohesion Policy and the Common Agricultural Policy of the EU (Partnership Agreement for the period 2021-2027, Strategic Plan under the Common Agricultural Policy and the relevant programs to them), as well as the strategic documents aimed at the regional and spatial development of the national territory (National concept for regional and spatial development, plans for regional and spatial development of level 2 regions and plans for integrated development of municipalities in the country). For example, the results of the socio-economic analysis, which will be prepared for the purposes of determining the national priorities for development, should be coordinated with the socio-economic analysis of the regions in Bulgaria prepared by the Ministry of Regional Development and Public Works, which will bring out the relevant conclusions based on the "bottom-up" approach, stepping on the specific needs and potential for development from the lower territorial levels (settlement, municipality, agglomeration, statistical region).

- The Partnership Agreement for the period 2021-2027 (European Commission. Partnership Agreement for the period 2021-2027)

The partnership agreement is the national strategic document outlining the framework for managing funds from European funds in Bulgaria during the 2021-2027 program period. This is the document that defines the strategy of the member state and its priorities for the implementation of the Cohesion Policy of the European Union. The document outlines the main directions of investments with European funding in the next program period:

- ✓ innovative and intelligent economic transition through innovation and applied science;
 - ✓ clean and fair energy transition, green and blue investments, circular economy;
 - ✓ improving mobility and regional connectivity;
 - ✓ developed human resources and education;
 - ✓ sustainable and integrated development of the regions in the country.
- National Climate Change Adaptation Strategy and Action Plan to 2030 (National Climate Change Adaptation Strategy and Action Plan to 2030)

It reflects the new context of climate change policies. It sets a framework for actions to adapt to climate change and priority directions until 2030. The sectors included in it are: "Agriculture", "Biological diversity and ecosystems", "Energy", "Forests", "Human health". , "Transport", "Tourism", "Urban Environment" and "Water".

Other main strategic documents of Bulgaria related to public sector management include: Updated Strategy for the Development of Electronic Government in the Republic of Bulgaria 2019-2025; Strategy for the development of internal control in the public sector of the Republic of Bulgaria for the period 2023-2026. (Strategy for the development of internal control in the public sector of the Republic of Bulgaria for the period 2023-2026).

Based on the reviewed studies, we can identify research directions for the study of strategic directions for development in public administration. It is presented in Figure 2.

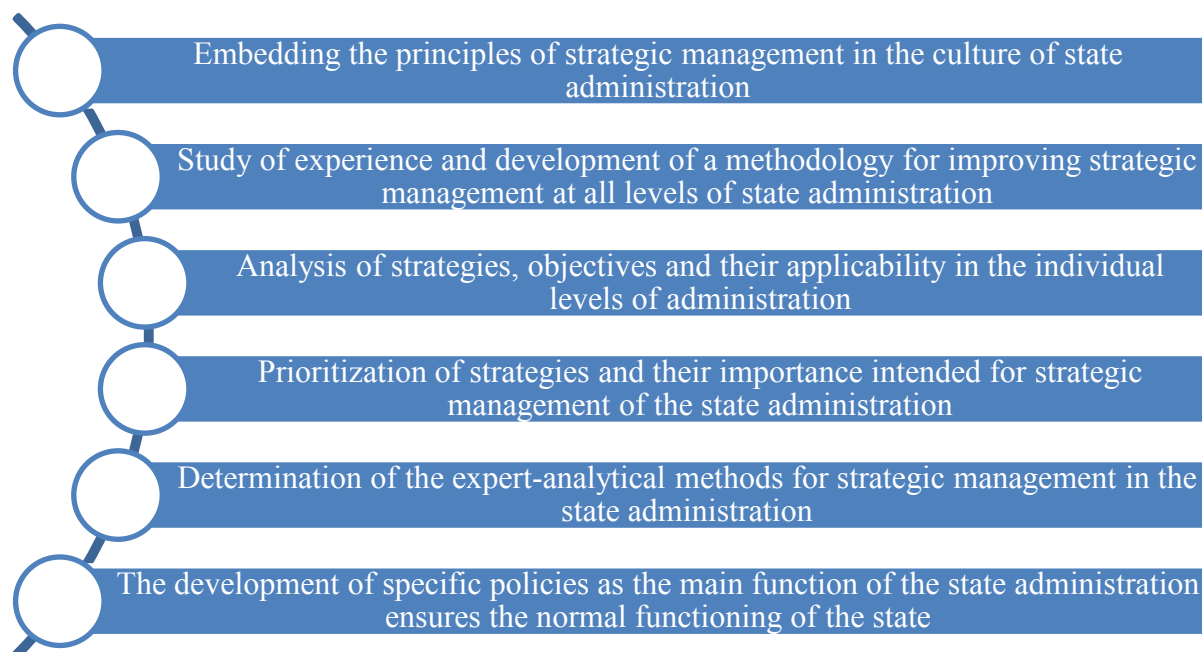


Figure 2. Guidelines for the study of strategic directions for development in public administration

Source: Authors' own research.

According to the World Economic Forum, governments have a responsibility to plan for the long term, which includes anticipating the unexpected, especially in today's increasingly uncertain world. Strategic foresight is a futures studies methodology that can help with this by enabling decision makers to identify and respond to emerging opportunities and challenges in a timely manner. If supported by clear mandates and resources, strategic foresight can become part of an organization's culture, helping it prepare for the future. Governments must constantly adapt and respond to the future needs of society when formulating and managing public policies. Strategic foresight is a methodology that promotes innovation in public policy by experimenting with new strategies and evaluating the effectiveness of current ones. It also helps leaders and employees anticipate change. And this is essential for proactive and effective management. (World Economic Forum. How strategic foresight can help leaders plan for a changing world, Jun 5, 2024)

On the other hand, strategic management in the public sector is a management system that focuses on planning, execution and measurement. This form of management focuses on the organization's resources and how they can best be used to achieve certain goals. Crafting a strategy can give employees a clear structure and measurable goals to work toward. A good strategy provides a framework for decision making. Strategic analysis of an organization is also a great way to identify strengths, weaknesses and opportunities. When it comes to the strategic

management process, there are generally five key stages that are universally recognized by organizations and experts. These stages are goal setting, analysis, strategy development, strategy implementation, and evaluation. A continuous improvement methodology must be applied to ensure that organizational processes are continuously improved to increase efficiency, quality and customer satisfaction. (Martin, 2022)

Creating platforms for inclusive policy development would help align national and local strategic priorities, plans and methods and support national priorities in the local context. Fostering partnerships between national and local/regional actors will facilitate knowledge sharing, resource allocation and capacity building for regional strategic planning. (OECD, Guidance Note on Strategic Planning and Co-ordination, 2024, p.15)

Conclusion

When preparing the strategic documents and the action plans for them, not only the various aspects at the central level should be taken into account, but also their territorial dimension. State bodies must develop a uniform and standard practice for strategic planning, which allows achieving the goals and results in management. For this purpose, legal regulation of the process of strategic planning and management is necessary, as well as systematization of documents according to key policies. Linking the goals of the employees with the goals of the state administration and with the relevant strategic documents will help for better implementation and with a focus on strategic policies rather than on daily work. By embracing change and challenges with strategic foresight, the public sector can unlock opportunities for growth, innovation and increased public trust.

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