

# A Brief Comparative Analysis of Strategic Planning Models

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**Abstract**—The authors consider the main existing models of national and supranational strategic planning. Currently, the western and eastern models of strategic planning are most widely used. Within the Western model, American and European stand out. The authors note the advantages and disadvantages of each of the models. In addition, the national models of the USA, France, Germany, Japan and China, as well as the EU and NATO, are briefly characterized. The article provides a brief description of national strategic planning procedures and the role of various government bodies in its process. Differences in countries and models in attracting independent expertise for strategic planning were also noted. According to the observations of the authors, signs of slow convergence of various national and regional strategic planning models are currently observed.

**Keywords**—strategic planning; plan; state planning bodies; strategic planning model; forecast; planning procedure

## I. INTRODUCTION

Strategic planning was formed in the early stages of the formation of human society and is still a key management mechanism. [1].

Most classifiers tend to distinguish three different regional models of strategic planning – the American, European (which are collectively referred to as the Western model) and Asian Southeast (conventionally referred to as the Eastern model).

## II. WESTERN MODEL

The Western model is characterized by the fact that the basic structures for creating strategy options are national security councils, as well as non-governmental and state centers for strategic development (“think tanks”). The top political leadership performs the function of organizing the work of ministries and departments and ensuring their smooth operation.

Positive features of this model:

- generation and consideration of a large number of options for strategies that are developed with the participation of various groups representing the multiplicity of interests of the state, business and society as a whole;
- involvement of significant resources of non-state sources in the process of developing strategies;
- testing the main provisions of the proposed programs

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and strategies in the election campaign process, as well as ensuring their public support in the elections.

The main disadvantages:

- significant dependence on the domestic political situation;
- excessive influence of national and foreign lobbying groups.

### A. USA

The central document of US strategic planning is the US National Security Strategy (NSS). In the USA, the term “security” is understood more broadly than in the EU, where this concept is used mainly in connection with the problems of defense, law and order and the environment. The US NSS covers almost all areas of government activity.

Based on the provisions of the strategy, other documents related to strategic planning are developed: the annual budget plan, long-term sectoral plans, federal programs, plans of ministries, etc., with a total of up to one and a half thousand, which are developed by 18 ministries of the executive power bloc and 16 departments, having the status of independent agencies.

The solution of cross-sectoral problems is regulated by GPRA Modernization Act of 2010 [2], in accordance with which cross-sectoral priority goals are formed, which must be agreed with all interested ministries and agencies.

Based on strategic documents, annual plans of the federal government and ministries are formed, subject to strict monitoring, the results of which are published in the annual economic report of the US president.

Sectoral annual plans are formed simultaneously with budget applications, and on the basis of these documents the Administrative Budget Office of the Presidential Administration draws up an annual federal plan to be considered and adopted by Congress along with the draft federal budget.

The US strategic planning paradigm is short-term planning based on strategic vision, subject to tight monitoring of short-term plans. This approach is based on the development of a private forecasting industry, represented by hundreds of analytical centers and tens of thousands of specialists of various profiles.

### B. EU and NATO countries

The European system of modern strategic planning has historically been the first and so far has traditionally focused on analytical work within the framework of the state apparatus.

The creation of the European Union, in which the European Commission (EC), its main executive body, carries out supranational strategic planning and management. It has become an effective complement to the work of national authorities in this area.

At the same time, the forecasting and analytics industry is also highly developed in the EU, despite the state priority in creating analytical products. It is represented by a significant number of scientific, commercial and non-profit organizations.

Strategic planning in some countries has a number of features.

Planning in France is characterized by two distinctive features.

1. Formation of industry leaders – large corporations, the so-called "branch national champions", who are able to develop and implement their own strategy, but coordinated with the state vision of the future.

2. Contractual beginning as a fundamental principle. So, for example, in accordance with the law, the company is not obliged to inform the state authorities of any other information except information about income. But on the basis of an agreement with the government, enterprises collected the necessary data in exchange for tax breaks and other preferences arising from the fact of participation in indicative planning.

The country's main planning body, the General Planning Commissariat, was transformed into the Center for Strategic Analysis in 2006, and in 2013 renamed the Commissariat General for Strategy and Foresight / France Stratégie (CGSP).

Its tasks include:

- assessment of government strategy;
- formation of a vision of future changes in key areas – economics, technology, social development, sustainable growth and preparation of possible apolitical decisions on the basis of this vision;
- organization and promotion of dialogue between civil society, the state, the expert corps and the business community;
- development of draft reforms, strategic measures and recommendations to the ruling cabinet to overcome current problems [3].

The documentary result of the work of the Commissariat is dozens of prognostic documents over a five-year period. In accordance with the procedure, the conclusions contained in the forecasts must be agreed with the relevant ministries and departments [4].

In addition to the Commissariat, the Ministry of Industrial Renaissance of France has been operating since 2012, which has developed the strategic program "New Industrial France". The latter involves the implementation of 34 reindustrialization plans in various industries.

Thus, the central link in the strategic planning paradigm of France is the negotiation process of the government with the "industry champions" – financial and industrial groups that have their own serious analytical capacities.

Strategic planning in Germany is based on a four-level territorial planning system. The framework conditions for the spatial development of the economy are determined at the federal level.

Based on forecasts, the Ministry of Economics is preparing medium-term plans, the so-called target projections on a four-year vision horizon. Several forecasts are made at once, and the most probable one is selected from alternative options. They are subject to annual adjustment and extension according to the principle of rolling planning.

In addition, the ministry deals with structural planning issues. It develops programs for crisis industries, as well as the latest innovative industries.

Financial planning is carried out by the Ministry of Finance. The federal budget plan is drawn up for five years with mandatory annual adjustment.

The State Council for Sustainable Development, which includes representatives of all ministries, is responsible for developing a national strategy for sustainable development. The Council operates under the direct control of the Federal Government [5, 6].

The planning and forecasting system in Germany is complemented by the work of scientific organizations. For example, the Council of Experts on General Economic Development under the Government publishes an annual assessment of the economic situation and prospects for economic development for the next year. Similar activities are carried out by scientific councils under the Ministry of Economy and the Ministry of Finance, analytical centers make forecasts on the orders of departments, organizations and corporations.

In NATO, the most important political and military decisions are made by the Council of the North Atlantic Alliance, which holds regular consultations to coordinate issues of principle.

The Atlantic Policy Advisory Group analyzes long-term trends in the development of both the international situation as a whole and relations within NATO, taking into account the particularities in approaches to strengthening national security [7].

In the European Union, the strategic planning cycle begins with a message from the head of the EC, which defines the priorities and goals of EU development. Then, in the framework of consultations between the EC, the European Parliament and the Council of Europe, the European Commission's work program for the year is developed [8].

A large number of departments of the European Commission are obliged to prepare their own specialized strategic and operational plans simultaneously with a system of indicators that allows for the provision of unified reporting and monitoring of their activities. An important place in the EU strategic planning system is occupied by the European Strategy and Policy Analysis System (ESPAS).

It also has coordinating functions between bodies such as the European Parliament, the European Commission, the Council of Europe and the European External Relations Service. In 2015, she was prepared with the report “Global Trends to 2030: Can the EU meet the challenges ahead?” [9], containing an analysis and assessment of the main trends in the development of the EU and the risks associated with the development of the analyzed trends.

### III. EASTERN MODEL

It can distinguish two fundamentally different from each other approaches – Chinese and Japanese.

The PRC is characterized by a predominance of state analytical capacities, and in this sense this approach is close to the “western” model.

In Japan, the state, possessing its own analytical centers, uses the analytical capacities of large financial and industrial groups as part of the negotiation process between the state and business, where the agreed basics of strategic planning are developed. The positive features of the Asian model include the relative simplicity of the organization of the process and the use of rooted national traditions. The negative properties of a high degree of inertia, low reactivity and dependence on religious, party and other doctrines, as well as on the personal qualities of the first persons.

Strategic planning in Japan began in 1950, and in 1955 the implementation of the first five-year plan began. The idea of quality management, spread over most of Japanese industry, has transformed this country from a fast-growing Asian economy into one of the centers of world economic power. As they developed, the methods and procedures of planning underwent certain changes while maintaining the general paradigm of organizing the process, which was largely based on traditional values.

During the development of plans, state analytical capacities were used along with the analytical capacities of large corporations. Independent analytical centers were also involved in the process, for example, Nomura Research Institute (NRI) and the Mitsubishi Research Institute (MRI).

In many ways, the Japanese strategic planning system was formed under the influence of the United States and through partnership with the United States. However, the ideas and principles of strategic planning were adapted to local traditions and peculiarities of national psychology.

In general, analytical centers representing the eastern model of strategic planning have less lengthy experience, in contrast to the analytical centers of the western model. We can also note a steady trend of increasing the degree of their involvement in the processes of forming the foundations of strategic planning in the field of national security.

In a number of Asian countries, documents available for analysis containing the basics of ensuring national security appeared relatively recently, for example, in India, the second most populous country, one of the leaders in economic growth, as well as in the development and application of modern technologies.

India ranks third (after China and the United States) in terms of volume and seventh in terms of GDP parity, recently it has been increasingly called the “growing superpower.”

China in the field of planning since 1980 of the last century has smoothly evolved from a Soviet-style directive planning system to a system of indicative strategic planning and state programming.

The State Council of China is engaged in planning and programming, the main planning documents are approved by the All-China Assembly of People's Representatives. All government organizations involved in the execution of programs are required to draw up their own subprograms.

The ministries and departments of the PRC are engaged in sectoral and regional programming in close coordination with national plans and programs. The standard planned horizon in China is 5 and 10 years.

The All-China People's Assembly in early 2016 adopted the last five-year plan. It is based on five basic principles: innovativeness, coordination, environmental friendliness, cooperation and openness.

The concentration of the analytical capabilities of strategic development in the hands of the state is regulated by the implementation of the adopted Law in the PRC “On State Security” [10].

At present, long-term forecasting is carried out in China and long-term development programs are being built on its basis both at the central and regional levels. Long-term plans are separated by medium-term (for 5 years) planning.

A long-term development program includes, for example, “Forecast-2050”. It was developed by specialists from the Institute for Quantitative and Technical and Economic Research of the Academy of Social Sciences, the Committee for Planning and Development of the PRC, and Beijing and People's Universities. Also, analysts of special services and dozens of research institutes specially created for this purpose participated in the preparation of the document.

In the near future, China intends to involve independent think tanks in strategic planning.

### IV. CONCLUSION

Observing the development of national strategic planning systems and taking into account many national characteristics, nevertheless it is possible to talk about a certain convergence of national strategic planning systems. This in turn is due to three global trends.

1) Development of independent think tanks as a commercial industry. It is often more profitable for national governments to buy an analytical product than to maintain analytical capacities within the state apparatus.

2) The development of regional unions with their own planning bodies that stimulate the unification of national standards and strategic planning procedures.

3) The rapid development of information processing technologies, such as Big Data, which leads to technologically determined proximity of planning procedures.

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