

Lecture No. 6. Strategic Planning: National Projects and State Programs

Outline:

- 1. The Relevance of Goal-Setting and Planning**
- 2. Terms and Concepts**
- 3. History of Strategic Planning in Russia**
- 4. Key Tools of Strategic Planning Since 1991**

Opening Remarks

The process of improving the state strategic planning system in the Russian Federation is of interest to both the academic community and practitioners. This interest stems from the implementation of tasks aimed at accelerating the socio-economic development of the country and its regions—tasks set by the President of the Russian Federation for the Government, as well as federal, regional, and municipal authorities. Their activities are meant to promote the growth of the national and regional economies, increase competitiveness, boost the effectiveness of public administration, and improve the quality of life for citizens.

Within this framework, the issue of goal-setting and planning has become increasingly relevant. At present, goal-setting and planning serve as the foundation for the public administration of socio-economic development at both the national and regional levels. The practical implementation of goal-setting and planning at the constituent entity level of the Russian Federation possesses a number of distinctive features, especially when compared to similar activities conducted by federal authorities.

Furthermore, it should be noted that although all the legislative prerequisites for integrating goal-setting into the strategic planning system have been created, it has not yet taken its proper place in strategic planning at the regional and municipal levels. Enhancing the state strategic planning system in the Russian Federation is essential, not least because the Russian economy currently faces new challenges.

1. The Relevance of Goal-Setting and Planning

National projects are understood as comprehensive programs of nation-wide significance

t

h • Interconnected documents characterizing the priorities of socio-economic development and national security;

t

r

- Regulatory, legal, scientific, methodological, informational, financial, and other support mechanisms for strategic planning;
- Participants in state strategic planning who carry out and direct practical activities in this field.

For each goal within a state program, final socially significant indicators are established for the programs themselves and their structural components.

The process of refining the state strategic planning system in the Russian Federation is of both scientific and practical interest. Goal-setting and planning form the backbone of public management for the socio-economic development of the country as a whole and its individual regions.

However, the implementation of goal-setting and planning activities in the Russian Federation exhibits several unique characteristics. Although legislative groundwork for goal-setting exists, it has yet to occupy its rightful place within the overall strategic planning system. Improving this system in the Russian Federation is imperative due to the new challenges facing the Russian economy:

The First Challenge: Increasing global competition encompassing not only traditional markets for goods, capital, technologies, and labor, but also systems of national governance, innovation support, and human potential development. The main characteristics of global economic development that will exert a serious influence on socio-economic processes in Russia over the next 10–15 years are:

- A return to dynamic global economic growth in 2022–2024 following the recovery from economic crisis;
- The emergence of China and India as primary engines of global economic growth, along with the rise and growing influence of new global centers of economic development in Asia and Latin America;
- The persistence and potential intensification of global trade imbalances, which will drive shifts in exchange rates and the restructuring of international economic institutions.
- A new wave of technological transformation. Over the coming decade, developed countries will transition toward building a new technological base for their economic systems, leveraging the latest advancements in biotechnology, information technology, and nanotechnology, including applications in healthcare, defense, and other sectors.
- The growing role of human capital as the primary driver of economic development. The competitiveness of a modern innovation economy will be determined by professional

expertise, which directly depends on expenditure on education, healthcare, and scientific research. Russia will no longer be able to sustain its competitive positions in the global economy relying on cheap labor or by cutting costs on education and healthcare. For Russia, responding to this challenge requires overcoming negative trends in human potential development, which are characterized by:

- A declining population and falling employment levels in the economy;
- Intensifying competition with European and Asian markets for qualified specialists;
- Low quality and diminishing accessibility of social services in healthcare and education.

These outlined challenges inevitably lead to changes in the overall living and operating environment.

Thus, national goal-setting involves cascading short-term, medium-term, and long-term development targets while taking into account the global agenda for achieving sustainable development goals.

D

- i 1. To reduce costs (representing a synthesis of human resource and financial optimization);
- i 2. To create new value or generate savings;
- t 3. To free up time resources so that organizations, companies, and government authorities can pursue new opportunities.

1 Understanding the essence of the digital transformation of the economy allows us to define it as an activity (comprising both processes and projects) aimed at the intensive adoption and utilization of information and communication technologies across all economic sectors to boost efficiency and competitiveness at macro- and micro-levels.

a In effect, the digital transformation of the national economy serves as an instrument for achieving a qualitative leap in productive forces toward a higher technological tier of economic activity.

f Another critical factor is the development of civil society. Citizens increasingly want to be involved in public and social processes—ranging from participation in spatial planning and urban landscaping to the formation of public authorities and the creation and execution of municipal budgets.

a In the modern world, short planning horizons are becoming obsolete, as they diminish readiness for long-term investment and innovation. Economic actors require a clear trajectory of development to optimize resource allocation, considering their existing potential and the volatility

o

n

i

of the external environment, which demands partnership and clear deliverables from the national economic and political system.

For example, the rapidly growing carbon neutrality agenda and new restrictions on importing goods with a high carbon footprint prompt major modern exporters, including Russia, to adjust and refine their strategic goals.

The modern mechanism of strategic goal-setting and planning focuses on consolidating authority, business, and society. This overall process is geared toward fostering civil society, as only joint efforts can ensure the achievement of set target benchmarks.

2. Terms and Concepts

The concept of strategic planning is interpreted differently by various scholars, leading to multiple definitions of strategic planning (hereinafter – SP).

In the definition provided by A. I. Ilyin: *"Strategic planning is a tool used to form a system of operational goals and unite efforts to achieve them."* This formulation highlights only the purpose of strategic planning (and strategic management as a whole) rather than its core essence.

According to L. E. Basovsky, strategic planning *"represents a set of decisions and actions to develop a strategy necessary to achieve the goals of an organization or enterprise."* This definition equates planning with strategy development, which is conceptually imprecise: "plan" is a broader term than "strategy," as a plan encompasses both strategy formulation and a program of measures for its execution over a given timeframe.

Russian economists D. D. Vachugov and V. R. Vesnin define strategic planning as *"a set of specific goals to be achieved by a certain period. They cover the most general problems of production development and resource distribution for many years ahead; they are developed independently across various directions, yet adhere to a specific hierarchy."*

E. A. Utkin understands strategic planning as *"a special type of practical human activity—planning work consisting in the development of strategic decisions (in the form of forecasts, projects, programs, and plans) that provide for the setting of targets and behavioral strategies for managed objects, the implementation of which ensures their effective functioning in the long term and rapid adaptation to changing environmental conditions."* From the perspective of viewing strategic planning as a management function, this definition is the most accurate. Clarifying the relationship between strategic planning and strategic management on the basis of this definition enables us to formulate a comprehensive definition.

Thus, **strategic planning** is the activity of strategic planning participants in goal-setting, forecasting, planning, and programming the socio-economic development of the Russian Federation, its constituent entities, and municipalities, as well as economic sectors and spheres of

state and municipal administration, and national security provision—aimed at addressing tasks of sustainable socio-economic development and national security.

Accordingly, strategic planning comprises activity across four key areas:

– establishing directions;

- **Forecasting** – identifying risks and threats;

– defining action plans;

- **Programming** – developing and implementing programs targeted at the socio-economic development of the Russian Federation, its constituent entities, and municipalities.

Let us examine these areas of strategic planning in detail:

- **Goal-setting** is the process of substantiating and formulating development goals for a managed object.

- **Forecasting** is the anticipation of changes in the development and outcomes of events or processes within state activity and government bodies, based on empirical data, professional expertise, practical experience, and scientific-theoretical analysis.

- **Planning** is the process of formulating plans that specify deadlines, stages, and management metrics, calculating necessary resources and expected final results.

- **Programming** serves as a key stage in the strategic planning procedure.

3. History of Strategic Planning in the Russian Federation

The Great Reforms Era

During the Great Reforms of the 1860s–1870s, planned activities within enterprises were

r

1. The relatively low level of theoretical and methodological tools in economic science at the time;

2. Socio-economic instability during this historical period.

Thus, in the pre-revolutionary period (starting in the 1860s), the state engaged in economic development planning, budget planning, and foreign economic planning as part of political arrangements with military allies.

Enterprises and organizations, in turn, pursued informal strategies to enhance competitive advantages, enter new markets, and master new product lines.

The primary instruments of strategic planning during this period were simple statistical analysis and informal expert assessment. However, the environment in Russia—especially in the early 20th century—was not conducive to sustaining long-term strategic initiatives by entrepreneurs.

The Soviet Period

e

r

d

During the Soviet period, strategic planning was conducted primarily within the framework of the five-year plan system (pyatiletki). The most important instruments of strategic planning during this era were the input-output balance (intersectoral balance) and spatial schemes for the distribution of productive forces.

At this stage, the state exercised directive planning over all economic aspects of the national economy, which resulted in enterprises lacking autonomy in formulating and implementing their own strategic plans.

Key developments during this period included:

1. **1920:** Following the October Revolution of 1917, the State Commission for Electrification of Russia (GOELRO), under the direction of V. I. Lenin, developed the State Plan for the Electrification of Soviet Russia (**GOELRO Plan**). This was not merely an energy development plan, but a comprehensive program for the entire economy. It provided for the construction of industrial enterprises supplying infrastructure projects while prioritizing power engineering. The Soviet government incentivized participants: those involved in electrification received tax breaks and state credits.

Designed for 10–15 years, the GOELRO plan projected the construction of 30 regional power plants (20 thermal and 10 hydroelectric power stations), alongside parallel transport network expansion. The project laid the foundation for industrialization in Russia and was overfulfilled by 1931. By 1932, electricity generation had increased 7-fold compared to 1913, exceeding the planned 4.5-fold increase.

2. **1923–1928:** A general plan for the restoration and development of agriculture and forestry in the RSFSR was formulated, known as "**Kondratiev's Five-Year Plan**" (1924), named after one of its key developers, N. D. Kondratiev. It was qualitative in nature and grounded in rigorous scientific research.

3. **1928–1991:** A specialized state organ (**Gosplan USSR**), under the guidance of the Communist Party, formulated five-year plans for the development of the national economy—economic blueprints aiming for rapid industrial growth.

Early five-year plans aimed at rapid industrialization, focusing heavily on heavy industry. In total, 13 five-year plans were introduced. Several plans did not complete their designated timeframe (some were fulfilled early, while others fell short and remained uncompleted).

- **First Five-Year Plan:** Adopted in 1928 for 1929–1933; completed a year ahead of schedule.
- **Second Five-Year Plan:** 1933–1937, and so forth.
- **Seven-Year Plan (1959–1965):** Adopted at the 21st CPSU Congress in 1959, after which five-year cycles were resumed.

- **Thirteenth Five-Year Plan (1991–1995):** Unfulfilled due to the dissolution of the Soviet Union in 1991 and the subsequent transition to a decentralized market economy.

Pros of Five-Year Plans:

- Clear planning across all national economic activities;
- Massive economic surges during early five-year plans in relatively short spans;
- Public mobilization and enthusiasm, drive to complete five-year targets in four years, competitive spirit, and the Stakhanovite movement;
- Ambitious goals aimed at building a powerful state, increasing defense capability, and raising living standards.

Cons of Five-Year Plans:

- Unobjective reporting indicators, tendency to conceal failures and inflate figures;
- Unrealistic plan targets set without considering actual economic capacity;
- Fulfillment at all costs (often within four years) led to the removal and purging of capable managers, particularly during Stalinist repressions.

4. Key Tools of Strategic Planning Since 1991

This section highlights the most significant milestones in strategic planning in modern Russia:

- **1990 – "500 Days" Program (G. Yavlinsky, S. Shatalin):** A market transition blueprint drafted for the USSR with the support of B. Yeltsin. It argued that Soviet economic problems stemmed from planned economics and proposed a rapid shift to market mechanisms to d
- **State Strategy for Sustainable Development of the RF (up to 2005):** Drafted pursuant to Presidential Decree of April 1, 1996, and endorsed by the Government in December 1997. It targeted structural economic adjustment integrated with environmental factors. Despite government endorsement, it was never formally ratified.
- **Strategy 2010:** A socio-economic policy program for 2000–2010 developed at the Center for Strategic Research (CSR), officially titled *"Main Directions of the Socio-Economic Policy of the Government of the Russian Federation for the Long Term."* It outlined reforms for economic, social, and state governance structures. Although it formed the ideological backbone for subsequent governmental action plans, the draft itself was never formally ratified as a single document.
- **Strategy 2011:** The second edition of "Concept 2020" (HSE, RANEPa) – was not formally considered or adopted.

- **Strategy 2012 – "May Decrees":** 218 presidential executive orders published to set comprehensive social and economic targets.
- **Strategy 2014 – Strategy 2035 (Ministry of Economic Development, CSR):** Submitted for public consultation.
- **2015 – Medium-Term Socio-Economic Development Program of Russia up to 2025 (Stolypin Club):** Was not formally considered.
- **Strategy 2016 – "Strategy 2024" (CSR):** Developed under Alexei Kudrin starting in May 2016 in coordination with "Strategy 2035." It included proposals for public administration reform, pension and law enforcement reforms, reducing state involvement in the economy, and reallocating budget spending toward human capital and infrastructure. Its core priority—"*Every Individual Matters*"—focused on healthcare, education, and poverty reduction. Strategy 2024 served as the foundation for Presidential Decree No. 204 of May 7, 2018.
- **Strategy 2021:** Strategy for the Socio-Economic Development of the Russian Federation with Low Greenhouse Gas Emissions up to 2050.
- **Federal Law "On Strategic Planning in the Russian Federation" (June 28, 2014):** Signed by President Vladimir Putin, this law established the legal framework for formulating and implementing socio-economic development strategies and forecasts in modern Russia.