

STRATEGIC PLANNING FOR THE DEVELOPMENT OF PUBLIC TRANSPORTATION

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Abstract: *The aim of this paper is to analyse the impact of strategic planning in the development of public transportation. Therefore, we conduct a short literature review concerning the relation between strategic management, in general, and the development of public transportation, and, more specifically, different aspects of strategic planning in relation to the development of public transportation. We include both theoretical views on the subject and empirical studies in different regions and states which show the effect of strategic planning on the changes related to public transportation.*

Keywords: *strategic planning, strategic management of transportation, transportation development, regional development.*

JEL Classification: *R00, R42.*

1. Strategic management and the development of public transportation

In order to introduce significant sustainable and environmentally friendly changes regarding public transport, it is necessary to use strategic management, including strategic planning. The literature on this topic is growing, as well as global initiatives for developing public transportation using strategic management tools.

Dimić *et al.* (2016) have proposed a strategic management model for public transportation development with five stages, with associated sub-steps: (1) strategic analysis (which includes strategic analysis conduction, as well as SWOT matrix); (2) strategic options formulations (identifying and valuating impact factors, create strategic options); (3) optimal strategic option selection; (4) selected strategy implementation (determining perspectives, performance, KPI, and creating the strategic map); (5) strategic control (monitoring performance indicators and determining reach statement).

2. Strategic planning and the development of public transportation

In the context of developing public transportation services and solutions, strategic planning can be defined as the process that includes diagnosing transportation organisations' environments (internal, as well as external), making decisions regarding the vision and mission of the organisation, developing short and long-term goals, creating strategies in order to pursue the respective goals and allocating the necessary resources in order to achieve those goals (Obeng and Ugboro, 2008).

Gavrilidis and Metaxas's meta-analysis of strategic planning for city development in Greece has identified a series of outcomes and policies of strategic planning for public transportation. The impact and outcomes of strategic planning include: optimisation of resources, positive visual impact of public spaces, and the improvement of environmental and sustainability issues. Moreover, the effects of strategic planning concerning key strategies include: the improvement of accesibility of public transportation, the growth of capacity of public transportation, the improvement of confort, the protection of the environment, the utilisation of KPIs, the monitorisation and forecast of public transportation, increasing the control of the public transportation's quality, and the increase of the customization (Gavrilidis and Metaxas, 2017).

Other papers in the literature have opted for case studies regarding the transportation organisations use of strategic management. Zohrehvandi and Ghazanfari (2013) have studies the implementation of strategic management at such an organisation and have

identifies several issues, which we consider to be barriers in the actual strategic planning process. First of all, the environment in which the transportation company operated was highly volatile and unstable, which leads to making medium and long term strategies unusable. Second of all, the mission of the organisation was not clearly defined or correlated with measurable objectives, which also has a negative impact on strategic planning.

The expression of „strategic planning” is growing in popularity in the context of public transportation development, and, in this context, there is a risk of it becoming a catch-phrase without much practical application. Therefore, it is important to identify and implement effective strategic planning steps, which have been summarised by Obeng and Ugboro (2008): the development of action plans at unit or division level and the unification of these action plans into a system strategic plan, the involvement of top-level management, the external orientation (or customer orientation, in this case, the orientation towards the users of public transportation) of public transport, centering the responsiveness of the organisation to the users’ needs and demands, and identifying, as well as investing in growth opportunities for the future.

3. Improvement of local infrastructure as a factor for increasing the quality of life and diversification of the rural economy

Infrastructure represents the basic services and facilities serving a country, city or other area, including the services and facilities needed to operate its economy. The infrastructure is composed of public and private physical improvements such as roads, bridges, tunnels, water supply, channels, electricity networks, telecommunications (including Internet connectivity and broadband speeds). In general, it has also been defined as “the physical components of interdependent systems that offer essential products and services to enable, sustain or improve the living conditions of society.”

Infrastructure and basic services in rural communities in Romania, including mountain areas, are inadequate both in terms of quality and functionality. They are the main elements that maintain a strong gap between rural areas and urban areas in Romania and, moreover, a hindrance to equal opportunities and socio-economic development of rural areas.

Thus, the development and upgrading of water / waste water systems adapted to standards, network of roads of local interest, to improve connectivity, health services, represent basic needs for the rural population.

Limited access to these is reflected in a low degree of attractiveness of rural space for both entrepreneurs and young people from these areas. The deficiencies resulting from a poorly developed local infrastructure also cause discrepancies in the accessibility of educational forms.

An improved basic infrastructure will create adequate living conditions, development and revitalization of the rural economy while ensuring access to health, social services and education.

Specifically, a centralized water / wastewater infrastructure will improve access to drinkable water and increase hygiene conditions, while improved local roads will increase access to all other services.

Considering the above, the promotion of local development through the LEADER instrument for bottom-up promotion of development initiatives and activities by local communities, having as a starting point the locally identified needs and endogenous potential is necessary and very important. The need to develop in an integrated and

innovative way the issues of local importance, the balanced development of local communities is vital for accelerating the structural evolution of these communities.

Also, the need to strengthen local governance in terms of management capacity needs to be enhanced, as rural stakeholders are better informed and stimulated about the possibility of engaging more extensively in the development of their own local communities.

Involvement of local stakeholders in the development of the areas in which they operate will contribute to the achievement of a dynamic development supported by a local development strategy developed and implemented locally and managed by representatives of the LAG (Local Action Group).

In the basic infrastructure at the level of the territory, investments in the modernization of local roads were made, both by accessing the national and European funds, as well as through the NRDP 2007-2013, LEADER –Dâmbovița South-West Micro-region LAG axis, such as: Modernization of the communal road in the village of Mănăstioara - forest store in the Commune of Uliești; Modernization of local road Ulița Mangica in Mogosani Commune; Modernization of the Bisericii Street, the village of Puntea de Greci, Petrești Commune, Modernization of the access road Moara Oancea Nicolae, in the village of Cazaci, Nucet Commune; Modernization of streets in Lucieni Commune.

However, the needs of the territory are increased, development and investment in this area is still needed.

Thus, the local development strategy of the Dâmbovița South-West Micro-region LAG (DBSW Micro-region LAG) came as a consequence and, at the same time, a solution for improvement of the region's infrastructure, the development of non-agricultural businesses, the increase of the agricultural business's ability to enter the market and to resist large producers, to support young people in setting up a business and to apply for high-quality products.

The amount allocated to measure 6 / 6B - Local and social infrastructure is 424,005.98 Euros, money allocated to the development of local public infrastructure for the 16 component localities as well as to social development and support to those categories not directly involved in rural development but which are part of the local community and, implicitly, their quality of life is also reflected in the other categories.

The funds allocated by LDS (Local Development Strategy) for the local development of the DBSW Micro-region are significant and can provide a change and improvement in the rural life and economy of the area, but investment in the development and establishment of businesses must be supported by strong public infrastructure (road, social, health, communications, etc.).

The objectives of SDL of DBSW Micro-region LAG are to support the development of the region on all major plans, namely: supporting farmers to develop and carry out their activities in a shorter time with lower costs, but ensuring high quality products, supporting farmers for vocational training and the development of professional skills, supporting young people to settle in rural areas and earning income from agriculture (Romania being essentially a country based on agriculture and characterized by generations that are too old to meet the ever changing demands of the economy), supporting the achievement of high quality products and encouraging their access to foreign markets, supporting investment in operations of social public interest (nurseries, support of minorities, development of technological education and agricultural schools, etc.). Covering all these sectors will ensure a balanced and sustained development of the region, thus continuing the objectives achieved in the previous programming period.

There is a one-to-one relationship between the transport infrastructure of a region and its economic development.

Since ancient times, the most prosperous regions have either been along major communication routes or at their intersection. The development potential of a region is even greater as that region has a more developed transport infrastructure. Undoubtedly, transport infrastructure is one of the most important factors of national or regional economic competitiveness, alongside tax regime, technological and research infrastructure or the level of workforce training. Reciprocal relationship is also valid. Economic growth leads to an even greater increase in transport needs, creating additional pressure on the existing infrastructure. At European level, traffic is expected to double by 2020, requiring investments in the extension and modernization of trans-European transport networks of around 500 billion Euros in 2007-2020.

Symmetrically, the lack of adequate transport infrastructure can stifle development, and the regional economy is stagnating or even regressing. Difficult access (measured in time and cost) to areas with economic, residential or recreational functions of a region makes that region less attractive both for business and for the population. The high freight transport costs (whether we are talking about raw materials, semi-finished products or finished goods) and the displacement in difficult conditions of people in a certain area are factors that discourage economic investments and lead to the gradual deterioration of that area. Therefore, reducing isolation caused by geographic factors (in the case of predominantly mountainous or island regions), demographic factors (in the case of dispersed populations) or in border areas represents a constant concern of the European Union.

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