The role of local government in strategic planning and stimulating investments in agriculture sector

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The traditional model of public administration functioned at the minimal presence of the strategy, but due to this the great attention was paid to the planning system. The public sector can learn a lot from the private sector regarding the issue of planning, strategy development, visioning and forecasting. According to Bilas and Franc (2006) the strategic approach enables:

- introduction of new equipment and modern technologies,
- introduction of new production processes and new products,
- higher employment and employee education,
- business modernization and improvement,
- development of production with a higher degree of processing,
- increase in economic activities,
- developing a new service offering,
- energy savings.

The development plan for local government units should consist of several component plans that are functionally linked. These plans most often include: investment projection, personnel, scientific research, model of formation of total revenues, as well as other business indicators. Due to the above, local government units should direct their directions of development according to the basic resources at their disposal, as well as the goals, which must be realistic and strategic in orientation.

The aim of this paper was to analyse techniques and methods of strategic concept that can be implemented by carriers of the management structure at the local level in order to improve the entrepreneurial climate and improve the investment environment. Furthermore, the purpose of introducing the strategic concept into local government was also analysed.

Material and methods

This research focuses on countries that are similar in size and area, where agricultural production accounts for a significant portion of GDP. Countries being compared are: Croatia, Hungary, Serbia, Austria, Bulgaria and Slovakia. The analysed indicators presented in the Table 1 have an impact on the creation and implementation of business plans. The values of the analysed indicators refer to year 2019.

For strategic business support activities, the incentive measure for job creation was increased by 25% over the same stimulus for industrial-processing investment projects, and the incentive for job creation for investment in technological development and innovation centres was increased by 50%. The basic criteria for the implementation of incentive measures under the incentive scheme for large investment projects are the following: Construction of a new factory or industrial plant, start-up of new business, and development of new technologies. Realization of investment in long-term assets of the development. It is important for investors to have information on construction zones and zones intended for business development in one place. Furthermore, procedures need to be simplified. It is necessary for an active economic policy to create an investment environment that will be attractive to investors, which will ultimately contribute to a better competitive position for local farmers.

Conclusion

The strategic concept of development is specific because, in addition to standard economic analyses, it also includes measures that determine the behaviour in space. The development of agricultural production and other economic activities is based on a dynamic business environment and local government bodies are subject to the laws of external market influences. The inability to respond to external challenges has stalled the development of the local community, which can eventually result in peace-time economic migration (currently happening). The results of the analysis indicate the need to change the mind-set of both the population and the employees of the local government units inevitably, about its role and its importance. Therefore, the introduction of strategic concepts in the management of the local government a key element in its development. It is important for investors to have information on construction zones and zones intended for business development in one place. Furthermore, procedures need to be simplified. It is necessary for an active economic policy to create an investment environment that will be attractive to investors, which will ultimately contribute to a better competitive position for local farmers.