

INNOVATIONS AS A TOOL IN STRATEGIC THINKING: THE CZECH EXPERIENCE

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1. A HOLISTIC APPROACH TO GENERATING VISIONS AND STRATEGIES

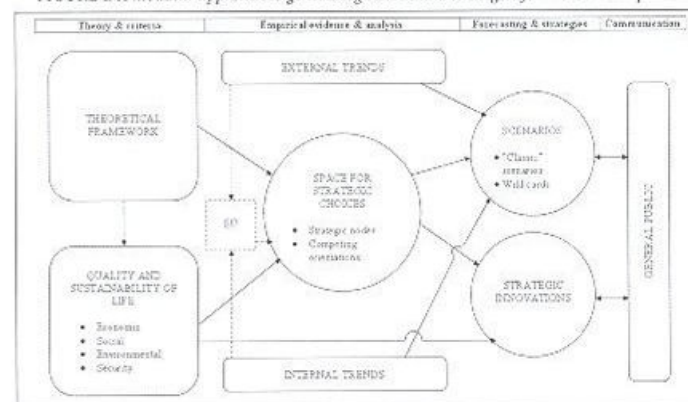
Systematic development of visions and strategies for the Czech society and the Czech state has been the focus of our work at the Center for Social and Economic Strategies, Faculty of Social Sciences, Charles University in Prague (CESES), since our establishment in 2000. We depart from the assumption that intelligence is characterized by ability to forecast future and support strategic governance with evidence based on investigating possible futures. Without a strategic perspective, the country's prospects of successfully integrating into the globalization and Europeanization processes diminish dramatically. Without direction, the "country boat" navigates forward much slower or may stop altogether. In a dynamically changing world, this means lost opportunities, possibly for generations ahead. We have recently witnessed individual countries arrive at the edge of bankruptcy.

Existing experience with generating visions and strategies for the Czech Republic proves it to be a multifaceted and permanent process of learning, accumulating evidence, and getting new methodological experience. Based on numerous discussions, we have decided to proceed from the previous stage where we mostly focused on the theoretical background of this effort (cf. Potůček, Musil & Mašková, 2008) to a procedure that will be structured enough to avoid unnecessary ignorance of subject-matter context and methodological links and, at the same time, will enable us to respond to different stimuli and requirements—such as the recent outbreak of a global crisis—"as we go". The following proposed composite (modular) approach appears as a key to solution since it enables us to:

- (a) further develop individual elements without losing the holistic perspective. At the same time, we have incorporated a subject matter hitherto insufficiently conceptualized, i.e., the role of the European Union in the country's future development; and
- (b) react flexibly to expected demand for specific analytical or forecasting outcomes for practice within different policy agendas or at different levels of governance.

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FIGURE 1. A modular approach to generating visions and strategies for the Czech Republic



A brief description of this approach's individual elements follows. Major links between elements are drawn in figure. The concluding part of this text will characterize the presumed general environment of solving this complex cognitive exercise.

The *theoretical conceptual framework* systematically formulates the theoretical background of the overall analytical and forecasting jobs and the resulting interpretative frameworks for the country's possible future development. The above-mentioned comprehensive publication by Potůček, Musil & Mašková (2008) constitutes the fundamental—though clearly not exclusive—source of evidence and inspiration.

The *space for strategic choices* includes an overview of competing orientations and decision nodes for the country's possible futures that have been identified through past forecasting efforts. It summarizes fundamental assumptions about decisions that, based on available evidence and the study of possible futures, can be deemed to influence the country's future orientation. Such decisions will be represented in the space for strategic choices by either decision nodes (in case of top-down strategies) or competing orientations (in case of bottom-up strategies) (see Potůček & Mašková, 2009).

External trends represent a comprehensive description of the development trends in human civilization as a whole, as well as more specific circumstances that are relevant, above all, to the Euro-Atlantic cultural area. The fact that the Czech Republic has minimum chances to influence these trends identified is a common denominator to all of them. Therefore, we will treat external trends as independent variables.

Internal trends characterize the development dynamic of key areas of the Czech Republic and its society. As we know, some of these trends can be better identified than others in a perspective of decades ahead. In their entirety, internal trends are an essential foundation for formulating ideas of possible futures that incorporate assumptions about factors active in societies' fate, i.e., actors, their interests, competencies, and ways they see the world and their places in it. Both internal and

external trends are discussed in the above-mentioned publication by Potůček & Mašková (2009).

As mentioned above, the role of the European Union in the Czech Republic's future development has been understudied in our approach. One obstacle has been posed by the necessity to conceptualize the fact that the Czech Republic is now a member of the Union and, as such, takes part in shaping its possible future, while simultaneously being importantly influenced by the common legal framework and decisions that are largely out of the country's control. However, we can build on the ever growing scholarly literature on this historically unique institutional body. We will attempt a sufficient synthesis of the relatively fragmented and partial evidence about Europeanization processes and interactions between member states and their institutions, Euroregions, European Union bodies, and the general public.

Quality and sustainability of life is a comprehensive criterion for our thinking about alternative strategic choices for the Czech Republic. It helps us better identify potential conflicts or synergies between the present quality of life and its long-term sustainability on one hand, and its economic, environmental, social, and security pillars (economic competitiveness, environmental sensitivity, social cohesion, and internal/external security), on the other hand.

Scenario planning is the basic method for formulating alternative possible futures for the Czech Republic and its society. Variability and communicative potential of the narratives offered and the ability to focus on fundamental development contexts and consequences of strategic choices, are among the method's advantages. Apart from "classic" scenarios, we also investigate "wild cards", i.e., sudden and unpredictable changes in situation and their consequences. For more details, see Potůček (2006) and Frič & Veselý (2009).

It is impossible to understand possible futures merely based on identifying development trends and scenario planning. People's and institutions' creativity, their ability to respond to challenges old and new in innovative ways, is inherent in the development of human communities. Therefore, the concept of strategic innovations occupies an important position in our approach.

We understand *strategic innovations* as changes in established ways of satisfying the country's and its population's needs (or fulfilling new needs) that are expected to positively affect life quality and sustainability in decades ahead and reach across individual sectors, functional spheres, or regions. These can either be top-down strategies or parts thereof that are initiated by central administration (e.g., pension system reform or new ways of addressing an existing agenda) or emerging strategies that are realized—at least initially—through little organized activities by people and institutions based on horizontal communication and collaboration networks. Imitating projects that were successful abroad while respecting the country's cultural specifics may be another form of strategic innovation. (For examples of strategic innovations, see the end of this text.)

A *collaborating public* joins the process of generating visions and strategies by taking part in formulating scenarios and strategic innovations. The institutional website, academic events that are open to general public, and media presentations of outcomes are the primary means here.

The outcomes of forecasting rely on the theoretical background and criteria of social development formulated, in line with available generalized knowledge of relevant scientific disciplines about the nature of contemporary societies and the criteria shaping social-political decision making and practice. Such background and criteria help structure internal and external trends and, in particular, the identification of the space for strategic choices.

European Union and the Czech Republic within it are located between external and internal trends. The EU's future orientations will strongly influence the country's developments. At the same time, Czech population and political representatives will have sufficient space for taking specific decisions towards modifying such influence substantially and, at the same time, feeding back into the Union's own development.

The space for strategic choices identified, as a quintessence of the theoretical background, is further applied in formulating strategic innovations and articulating alternative scenarios for the country's possible future development. It is in the scenario planning that we apply evidence on both internal and external development trends.

Scenarios and strategic innovation recommendations are the most suitable candidates for effective communication with the general public (citizens, civic sector organizations, the media, politicians, or officials), given their language and genre.

2. THE CESES STRATEGIC INNOVATION RECOMMENDATIONS

The CESES has hitherto recommended the following three strategic innovations.

As our first strategic innovation, entitled "*Introducing civil service for young people*", we envisage a range of possible gains of a civil service offered to those young people who express interest in any form of public service, be it in social or health care, protecting the environment, culture, or any other public benefit activities in the Czech Republic or abroad.

As our second strategic innovation, we propose "*Integrating support for tertiary education, R&D, and innovations*" in order to unite the existing dysfunctionally separated departmental management agendas in tertiary (in particular, college) education and research and development, and include management of institutional support for innovations as an integral part of those agendas.

Our third strategic innovation, entitled "*Supporting social economy*", seeks ways to facilitate the development of those institutional forms of enterprise that are not constrained by the profit maximization criterion, and instead, have aims that, from our perspective of life quality and sustainability, help cultivate social cohesion and environmental sensitivity.

Two other strategic innovations are currently in advanced stages of preparation: one on school as a community centre in remote areas and another on changing the public finances paradigm for the third millennium.

3. CONCLUSION

The CESES research team is convinced that the innovation concept, which has been mostly applied in the product and service market, is fully applicable to the ways we can change social institutions and frameworks as well. Such innovation is even more important now that it becomes clear that existing forms of governance, politics, and administration are unable to stay on a par with social dynamics, a fact causing hitherto unknown tensions and conflicts. It is, however, only future development that can either prove or disprove this hypothesis.

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