

Streamlining Informal Institutions for Local Strategic Planning and Development in a Post-Socialist Central-European Setting*

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Abstract

Informal institutions are increasingly emphasized by local development thinkers as preconditions and factors supporting local development. In post-socialist European countries (PSECs), the need to strengthen informal institutions has been postulated as imperative by some researchers, critically addressing previous decades of rather infrastructural development. In this paper, we argue that, in contrast to this discourse, the operationalization of informal institutions for their use in strategic planning and local development remains unclear. This results in inconsistencies and conflicting natures between the planning process itself and its goals. Based on a review of the literature on the role of informal institutions in local strategic planning and development, we identify the two main shortcomings in the use of the concept. First, we point out the lack of their operationalization, which is underpinned by a poor understanding of the different levels of abstraction inherent to informal institutions. Second, we assert that neglecting such different levels of abstraction often leads to a lack of consensus on appropriate ex-ante and ex-post evaluations of strategic planning outcomes. To reduce the formalism while referring to informal institutions in existing local strategies, we propose a new conceptual approach that allows for their operationalization. The applicability of the proposed concept is discussed specifically in the realm of post-socialist European planning.

Keywords: informal institutions, local development, strategic planning, post-socialist planning, Central Europe.



1. Introduction

The practice of local development and strategic planning consists of the two complementary dimensions that differentially contribute to the process and outcomes of planning. On the one hand, the codified norms, organizations, and instruments (hereinafter referred to as formal institutions) provide a degree of certainty for acknowledging strategic planning as an effective tool for moderating local development. On the other hand, there is a rather fluid dimension of cooperative social networks, trust, and other uncodified norms of acting (referred to as informal institutions), which are aimed to be supported and mobilized by strategic planning. In the latter dimension, however, the situation becomes more complicated, and the informal institutions are almost like an ‘elephant in the room’. They are taken as ubiquitous and essential, but only scarcely are they subject to a detailed critical discussion among planners. Aside from using general references to informal institutions, their specific meanings, types, and variegated implications for strategic planning remain poorly discussed. We believe that these issues and question marks are even more perceptible in post-socialist European countries (PSECs), where planning practice is based on a generally weaker theoretical-methodological anchorage, and, at the same time, strategic planning continues to possess a strong emphasis on technocratic procedures and outcomes (Pascariu *et al.*, 2021). This text aims to critically reflect on rather formalist references to informal institutions and to provide their working operationalization for local strategic planning and development in PSECs.

1.1. Strategic planning and informal institutions

Local strategic planning is intended to coordinate individual stakeholders and sectors in favor of a holistic future development, with each local community having different starting conditions, institutional capacities, and needs. Compared to statutory planning, strategic planning emphasizes transformative actions addressing long-term challenges, creating strategies, and mobilizing capacities for the management of spatial change (Healey, 1997; Albrechts, 2004). The concept of local development leads to reflections on how people perceive priorities in specific places and what they consider suitable for the development of their locality. Development is determined by socially different groups and interests in different places and at different times (Pike, Rodríguez-Pose and Tomaney, 2007). The specific goals of local development, therefore, always depend significantly on the configuration of local conditions and networks among stakeholders and the public. Mathie and Cunningham (2003) point out that it is important to pay attention to the position of the community concerning local institutions, on which (in addition to the external economic environment) its prosperity depends. Vázquez-Barquero (2002) emphasizes that local development governance involves a process of cooperation and coordination that integrates the strategies of public and private actors, their investment decisions, and mutual exchanges.

Institutions and their political implications are increasingly seen as key factors in explaining the success or failure of (neo)endogenous development processes in a globalized world (Rodríguez-Pose, 2013; Vázquez-Barquero and Rodríguez-Cohard, 2016). Highlighting the role of strategic plans for local development and regeneration, the UN-Habitat

Global Report on Human Settlements emphasizes that ‘strategic spatial planning also has a crucial institutional dimension’ (UN-Habitat, 2009, p. 61). Understanding and enhancing local institutions is therefore essential for the design and implementation of effective local development strategies. The good institutional set-up is understood as a precondition for the strategic planning process to enable improvement of the feasibility of the strategic goals (Healey, 1997; Hopkins, 2012).

Along with formal institutions (codified norms and laws, organizations, and instruments), the institutional set-up involves a variety of informal institutions (uncodified and voluntary norms of acting, and standards of conduct) that are enforced by those who bear the costs of non-compliance (North, 1992). While formal institutions refer to proposed organizations that often arise from larger institutional arrangements, informal institutions refer to social networks based on individuals’ communication contacts and are created by repeated interactions in the community, resulting in specific (informal) social capital. In this way, social capital may contribute to overcoming some limitations of formal institutions and mobilize agents and resources for local development (Escandon-Barbosa, Urbano-Pulido and Hurtado-Ayala, 2019).

1.2. Rationale and research aims

Despite the proclaimed importance of informal institutions in strategic planning, there has only been scarce attention paid to their conceptualization and operationalization within the concrete local strategic plans. According to Mauro, Pigliaru and Carmeci (2018), informal institutions play a major role in the success of current decentralization reforms. This notion addresses the importance of informal institutions in the process of strategic planning of local development. Decentralization reforms and how informal institutions support their achievement will, however, depend on the political and geographical context. In this paper, we specifically explore the operationalization of informal institutions in post-socialist European countries (PSECs) of Central and Eastern Europe. Some authors argue that the importance of informal institutions and personal networks and trust is even higher in those countries where formal institutions are weak (Escandon-Barbosa, Urbano-Pulido and Hurtado-Ayala, 2019), but the situation in PSECs is more nuanced for the following reasons. During the period of socialism, strategic planning was centralized, but local planning administration was still called upon to determine how the goals set by the central bureaucracy would be integrated into a municipal setting. After 1989, this system of operation was discontinued because most central governments delegated decisions on strategic planning and development to local authorities, whereas centralized strategies remained to provide only frameworks for local planning. However, this newly established multi-level strategic planning regime with strong decentralization has revealed several path-dependent limitations to strategic planning:

1. too much emphasis on infrastructure interventions limited the focus on community development;
2. strong orientation on results with a predominant focus on measuring the quantitative indicators;

3. the concept of a municipality as an object (territory, target group, passive recipient of strategic planning and management) instead of an entity (community of people);
4. the universalist use of methods and techniques in strategic planning that do not reflect the local contexts; and
5. weakness of civil society and informal institutions that would allow for more deliberative local planning.

The afore-listed limitations call for strengthening the accent placed on informal institutions in strategic planning and local development in PSECs. This impetus has been, however, only scarcely met by an in-depth discussion of different conceptualizations of informal institutions, or by their operationalization for local strategic planning and development. In this paper, we address these gaps and draw inspiration from the recent literature on informal institutions in strategic planning. Due to frequent theoretical arguments about the importance of informal institutions for strategic planning and development, we reflect on how informal institutions are presented in the academic literature. Our working hypothesis is that the lacking operationalization of informal institutions in PSECs planning practice results from their weak conceptualization in the planning literature; thus, supporting the continuing use of formal and more technocratic procedures and instruments. In the next sections, we briefly sum up the theoretical debate on the distinction between formal and informal institutions, and we use content analysis of the planning literature to identify the main ambiguities and gaps in integrating informal institutions in the strategic planning domain. Then, we introduce the general institutional arrangement of strategic planning in PSECs and adopt the concept of planning cultures to propose a preliminary typology and operationalization of informal institutions in PSECs. Finally, we outline the further steps allowing the proposed operational typology to enhance strategic planning goals, outputs, and their evaluation.

2. Framing informal institutions

Institutions are generally the rules of the game that regulate economic, social, and political relations in society. The frequently cited definition comes from Douglass C. North, who defines institutions as ‘the humanly devised constraints that shape human interaction. In consequence they structure exchange incentives in human exchange, whether political, social or economic’ (North, 1990, p. 3). In practice, it is essential to address both formal institutions (rules, laws, organizations, and instruments) and informal institutions (customs, traditions, social norms and values, interpersonal contacts, relationships, and informal networks, culture, religion, identity) that are necessary to build trust (Rodríguez-Pose, 2013). More varied notions and understandings of institutions can be distinguished by looking back on the development of institutionalism itself.

Institutionalism flourished mainly during the 1920s and 1930s. The basis for institutional economics was laid by the American economist and sociologist Thorstein Veblen, who understood the economy as embedded and evolving within social institutions (Wawrosz, 2007). An important milestone for the further development of institutionalism

was set by the work of John Rogers Commons, who developed a notion of social change framed by formal institutions (mostly legal settings). Institutionalism was thus designed primarily as an approach that could overcome a bias in economics, which liked to make judgments without contextual consideration. From the 1960s onwards, the so-called New Institutional Economy has begun to develop. It aims to explain the determinants of institutions and their evolution over time, as well as to evaluate their impact on economic performance, efficiency, and distribution. In this respect, there continues an academic discussion on the classification of institutions, with some authors suggesting different categorizations. Below, we provide a brief outline of the late debates on the theoretical concept.

North (1992) assumes that institutions include formal rules, informal restrictions (standards of conduct, conventions, and voluntary codes of conduct), and enforcement characteristics of both. He distinguishes formal institutions enforced by the courts and informal institutions enforced by persons who bear the costs of non-compliance. The result is a complex mixture of formal and informal restrictions. Informal institutions define the culture of society, they operate (unlike formal institutions) at a tacit level, and shape the perceptions and judgments of the local communities, others, and their environment (Escandon-Barbosa, Urbano-Pulido and Hurtado-Ayala, 2019). By mobilizing these informal networks, formal institutional resources (government, formal community organizations, and private enterprises) can be activated. The institutional environment is therefore closely linked to the values and principles adopted by the communities (Mathie and Cunningham, 2003).

According to Fukuyama (Fukuyama, 2000), institutions were initially only informal. Formalization was influenced by the development of the interests of groups belonging to a given community and the effort to assign them appropriate meaning, interpretation, and rules of enforcement. While formal institutions can be changed overnight as a result of a political or legal decision, informal institutions are subject to an evolutionary process and have often evolved over centuries (Sucháček, 2013). This also has a specific implication for planning and development practice as the pace of change in informal institutions is not in line with the current emphasis on short-term and quick solutions, preferably ‘today’. The historical experience has shown that the qualitative transformation of informal institutions may take two to three generations.

Reviewing and discussing the conventional approach, Ostoj (2019) asks about the validity of the distinction between formal and informal institutions. She refers to S. Voigt, who defines institutions as commonly known rules used to structure situations of recurring interactions that are equipped with a sanction mechanism. He then argues that it is not known to what extent the institution must be formalized to be considered formal. He, therefore, proposes the division of institutions into external (when the state enforces the rules) and internal (when members of society enforce the rules). External standards are publicly sanctioned, while internal standards are privately sanctioned. The endogenization of constitutional rules helps to understand why different societies adopt different principles in their constitutions. If a constitutional change is interpreted as a consequence of a certain imbalance, an institution that is respected by society can be considered equilibrium.

The endogenization of an institution can, in principle, explain the need to change the institution by seeking a new balance if the constitution does not meet the needs of society.

Another critic of formal-informal dualism, Takizawa (2017), suggests a difference between internal institutions, which refer to a state of mind that treats actions as external phenomena explained by internal determinants (such as beliefs or preferences), and external institutions, which are seen more broadly, with an emphasis on brain-body interaction. Internal institutions arise from spontaneous social interaction, while external institutions are conceived and stored by political agents. Ostoj (2019) adds that F. Hayek developed another division of institutions that referred to their origins. Endogenous (spontaneous) institutions appear evolutionarily, while exogenous institutions are created by rulers deliberately. Hodgson (2006) describes formal institutions as explicit rules and informal institutions as silent rules. Most of these conceptualizations are in contrast with E. Ostrom, who does not take into account the resources of the institutions, but rather their functions. Ostrom and Basurto (2011) distinguish formal legal rules and informal social norms that function as rules. These institutions are considered accepted by society, which can be referred to as internal institutions. Summarizing these debates, Table 1 presents a simplified overview of the approaches to the first-order classification of institutions. It must be noted, however, that the typologies are usually more nuanced and display certain overlaps between the institutions.

Table 1: Overview of selected classifications of institutions

Author	Schematic classification of institutions	
	formal	informal
North (1992)	formal	informal
Voigt (<i>apud</i> Ostoj, 2019)	external	internal
Hayek (<i>apud</i> Ostoj, 2019)	exogenous	endogenous
Hodgson (2006)	explicit rules	tacit rules
Ostrom and Basurto (2011)	legal formal rules	informal social norms

Source: The authors' elaboration based on referred papers

While we need to take into account nuances in understanding the distinction between what is referred to as formal and informal institutions, we will adhere to this classification for two reasons. First, it is most frequently referred to in the planning practice being critically addressed in this paper. Second, it allows for exploring in detail the role of informal institutions in strategic planning and local development in contrast to the infrastructure- and legal-led transformational development in PSECs described in the following sections.

3. Institutional change and strategic planning in the PSECs

Deriving from Healey's notion that 'strategic planning is a social process through which a large number of people in different institutional relationships and positions meet to design a common process (planning process), determine the content and strategies for

managing spatial change' (Healey, 1997, p. 5), strategic planning is considered future-oriented and attempts to transform the institutional relationships as well as political agendas to allow for local development in the future (Albrechts, Healey and Kunzmann, 2003). However, in PSECs, the results of strategic planning at the local level have so far had little effect on actual development, as the institutional position of these countries and their administrative (planning) units have been greatly weakened during socialism (Tsenkova, 2014; Dąbrowski and Piskorek, 2018).

Ježek, Slach and Šilhánková (2015) therefore speak of a long-term crisis of strategic planning in some of the PSECs. In small municipalities, several shortcomings appear, including especially the insufficient institutional structure, which leads to poor quality of the process of preparation and approval of public strategies. The social and economic transformation in the PSECs in the early 1990s, denoting a transition from a totalitarian to a democratic political system and from a centrally-planned to a market economy, played a significant role in this situation (Koutský *et al.*, 2014). While modernization processes have been evolving for many decades in developed countries, revolutionary changes have taken place in post-socialist countries. After the fall of the socialist regimes in the late 1980s, the transition countries faced the problem of creating appropriate economic, social, and political strategies, without easily reachable inspiration from history (e.g., Gorzelak, 1996; Dostál and Hampl, 2004; Tsenkova, 2014). While in Western-European countries both formal and informal institutions crystallized during the long-term development, in PSECs, the informal institutions (whatever their nature was) frequently represented a fulcrum shortly after the transformation in contrast to eroded and untrusted formal institutions (Sucháček, 2013).

The first years of post-socialist transformation thus posed a barrier to the functionality of institutions in the strategic planning domain. The carrying out of planning activities also involves the capability to regulate unfavorable development based on an established and widely accepted set of rules (e.g., planning and property laws, planning procedures) and approaches (e.g., participation and codes of conduct). These, however, have only recently been re-formed in post-socialist countries. In the 1990s, the old rules became irrelevant, the future was very uncertain and unpredictable, and the traditional links between the past, present and future were less explicit and predictable (Stanilov, 2007).

Besides, both statutory and strategic planning have had negative connotations in PSECs related to central planning and the absence of self-government. In the 1990s, it was reconsidered, in the context of the preparation of PSECs for the EU accession, with the main motivation of the promise of obtaining a significant financial volume from the EU funds. At the same time, institutional and political reforms were required at the EU level, including strategic, integrated and local approaches to regional and local development, but the institutional reforms could only affect formal institutions in such a limited time span. Dąbrowski and Piskorek (2018) explain three critical points on the road to the development of strategic planning in PSECs: (a) the establishment of local self-government units as part of the process of democratization, (b) regionalization reforms in the context of the opening of the process of the EU accession, and (c) accession to the EU itself and imple-

mentation of European funds. In this context, the former purely administrative-territorial units became territorial self-governments with autonomy, which was the first condition for them to be able to plan their development strategically. The negotiations on the accession to the EU brought a need for adjustment to the EU norms in order to meet the membership criteria in terms of formal institutions. After the gradual accession of the PSECs to the EU, the strategic planning has been strongly motivated by the European cohesion policy — municipalities come into play as beneficiaries of the European money and the strategic plans have been created to fulfill the eligibility criteria to apply for funding. The overall experience had also some positive aspects such as learning strategic decision-making itself or general push on a partnership approach. Yet, this evolutionary insight shows that a purposeful approach to strategic planning in PSECs and the creation of a functional informal institutional setting have been considerably slow and gradual.

To summarize the late developments and current situation, the above-mentioned historical reasons along with a poor legal setting of the local strategic planning in PSECs led to apparent weaknesses of most of the local strategic plans, although they continue to represent a must-have to comply with the EU and national funding. Only general methodologies, that are intended to ensure the basic quality and structure of the planning process and the resulting strategic documents, are commonly used for strategic planning. Although the methodologies also take into account community participatory methods, these methods are not implemented systematically in the process of strategic planning, and the active mobilization of informal institutions is almost missing. In most cases, the preparation of strategic plans is coordinated and the plans are approved solely by the municipal authorities. At the same time, strategic plans should be binding by default, but there is no enforceability of commitment, and practical experience shows that the implementation of approved strategic plans is not a matter of a systemic approach.

Currently, the strategic planning in PSECs therefore mostly follows the formal processes of designing and approval which are motivated by compliance with funding mechanisms, although without any enforceability of the planning outcomes. At the same time, it only scarcely builds upon the informal institutions to support the quality of the planning process as well as the resulting quality of life of local communities, and it uses the informal institutions rather as rhetoric formalist framing of the strategic goals. While this situation clearly has its roots in the histories of PSECs, we argue in the following section that it is also affected by the generally weak operationalization of informal institutions in the planning theory.

4. Exploring operationalization gaps for informal institutions

In this section, we draw on the current literature referring to informal institutions in the broader planning domain in order to reveal the variety of informal institutions and also their eventual overlaps with formal ones. We then describe the gaps in the operationalization of informal institutions in PSECs using the planning culture perspective to classify different levels of abstraction inherent to informal institutions. The rationale for using the

planning culture perspective is based on an assumption of the intertwined nature (i.e., dual role) of the planning process and planning outcomes (UN-Habitat, 2009; Hopkins, 2012). This means that the quality of the planning process is culturally embedded (Tsenkova, 2014), and depending on a planning culture it influences the feasibility of its goals (future planning situations) and creates a common language to tackle strategic planning challenges. We believe that this may provide strategic planners in PSECs with a framework to link the informal institutions to the quality of the planning environment as well as to specific objectives and outcomes of the strategic plans.

4.1. Content analysis of the planning literature

Researchers often discuss the importance of informal institutions, but there is a surprising lack of literature that would explicitly explore the nexus between institutions and strategic planning. We substantiate this claim by relying on 47 international academic papers, which were found using a snowball method and selected in several steps of screening and eligibility check (paper accessibility, relation to strategic planning, date of publication since 2000).

The primary result of the analysis is that most authors of the reviewed papers report on institutions in general terms (formal and informal) and only a few of them list individual institutions as illustrative examples, but without analyzing them in detail. Out of the analyzed 47 papers, only 19 included a reference to the specific institutions. Nevertheless, even in these cases the informal institutions were only vaguely listed in brackets without any particular considerations on their differential spatio-temporal universality and their respective manifestation in a local sociopolitical arena. In this way, for example, specific institutions such as cooperative norms are listed right next to the traditions and cultures, despite their differential roots, manifestations, and eventual implications for strategic planning.

Based on the content analysis of the papers, we identified 105 institutions and their subtypes (Annex 1). To allow for a comparative perspective on the results and to reveal possible overlaps on the formal-informal divide, both types of institutions are included and indicated in the Supplement. In cases where the specific meaning assigned by authors of the papers to the broadly defined institutions was not clear, both general and specific names of institutions were kept in the analysis (e.g., business and business freedom). In other cases, institutions with the similarity of meanings were merged (e.g., informal constraints and informal barriers). The list of identified informal institutions cannot be considered complete, but it provides a representative insight into the diversity of concepts and their eventual overlaps. Of all institutions, 35 were assigned by at least one author to informal ones, 27 to formal ones, and 55 were at least once listed only generally. The most frequently referred to informal institutions included traditions, values, beliefs, networking (also social networks and informal networks), cultural traits (also cultures), and conventions (also conventional practice or social conventions), whereas organizations, regulations, rules, and rule of law were the most frequent formal institutions. Among the unspecified institutions, norms were the most-listed ones, which confirms the linguistic nature of the term that needs an adjective to specify its formal or informal character

(i.e., legislation norms and norms of conduct). While we found no overlaps between the formal and informal institutions, there were more examples of institutions that were referred to only generally by one author, while assigned to a specific type by another. For informal institutions, these cases included norms, corruption, beliefs, practices, networking, and specific kinds of rules, while for formal institutions, such ambiguities occurred in the case of regulations, organizations, private property (also property rights), and rules.

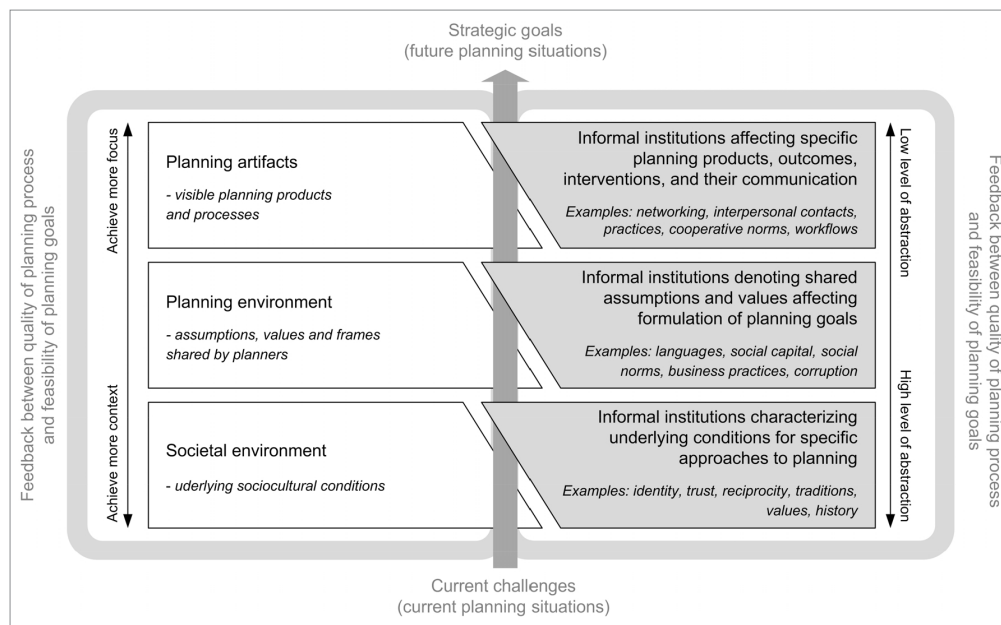
4.2. Closing the gap: toward a differential use of informal institutions in strategic planning

In this section, we further detail the discussion of our claim that the current literature lacks considerations of different degrees of universality and abstraction of the informal institutions. Abstraction is here understood as a process of creating general concepts from the specific evidence, and using these concepts or schemes to understand reality. In this way, we follow the argumentation of epistemic levelism (Floridi, 2008) and apply the scale of abstractness to the words used to describe informal institutions. Already the pioneering psychological studies on the levels of abstraction (e.g., Flesch, 1950) have shown that words related to abstractness are more indefinite, which can be understood both in their temporal dimension and their functional scope. Thus, we may assume that informal institutions referring to features that evolve over the long-term (e.g., identity, trust, reciprocity) are more abstract than those which may be transformed — often due to formal re-arrangements — in the shorter term (e.g., violence, market).

In turn, the level of abstraction will affect the feasibility of the planning interventions. Although more indefinite and universalist concepts (high level of abstraction) tend to be mutually agreeable among the communities and tend to frame the common identity (Lauth, 2004), they may also involve ambiguities in meaning, trade-offs, and conflicts over short-term goals in local developmental paths (Raška *et al.*, 2022). More universalist informal institutions are then frequently used in strategic plans as a rhetoric figure, while the informal institutions of the lower level of abstraction do not appear at all, or are rather linked to formally constrained behaviors (e.g., coping with violence through legal setting).

To link the different levels of abstraction to strategic planning, we adopt a planning culture perspective, which is based on organizational culture theories (Hofstede and Hofstede, 2005; Schein, 2004) and developed by Knieling and Othengrafen (2009). The concept distinguishes the three levels of planning culture, i.e., societal environment, planning environment, and planning artifacts, which are characterized by different qualitative properties and have an accent on a context or a focus. In Figure 1, we show the conceptual links between planning culture and the specific role of informal institutions that affect the quality of the planning process and the feasibility of its goals. Taking the perspective of the dual, i.e., process-outcome, role of informal institutions, the framework indicates their role for the quality of a planning process and its outcomes for each level of a planning culture. It is indicated, that within the planning process, the extent and quality of informal institutional set-up in each level are manifested forward, finally inducing feedbacks between the planning outcomes (upper level) and the underlying societal environment (lower level).

Finally, the context-focus range of the planning culture is understood as a scale denoting a level of abstraction.



Note: Levels of planning cultures on left are adapted from Knieling and Othengrafen (2009, p. 57).

Figure 1: Conceptual framework for (re-)structuring the informal institutions in strategic planning and local development

Source: The authors' elaboration, levels of planning cultures adopted from Knieling and Othengrafen (2009)

Using the deductive approach, we finally conducted an iterative (re-)structuring to suggest examples of informal institutions (taken from our review of the academic literature) for each level of the planning culture and level of abstraction, respectively. The boundaries between the levels of planning culture are not sharp, nor rigid, which also holds for the range of abstraction that denotes a continuum rather than discrete intervals (Floridi, 2008). Yet, within each single planning process, the framework allows to (re-)structure the broad set of informal institutions into conceptualized groups. In this way, each group can be operationalized by assigning specific interventions, expected outcomes of strategic planning, and their ex-ante and ex-post evaluations.

4.3. Implications for local strategic planning and development in PSECs

The (re-)structuring of informal institutions following the suggested concept will clearly be contextual since various planning traditions are rooted in different political and sociocultural systems. For comparative planning research in PSECs, the way informal institutions are specifically assigned to levels then offers a methodological approach to evaluate the contextually different strategic planning responses to overall exogenous effects

(Tsenkova, 2014). Such an approach may thus fill in the gap in general methodologies for strategic planning in PSECs by providing more nuanced criteria to define planning goals and outcomes, and to produce and evaluate the quality of strategic documents. This may reflect several critical gaps in the current strategic planning in PSECs and help to streamline the future research and practice.

First, for the process of strategic planning and management of local development itself, Sucháček (2013) states that little attention has been so far paid to the institutional dimension of transformation at the local level. Reflecting on the notion that ‘the actual process of formulating the strategic plan is as important as the plan itself’ (UN-Habitat, 2009, p. 61), the planning process in PSECs displays a poor quality of the permissive and productive institutional conditions of the plan-making. These conditions refer especially to organizational forms of strategic planning, its procedures, forms of mediating information and interests, decision-making, and public participation (Ježek, 2013). In this respect, the concept suggested in this paper may facilitate changes to the planning procedures and instruments at different spatial levels, finally enhancing the credibility, legitimacy, acceptance, and effectiveness of the planning goals and outcomes. This however calls for further research disentangling the specific effects that informal institutions linked to societal environment, planning environment, and planning artifacts may have from local to national scales.

Second, the institutional framework largely defines the possibilities and limitations of the various ongoing regional and local transformation processes. The effort to ‘catch up’ with everything that local communities could not implement before the revolutionary changes in PSECs also led to a preference for short-term goals at the expense of longer-term ones, which also moved the planning process away from the strategic planning towards statutory planning. Given a relatively short time span of the three decades of strategic planning at the local level in PSECs and the ‘hunger’ to replenish and upgrade infrastructure, most strategic plans in PSEC are investment-oriented and neglect working with informal institutions. Yet, the primary dimension of the regional and local transformation is temporal continuity and change of institutions themselves, denoting a link between the past, present, and future. The institutional continuity was fundamentally interrupted in PSECs, which mainly involves formal institutions. But even when focusing on generally inert informal institutions, the distinct temporal scales in which these persist and transform must be taken into account. Thus, the proposed concept allows for defining domains of informal institutions that are likely to change in the short-term (e.g., cooperative norms and workflows) in contrast to the long-term ones (e.g., trust and traditions).

Reconciling the two implications above, strategic planning and local development should acknowledge that all local changes are expected to be supported by and reached in the coherent spatial- and time-frames. The operationalization of informal institutions thus fundamentally helps to prioritize the specific strategic interventions and to set the specific ex-ante and ex-post evaluation criteria for planning goals.

It must also be noted that several requirements toward the planning practice exist for validating, using, and developing the proposed approach. We assert that the proposed

model based on the planning culture perspective and enhancing operationalization of informal institutions through different levels of abstraction may help strategic planners in PSECs to mobilize informal institutions in the formulation of the planning goals, which materialize in planning artifacts. For this to happen, strategic planners in PSECs must not only look at statistical socio-economic variables when analyzing the local environment, but they should also develop a thorough (possibly narrative) understanding of the local institutional set-up. This analysis is necessary to identify key institutions that have a contextual influence on the state and evolution of the local environment. In the second step, the framework suggested in this paper requires to re-classify the identified informal institutions according to their contextuality or focus. Going beyond the simple taxonomic exercise, this consideration entails evaluation of the quality of the institutional set-up at each level (from the societal environment to planning artifacts), both in terms of how it affects the planning process itself and how it should be addressed by specific planning goals and outcomes.

Finally, local actors (ideally facilitated by an expert consultant) should then assign expectations regarding the goals, outcomes, and their evaluation to each category of informal institutions, and discuss the eventual causal links between these categories. The first tier of institutions (societal environment) affects the overall approach to plan-making and, at the same time, it characterizes key permissive conditions (e.g., history and traditions in the municipality) and future challenges of the local development. With respect to evaluations of strategic planning outcomes, the first-tier informal institutions enable planners to articulate expectations on how such evaluation should be conducted in terms of legitimacy, transparency, and responsibility. For PSECs, this additionally calls for extending the requirements for interim evaluation procedures of strategic plans on informal institutions. Within the arena of the first-tier institutions, the second-tier informal institutions (planning environment) then specify how the planning processes will be conducted, and it helps to formulate the individual strategic development goals (e.g., reducing corruption, strengthening social capital in the municipality). For the evaluation procedures, the qualitative and/or quantitative indicators to assess the quality of informal institutions should be assigned to each of the planning goals. In the PSECs, where infrastructural interventions still dominate, such a step can be facilitated by connecting explicitly each infrastructural intervention to its impacts on the institutional set-up. The third-tier informal institutions (planning artifacts) then directly shape the expected planning outcomes and interventions, and their acceptance by and communication within and outside the local community. This involves setting up specific procedures (methodologies, processes, etc.) and co-creating and validating the planning documents with civic associations, clubs, or other stakeholders. For the evaluation of strategic plans in PSECs, where collaborative creational planning is not fully established, this may however imply trade-offs between the legitimacy of the planning goals and outcomes, and the accountability for their (un)fulfilment.

5. Conclusions

Despite their clear rationale for tackling long-term complex societal and environmental issues, strategic planning and, namely, the quality of informal institutional set-up affecting its process and outcomes remain key challenges for local development. In this paper, we drew attention to the specific situation in post-socialist European countries, which experienced a profound transformation of the character and functioning of informal institutions during the last 30 years. We highlighted the more variegated nature of the institutional transformation in these countries and their struggle to effectively enhance the role of informal institutions in strategic planning. Based on a critical review of planning literature, and framed by theories of planning culture and levels of abstraction, we designed a conceptual framework allowing us to operationalize informal institutions in the planning process and to evaluate the planning outcomes. While the framework is theoretically-driven and employs a deductive approach, it also gives an impetus for further research. The research should be directed in three distinctive ways. In an empirical domain, it should provide evidence for the current use of informal institutions (terms themselves) in planning methodologies, processes, and artifacts. For the planning agenda, the guiding methodologies and questions to be asked during the planning process regarding the role of informal institutions should be designed. Finally, in a comparative domain, the methodologies of the ex-ante and ex-post evaluation of strategic planning goals regarding informal institutional set-up should be explored.

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Annex 1: Formal and informal institutions listed in the reviewed literature

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Access to credit	F																		
Associations and societies												n. d.							
Assumptions																			IN
Attitudes and inclinations																			IN
Attitudes toward entrepreneurial activities	F																		
Beliefs	IN	n. d.					IN		IN										
Building codes																		n. d.	
Business													n. d.						n. d.
Business conventions											IN								
Business freedom	F																		
Bylaws										F									
Capacity of the government to formulate and implement policies	IN																		
Charters										F			n. d.						
Church (as a place of interaction)																F			
City council																			
Civil liberties														n. d.					
Cleavage structure						n. d.													
Codified artefacts									F										
Competition monitoring system										F									
Constitutions										F									
Contracts	F									F									
Cooperative norms	n. d.																		
Corruption	IN																		
Cultural traits/cultures																			
Democratic rules											IN								n. d.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Education and training programs	F																		
Entrepreneurial experience																			n. d.
Ethics																			n. d.
Family											n. d.								
Financial freedom	F																		
Companies and other organizations											n. d.								
Group routines										IN									
History										IN									
Honor contracts						n. d.													
Hopes and expectations																			n. d.
Identity										IN									
Ignorance																			IN
(Individual) habits										IN	IN								IN
Industry																			n. d.
Informal constraints								IN											
Interpersonal contacts										IN									
Judiciaries				n. d.															
Labor freedom	F																		
Labor market regulation																			n. d.
Labor space (as a place of interaction)												n. d.							
Land tenure systems																			n. d.
Language											n. d.								
Laws									F	F									
Learning process																			n. d.
Legislation and legal setting			n. d.			n. d.	F		F	F									F
Market											n. d.								F

Market memory									n. d.
Media									n. d.
Mobility conventions								n. d.	
Money								n. d.	
Multi-level governance									
Municipal governments									n. d.
Networking/social networks/ informal networks	n. d.								
Norms		n. d.	n. d.	n. d.	n. d.				n. d.
Norms (social)	IN								n. d.
Norms (unwritten)									
Norms and codes of the public organizations									
Norms of behavior									
Norms that rest alongside									
Organizations		n. d.	n. d.	n. d.					F
Ownership and property rights	F								F
Parliament									F
Participatory governance									n. d.
Perception of citizens about the state of institutions	IN								
Planning culture									n. d.
Policy arenas									n. d.
Political regime									
Political, legal and economic rules	F								
Practices	IN								n. d.
Private property/property rights									F
Process of electing governments	IN								

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Processes					n. d.														
Protection of human rights										F									
Public infrastructure																			n. d.
Pubs (as a place of interaction)												n. d.							
Reciprocity						n. d.													
Regulations	F				n. d.	n. d.				F						n. d.			
Relationships										IN									
Religion										IN									
Rules		n. d.						F	n. d.										
Rules of behaviors and social interaction (rules of the game)											IN								n. d.
Self-imposed codes of conduct								IN											
School (as a place of interaction)												n. d.							
Social capital	IN																		
Social conventions, practices and behaviors								IN	IN	IN									IN
Spatial (planning and urban design) and physical structures (architecture and construction materials and techniques)																		n. d.	
Stereotypes																			IN
Structure of the tax and social security systems																			n. d.
Subjective insecurity	IN																		
Supreme Audit Institutions					n. d.														
Taxes and other coercive devices					n. d.														
Traditions	IN									IN	IN								IN
Transparency												F							
Trust	n. d.					n. d.													

Value orientation					IN
Values	IN		IN	IN	
Violence	IN				
Ways of thinking					n. d.
Written contracts				F	

Notes:

F = formal institution; IN = informal institution; n. d. = institution without distinguishing whether formal or informal institution.

1 – Escandon-Barbosa, Urbano-Pulido and Hurtado-Ayala (2019); 2 – Greif and Laitin, (2004); 3 – Hardin (2001); 4 – Holt and Manning (2014); 5 – Ježek, Slach and Šilhánková (2015); 6 – Mathie and Cunningham (2003); 7 – Mauro, Pigliaru and Carmeci (2018); 8 – Ostoj (2019); 9 – Prell *et al.* (2010); 10 – Rodríguez-Pose (2013); 11 – Wawrosz (2007); 12 – Vázquez-Barquero and Rodríguez-Cohard (2016); 13 – Ourėdnicěk, Špačková and Fětrová (2011), 14 – Ježek (2017); 15 – Greaves (2004); 16 – Albrechts (2004); 17 – Pike, Rodríguez-Pose and Tomaney (2007); 18 – UN-Habitat (2009); 19 – Sucháček (2013).