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PPBS AND POLICY ANALYSIS-ARE THEY REALLY
INCOMPATIBLE

Kenneth H. White, Jr.

Army War College
Carlisle Barracks, Pennsylvania

15 March 1972

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PPBS AND POLICY ANALYSIS--ARE
THEY REALLY INCOMPATIBLE?

A MONOGRAPH

by

Colonel Kenneth H. White, Jr.
Armor

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A review of the current state of the PPB system through the technique of reviewing and updating Professor Aaron Wildavsky's classic attack on the system. The paper, originally submitted as a term paper to Shippensburg State College examines Professor Wildavsky's allegations and provides contrasting viewpoints.

PREFACE

This Research Report was produced as a term paper to satisfy the requirements of the Department of Political Science, Shippensburg State College. It was submitted in partial fulfillment of the requirements for the Degree of Master of Science in Public Administration. The assistance of Dr. John Marrero, Department of Political Science, Shippensburg State College, who motivated the paper and who provided a useful evaluation of its content, is gratefully acknowledged.

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INTRODUCTION

If a man has a limited budget to spend on cakes and ale, he is likely to be better satisfied if he weighs the advantages of cakes against those of ale than if he allots a fixed sum to cakes and spends what is left for ale.

- Arthur Smithies

When President Johnson, in August 1965, directed that the Planning, Programming and Budgeting System, the managerial tool of the Defense Department of that day, be immediately extended to all federal activities, he set in motion not only a management system, but a long running debate regarding the efficacy of the system. That debate continues to this day, the continuation of the virulent reaction that PPBS has stirred since Secretary of Defense MacNamara first seized upon the system as a means of imposing his will on a truculent military establishment.

The new student of the system is immediately struck by the stridency of the discussion and amazed that any subject could evoke such heated emotions within some branches of government while evoking deliberate disregard from others. Regardless of the emotion that President Johnson's decree engendered, he did make the system mandatory and his successors, despite apparent moments of doubt, have agreed in that decision. Accordingly I propose to examine the state of the current debate regarding PPBS and to provide, to the extent possible within this brief space, a diagnosis of the health of PPBS in the federal system and a prognosis for its continued survival.

METHODOLOGY

The most articulate and uninhibited critique of the PPBS program was that of Doctor Aaron Wildavsky, Professor and Chairman of the Department of Political Science and member of the Center for Planning and Development Research at the University of California, Berkeley, in his article for Public Administration Review titled "Rescuing Policy Analysis from PPBS"¹ which was widely reprinted, to include many publications of the U.S. Congress. Professor Wildavsky discussed the principal shortfalls and failures of PPBS as implemented in the federal system, as well as their causes. This paper will examine Professor Wildavsky's allegations and will provide an update and, where appropriate, contrasting viewpoints, so that the reader may be apprised of current attitudes regarding the system. Finally, it will also indicate the likely future form of PPBS.

Professor Wildavsky's paper is summarized in a Joint Economic Committee, Congress of the United States Print as follows:²

The growing complexity of our national problems, and the inability of many old policies to deal with them, have made policy analysis of crucial current importance. Yet, asserts Professor Wildavsky, policy analysis in the form of PPBS is so inappropriate to our current needs that "there is a danger that policy analysis will be rejected along with its particular manifestation in PPBS."

Professor Wildavsky discusses the flaws in the PPB system which have caused it to fall short of the optimistic expectations voiced upon its inauguration as a governmentwide system.

¹Aaron Wildavsky, "Rescuing Policy Analysis from PPBS," Public Administration Review, XXIX No. 2 (March/April 1969), pp. 189-202.

²U.S., Congress, Congress of the United States, Joint Economic Committee, Subcommittee on Economy in Government, The Analysis and Evaluation of Public Expenditures: The PPB System, Joint Committee Print, 91st Congress, 1st Sess. (Washington: Government Printing Office, 1969) p. 835.

He points out that many of the factors which contributed to the success of PPES in the Department of Defense are absent in the civilian agencies. He suggests that both bureaucratic inertia and a lack of trained personnel have added to the difficulties of introducing the PPB system into non-defense agencies.

Professor Wildavsky stresses that "the fixation on program structure is the most pernicious aspect of PPES." He feels that the emphasis on program structure, and the formal connection of policy analysis with the budget cycle, sacrifice sound analysis, initiative, and imagination for pro forma structure and schedules. He advocates releasing policy analysis from these artificial constraints. If analysis is encouraged to concentrate on major issues rather than detailed budget items, it will become more relevant to both Executive and congressional decisionmakers. Professor Wildavsky claims that only when this relevance becomes apparent, as it has not under PPES, will effective use be made of policy analysis. He notes that "if strategically located Congressmen demanded more policy analysis there is little doubt that we would get it."

For the ease of the reader who might choose to compare portions of this paper with that of Professor Wildavsky's I will utilize the topic titles and the basic structure of his work.

WHY DEFENSE WAS A BAD MODEL

Professor Wildavsky alleges that patterning PPES on the DOD model is deficient because only the Defense Department possessed the following prerequisites for a workable system:

A small group of talented people with requisite insights into defense matters (available through the RAND Corporation).

Common terminology, an accepted collection of analytical approaches, and the beginnings of theoretical statements to guide policy analysis.

Leadership that understands and desires to use policy analysis.

The existence of planning and planners.

Additionally he points out that policy analysis (he quotes, and seems to accept Robert M. Anthony's comment that "Policy analysis is

similar to a broadly conceived version of systems analysis"³) is facilitated when dealing with high cost things where a large margin of error is acceptable.

The validity of the four basic premises through the 1968 time frame, and perhaps later in the case of selected agencies, is undeniable. Project RAND and subsequently the RAND Corporation provided the Defense Department with a unique analytical facility but the PPBS system that was born in that activity was not a secret. Mr. Hitch's book was widely available at the time that he became the Defense Department Comptroller and the academic ranks held a large number of economists with a good awareness of his concepts. The number of OR/SA trained persons available to the Defense Department may have been larger than that available to other agencies but they were not evenly distributed throughout all services. Anyone familiar with the frantic scramble to educate and field analysts during this period will attest to "smallness" of that group of talented people. Similarly the armed services held no monopoly on planning or planners.

In short, of all the unique qualities that the DOD model possessed, the really significant one must lie in the fact that Secretary MacNamara did understand and desire to use policy analysis. The reasons lie in his economics background, in his wartime Air Force "Whiz Kid" experience, and in his need to establish himself in the van of his military subordinates. GAO studies show that "the attitude of the agency head has been the single most important factor in the development of a PPB system and its integration with the agency

³Robert M. Anthony, Planning and Control Systems: A Framework for Analyses (Boston: Harvard University Press, 1965) p. 16.

decisionmaking system."⁴

The current situation shows considerable progress from the situation that Professor Wildavsky perceived. Although some agencies show little progress the primary cause for their failure appears to lie in the attitude of the Agency Chief or in an interested legislator rather than in any lack of ability to adapt to the Defense Department "model" ("example" is the language used in BOB and OMB references).

Inertia:

Bureaucratic inertia and lack of apparent reward (expressed either through increased budget or personnel promotions) are cited by Wildavsky as inhibiting the PPB system. He emphasizes that both agency employees and clientele groups are more apt to favor change to new systems if increased rewards result. At the time of his writing only the Defense Department could demonstrate the growth that promised the rewards.

This writer would be among the last to disagree with the philosophy that Professor Wildavsky espouses. His observation was made in 1969, at the end of four years of conflict in Vietnam. That war (or call it what you will) was funded in part at the expense of other federal programs, despite President Johnson's attempt to have both guns and butter. As the war wound down, and as greater emphasis was placed on reconciling domestic problems more monies were allocated to other

⁴Kevin E. Marvin and Andrew M. Rouse, "The Status of PPB in Federal Agencies: A Comparative Perspective," The Analysis and Evaluation of Public Expenditures: The PPB System, Joint Economic Committee, Congress of the United States, Committee Print, 91st Cong. 1st Sess., (Washington: Government Printing Office, 1969), Vol. 3, p. 808.

agencies. The GAO report previously cited notes that HEW (one of the largest beneficiaries of this shift) has shown remarkable progress in the utilization of the PPB System and is now one of the most successful of its employers. All of which is to say that inhibitions imposed on PPBS as a result of monetary constraints appear to be diminishing.

Personnel:

Under this subtitle Professor Wildavsky expanded his criticism of the shortage of persons possessing analytical skills applicable to any federal agency outside of the Department of Defense. He reiterated his thoughts on the theme that managers outside of DOD did not understand and did not want quantitative studies. The concurrent appearance of PPBS and the diminution of funds is mentioned (but not attributed to any cause.)

By and large Professor Wildavsky was doing a bit of arm swinging in this section. By comparison with articles appearing in comparable compendiums of the period these allegations appear dated and tendentious. The comments provided in the preceding paragraphs are applicable to this section. It might be pertinent to note in a section labeled Personnel that during the period FY 1966-1969 21 federal agencies, exclusive of the Department of Defense, Central Intelligence Agency, Small Business Administration, Civil Service Commission, and Tennessee Valley Authority, added a total of 825 persons to their professional staffs in PPBS capacities, 198 of whom were central staff analytic professionals. Whether the level of competence was equal to that of the Defense Department is moot. Certainly background in the affairs of the agency they joined was probably lacking, however, staff professionals were being recruited

and were taking the first steps on their agencies learning curve. For a detailed breakout of these personnel see inclosure 1.

NO ONE CAN DO PPBS

This is the major theme of Professor Wildavsky's paper. Discussed in the opening paragraphs are:

The difficulty of applying the program budgeting concept to specific cases.

The difficulty of establishing the worth of programs.

These themes are developed in succeeding sections and will be addressed under the applicable subtitle.

Pattern of Events:

The frustrations of an agency newly confronted with the PPB System, a Bureau of the Budget letter of instructions and a short suspense date are detailed herein. The futility of newly acquired ex-Defense Department intellectuals when dealing in unfamiliar policy areas is noted. Most attention is devoted to the Bureau of the Budget which is characterized as demanding and critical but most of all as not providing, or being capable of providing, the requisite guidance to make the system work. PPBS is described as a Rube Goldberg-like mechanism which ingests great amounts of painfully derived data but which produces very little. Wildavsky asserts that the guidance for the PPBS program leads to "make believe" attempts to provide data on all programs rather than providing a focus on areas actually suitable for study.

No federal employee, or ex-federal employee who has been present at the birth of a new statistically based system can deny the validity of the Professor's remarks. The introductory steps, at all levels of

implementation bear a close resemblance to the procedures, sequence, and result that he describes. The weakness in his analysis however lays in the universality of the experience. The words manpower survey or modern maintenance system or myriad others could be substituted for FPBS without loss of applicability. The problem in this case is not the system, per se, but rather the growing pains that invariably accompany the introduction of a new procedure into any portion of the federal bureaucracy. Professor Wildavsky has disinterred the question of inertia, discussed in the preceding section, placed a new face upon it and rediscovered it in this section.

This is not to deny that FPBS produced its own share of peculiar problems. The fact that it was simultaneously imposed upon all federal agencies with little or no notice would have been sufficient to assure that. The persons who had to make the system work were still comparatively low on the learning curve at the time of his article. Even at that time corrective action was well underway. The clarifications, amendments and modifications that follow the introduction of all such systems had begun to be issued. The Bureau of the Budget had produced revised instructions clarifying the form and requirements for data inputs in April of 1968 in a document that has remained in force to this day.⁵ That directive also contained the solution to the allegation that excessive information requirements were imposed regarding minor, on-going programs, when it established that Program Memoranda (PM's) were not required for categories that were not Major Program Issues, and acknowledged that, as a consequence, an agency's entire program would

⁵U.S., Executive Office of the President, Bureau of the Budget, Planning-Programming-Budgeting (PPB) System, Bulletin No. 68-9 (Washington: Government Printing Office, April 12, 1968).

not necessarily be covered.

The birth pains and the initial growing pains of PPBS were neatly summarized by Mr. Jack W. Carlson, Assistant Director of Program Evaluation of the (then) Bureau of the Budget as follows:

When PPBS was initiated, many of the analysts who joined the Government were familiar with quantitative analysis of different types. They were aware of its value and also of its possible abuses and limitations, so many of the problems involved were not entirely unexpected. But they were surprised to find that large numbers of people would deny the relevance of analysis to Government activities.

This perhaps requires a little explanation. No one was surprised to have it said that analytic treatment of Government problems does not tell one everything, or that political factors are important, or that distribution of benefits is often as important as amount, or that analysis in many areas is difficult. All of this could be readily agreed upon. But the idea that anyone would deny any utility to rigorous thought, quantitative where possible, about the gains, losses, and resource expenditures involved in a particular course of action was not expected.

There have been many reasons for this type of resistance. Partly, it results from the way in which PFB was sprung rather suddenly upon the entire Government. There was also the problem that examples used tended to be drawn from defense, water resources, or other areas where work had been going on for some years; such examples had a degree of real or apparent sophistication that was neither readily attainable nor expected in other agencies. Unfortunately, some analysts overstressed the importance of their own effort relative to that of others, and thereby caused friction with operating officials. Also, there was a fear of replacing a generalist's judgment with the narrower view of an "expert". And there was an element of inertia inherent in large bureaucracies which reduced responsiveness to innovations of any kind.⁶

The utility of the data collected and the level of confidence in the result was addressed by the same author as follows:

It should be emphasized that the type of analysis that can be done on most Federal programs is a very long way from the

⁶Jack W. Carlson, "The Status and Next Steps for Planning, Programming, and Budgeting." The Analysis and Evaluation of Public Expenditures: The PFB System, Joint Economic Committee, Congress of the United States, Committee Print, 91st Cong., 1st Sess., (Washington: Government Printing Office, 1969), Vol. 2, p. 627.

sophistication that is the dream of each new graduate student. Government personnel must use whatever tools are available. Sometimes this means very accurate measures are feasible and needed. Other times the analyst must use very rough methods and only partially reliable data to deal with the complex realities which public policies seek to affect, and this may be all that is necessary anyway. The margins of error may be plus 200 percent and minus 50 percent--as in the case of a very useful recent study on air pollution abatement--and still be adequate. One cannot, and should not, attempt to make fine distinctions when only crude data is available; however, at present public officials are often faced with trying to find good, realistic ways of making even crude distinctions. Improvement can and should be emphasized as the use of program evaluation increases.⁷

Program Structures:

"The fixation on program structure is the most pernicious aspect of PPBS. Once PPBS is adopted, it becomes necessary to have a program structure that provides a complete list of organization objectives and supplies information on the attainment of each one." This is the apparent central theme of Dr. Wildavsky's paper. That analysis need not be tied to systems. "Even if the agency head does understand a data reduction summarization of the program budget, he still cannot use the structure to make decisions, because it is too hard to adjust the elaborate apparatus"--he adds. This, added to his recurrent theme that PPBS is a "sham that piles up meaningless data under vague categories"⁸ while changes at the Bureau of the Budget level are still made in terms of budget categories (the older system).

While many of Wildavsky's peers share his disdain for PPBS, or at least for the "financial management" form of PPBS, few seem to share his desire for unstructured analysis. The view of Allen Schick, of the Brookings Institution appears to be representative of a large number

⁷Carlson, p. 627.

⁸Wildavsky, p. 194.

of authors.⁹

At the core of the analytic view is the fear that systems inevitably detract from analysis, that they impose considerable costs of their own, and that policymakers lose sight of their analytic goals and get bogged down in the routines and requirements that are mandated by the system. In an analytic approach, there would be no overarching information or decisional system (such as is imposed by PPB's program categories). Nor would there be any formal procedure for commissioning analytic studies and for feeding the studies into decisional channels. Rather the analytic enterprise would be sparked by the native interests of top officials and by spasmodic opportunities for analysis.

The systems approach is grounded on the conviction that analysis will wither unless it is sponsored and done within an established decisional structure. Those who favor the systems tactic are mindful that analysis is the main event and that a system is no better than the analytic choices it produces. It cannot be denied that the prevailing system's prodigious amount of paperwork requirement has retarded analysis. Nevertheless, the case for systems remains valid, though systems people have become somewhat alert to the need for a system that does not impede analysis. But it is not easy to routinize analysis without making the analysis routine. In order to ensure favorable conditions for analysis, systems should be designed with a minimum of formal specifications. And all systems requirements should be tested in terms of the analytic ends they are intended to further.

General agreement could undoubtedly be achieved to the premise that the PPBS system is ignored, or one of several redundant systems, at the OMB level at budget making time. The chief cause of this redundancy is the Congress which insists on receiving its budget in the budget category format. This problem will be discussed in subsequent paragraphs. It suffices for the moment to note that PPBS is but one of four formats currently used within the budgeting-planning cycle of the Department of Defense. That the PPB System should endure so many

⁹Allen Schick, "Systems for Analysis: PPB and Its Alternatives," The Analysis and Evaluation of Public Expenditures: The PPB System, Joint Economic Committee, Congress of the United States, Committee Print, 91st Cong., 1st Sess. (Washington: Government Printing Office, 1969) Vol. 3, pp. 821-822.

systems is symptomatic of high level non-acceptance of PPBS by some key persons in the budget approval process.

Questions of the utility of the data provided the decisionmaker by the PPB System is the problem. If the system doesn't give the decisionmaker the information he needs he should speak out and revise the system, or replace the system operators until it is responsive. This problem is not peculiar to PPBS but rather is common to the design and construct of all management information systems. Managers that endure inadequate decision data systems because of their (the system) reputation or because they are intimidated by the system are not apt to be aided by other systems. The layering of systems to provide at least one system that will please everybody also seems an exercise in futility.

Gorham Testimony:

Under this heading, excerpts of the testimony of William Gorham, formerly Assistant Secretary (Program Coordination), Department of Health, Education and Welfare were presented to demonstrate what PPBS cannot do.

Let me hasten to point out that we have not attempted any grandiose cost-benefit analysis designed to reveal whether the total benefits from an additional million dollars spent on health programs would be higher or lower than that from an additional million spent on education or welfare. If I was ever naive enough to think this sort of analysis possible, I no longer am. The benefits of health, education, and welfare programs are diverse and often intangible. They affect different age groups and different regions of the population over different periods of time. No amount of analysis is going to tell us whether the Nation benefits more from sending a slum child to preschool, providing medical care to an old man, or enabling a disabled housewife to resume her normal activities. The "grand decisions"--how much health, how much education, how much welfare, and which groups in the population shall benefit--are questions of value judgments and politics. The analyst cannot make much contribution to their resolution.

Let me give you an example. What we want our kids to be as a result of going to school is the level of objective which is

the proper and the broadest one. But we want our children to be different sorts of people. We want them to be capable of different sorts of things. We have, in other words, a plurality of opinions about what we want our schools to turn out. So you drop down a level and you talk about objectives in terms of educational attainment--years of school completed and certain objective measures of quality. Here you move in education from sort of fuzzy, but very important, about what it is that you want the schools to be doing, to the more concrete, less controversial, more easily to get agreed upon objectives having to do with such things as educational attainment, percentage of children going to college, etc.

I think the same thing is true in health and in social services, that at the very highest level objective, where in theory you would really like to say something, the difficulty of getting and finding a national consensus is so great that you drop down to something which is more easily and readily accepted as objectives.

From the foregoing Professor Wildavsky questioned why a complex, structured, five year program is necessary to achieve the same result that could be achieved by a few discrete studies of important problems. He then advocated sending these analyses to the Bureau of the Budget and to Congress, handling any program changes through the existing budget category system.

The criticism is based on the fact that in the introductory period of the PFB System it had been confined in its approach to problems to boundaries that its operators thought that they could handle. Seeking ambitious goals while training a staff in the operation of a new system may be desirable, but it is hardly prudent, in the face of congressional hostility. The high grades that the GAO subsequently awarded HEW attest to the propriety of Mr. Gorham's procedures and assessments. Few persons expect analysis, or systems analysis, to provide all of the answers essential to making a decision. What it does do is reduce the number of unknowns and quantify those things amenable to quantification so that the decisionmaker can make a more informed decision.

Incentives for Policy Analysis

"PPBS discredits policy analysis" says Professor Wildavsky,¹⁰ basing this assessment on the premise that PPBS consists of the collection of "vast amounts of random data". Further this data collection is tied to the Budget cycle resulting in hurried "half-baked analysis". He proposes to free analysis from the budget cycle, permit more time for analysis, submit Program Memoranda only for major dollar change items, and to enter the budget process only when a study of the major policy areas has been approved.

What he seems to suggest is that the budgeting aspect be separated from PPBS but that all other facets of the program, with changed names and shortened or lengthened suspense dates, be retained. Having earlier complained about the length of time it takes to move a program from concept to execution Professor Wildavsky now proposes a plan that would seem certain to further slow that process. To Allen Schick, Wildavsky's proposal is unworkable because the budget process, in the absence of PPB, is not analytic.

If analysis is the objective, why not discard the systems framework altogether? Budgeting's antianalytic posture makes it essential that some structure for analysis be provided. To advocate analysis without providing a framework within which it can be done and used is an empty gesture. The utter impoverishment of the budget process from an analytic standpoint attests to the need for some new spur for analysis. Before PPB there was no bar against analysis, but the incremental rules and routines effectively preempted public expenditure analysis. If budgeting were analytic or receptive to analysis, the case for a systems approach would be weak. But one cannot divorce the systems versus analysis issue from the established budgetary context and traditions. While he has forcefully argued against systems budgeting, Wildavsky has compiled the evidence which justifies a systems approach.¹¹

¹⁰Wildavsky, p. 7

¹¹Schick, p. 822.

Who is right? Perhaps both, to some extent. As Dr. Wildavsky was writing his paper, the Bureau of the Budget was amending its guidelines for the PPB System. This process will doubtless continue for some time until a generally satisfactory format and budget sequence result.

INCREASING DEMAND AND SUPPLY

Professor Wildavsky here cites the importance of the man at the top of the structure to the shape and effectiveness of the policy analysis that is accomplished. He stresses the need to put the right amount of information, in an understandable form, in the hands of the decisionmaker. He indicts PFBS as placing too much information at the executive level. Lastly, he indicates that the proliferation of secret study groups in the last days of the Johnson administration was the result of lack of good analyses getting to the President.

The foregoing reiterates many of the points previously addressed and serves to reinforce the position of many of the defenders of PPBS, as well as its critics. The need for the decision information system to be responsive to the needs of the decisionmaker seems self-evident. If, in the transition from no system to PPB, too much information is forwarded then the decisionmaker or his executive assistant should select out that information that is desired. It is probable that PPB, like other decision information systems will serve a number of masters, in the course of the decision process, each with somewhat differing data requirements. If the staff of the decisionmaker allows the totality of the information to be passed to the decisionmaker then obviously he will be deluged. Conversely if staff members expect that every piece of

data that they produce will be seen by the decisionmaker then they are hopelessly unrealistic. The goal remains to place meaningful analysis in the hands of the decisionmaker in timely fashion to affect the budget process.

CONGRESSIONAL DEMAND

Professor Wildavsky emphasizes the need to make Congress recognize the need for policy analysis, to provide analyses once requested, and to gain insight into their needs and desires through presentation of the result of analysis. He perceives the threat to replace the line item budget presentation with PPBS presentation as an inhibiting factor in the acceptance of policy analysis.

Few persons would fault Congress' decision to retain a line item budget presentation until they are satisfied that a replacement system provides satisfactory results. That seven years have not provided such conviction does indicate that a problem of sorts exists. I am reluctant to believe that a mere feeling of comfortability with the line item budget system is at the root of the problem. Experience has taught me that Congressmen are gaining a respect for analyses and that they do not hesitate to ask for copies of completed analyses. The suspicion exists that they are reluctant to have to face the specificity of budget cuts under a PPB System that can be made more vague (particularly to constituents that are advocates) under a line item budget. In any event the presentation of the budget in two (or four) formats seems an unnecessary drill that warrants Professor Wildavsky's remark and further attempt at reconciliation.

Senator Proxmire, in an article in a recent compendium of papers analyzing the PPB System observed:

It should be emphasized that the use of PPB and systematic analysis in the Government is not a partisan issue. While originally implemented pursuant to the instruction of President Johnson, it also is supported by the new administration. As Budget Director Robert Mayo has stated, it is now quite clear that any administration needs techniques of program evaluation if it is to make effective decisions on resource allocation.

The absence of partisan dispute over the use of PPB points to the recognition by responsible Government officials that we must be rational in our approach to public policy decisions. For, to use PPP to obtain information about the gains and losses to be anticipated from a decision is to demand no more than that the decision be rational. Properly defined, PPB is the most basic and logical planning tool which exists: it provides for the quantitative evaluation of the economic benefits and the economic costs of program alternatives, both now and in the future, in relation to analyses of similar programs.

Any decisionmaker, whether he be the head of a household, or the head of a business firm, must rely on the comparison of the gains and costs of his decisions if he is to be successful at achieving his objectives. To ignore the careful consideration of gains and losses is equivalent to saying that he has no objective at all; no goal which he is attempting to achieve. While the objectives of the Federal Government are less tangible and more complex than those of a household or a business firm, they do exist, and analysis should be carried out to determine which of our alternatives will allow us to satisfy these objectives at least cost. I would add that the very effort of attempting to evaluate alternatives is of substantial assistance in determining what our objectives really are.

I have never been able to understand why we are only now getting around to the task of developing such a system of analysis and evaluation. It is even more difficult for me to understand why many official and private groups sometimes object so violently to the application of this logic to public sector choices. Obviously, they themselves demand such information before they buy a new car or trade 15 shares of one common stock for seven shares of another.¹²

He went on to make several recommendations as to how PPB might be more usefully integrated into the budget process at the Congressional level and finally challenged the Bureau of the Budget to provide a new budget format that would facilitate Congressional acceptance of PPB. One can but hope that the challenge is met.

¹²Senator William Proxmire, "PPB, the Agencies and the Congress," Public Expenditures and Policy Analysis, ed. R. H. Haverman and J. Margolis (Chicago: Markham Publishing Company, 1970) pp. 413-414.

SUPPLIERS OF POLICY ANALYSES

Professor Wildavsky, under this title advocated better policy analysis, to be achieved by separation of policy analysis from PPBS. This separation would reduce the rewards for "mindless qualification" and could provide inducements to persons undertaking bold new initiatives in analysis. Placing the analysis unit near the seat of power was advocated and the provision of adequate time to perform meaningful analysis was advocated (with an alternative course of contracting for execution of long term policy analysis from outside agencies).

The goals and procedures all seem admirable, and particularly when the adjectives the professor applies are considered, and all seem worthy of attainment. The one fact that puzzles this writer is why they cannot be attained within the framework of the PPB System. Must quantification under PPBS be "mindless"? Is it not possible to encourage initiative under the PPBS umbrella? I think the answer to these questions is a resounding no! If within some agencies the answer has been yes, then a check of the agency appears appropriate. If the OMB is incapable of functioning without accumulating masses of irrelevant data then it too deserves a close look. The sins of the system operators, however, do not necessarily indict the system being operated.

RE-EXAMINATION

There can be no doubt that Professor Wildavsky's essay was a blockbuster at the time of its publication. The editor in chief of the Public Administration Review, Dwight Waldo, noted in his opening article in the issue in which the essay was published (the entire issue was devoted to an examination of the PPB System) that the article was

conceived as a "devil's advocate piece". Its success in that role is attested by its wide republication and by the number of references (and defensive allusions) to the work in the succeeding years.

Whether Professor Wildavsky seriously believes that it is desirable to separate policy analysis from the budget process, that point emerges as the principal thrust of the essay. Most current authors, even including many who are not fans of the PPB System would not turn back the clock to that extent. The problem of convincing the Congress to accept a budget prepared in some form of budget prepared in PPB format, rather than in line item form remains. The increasing willingness, indeed the demands for, the analysis that has supported the PPB system budgets in their submission to OMB is increasing; certainly an encouraging sign.

The reluctance of persons in federal agencies to switch to the new system is not new. Machiavelli observed "There is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things."¹³ Nevertheless the transition is being made.

Finally, the PPB System is a dynamic system. It was changed many times and many ways in its initial application within the Defense Department. It has been further modified as a result of the experience with other federal agencies. This is entirely appropriate and indeed, failure to rectify shortcomings and to improve the system would be irresponsible. To the extent that Professor Wildavsky's essay induced constructive change it is admirable. Those who advance it as a contemporary expose of the state of the PPB System do PPB an unwarranted

¹³Niccolo Machiavelli, "The Prince," Everyman's Edition (London: J. M. Dent and Sons, 1958) p. 29.

disservice. Each new budget year shows that policy analysis and PFB are compatible, indeed, seven years after their shotgun wedding they appear inseparable.

INCLOSURE 1

STAFF INCREASES FOR PPBS

Number of PPB Positions Shown in the Fiscal Year 1969 Budget¹

	Added 1966-68	Added 1968-69	Total 1969
Central staff; analytic:			
Professional-----	177	21	198
Support-----	82	6	88
Program monitoring and data handling:			
Professional-----	105	9	114
Support-----	46	5	51
Other (including subordinate agencies):			
Professional-----	428	85	513
Support-----	159	22	181
Recapitulation:			
Total professional-----	710	115	825
Total support-----	287	33	320
Total-----	997	148	1,145

¹Represents only 21 agencies. Department of Defense (military), Central Intelligence Agency, Small Business Administration, Civil Service Commission, and Tennessee Valley Authority are excluded.

Source: "The Current Status of the Planning-Programming-Budgeting System," The Analysis and Evaluation of Public Expenditures: The PPB System, Joint Economic Committee, Congress of the U.S., Committee Print.

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