

book review

three books on planning in nepal

A. Beenhakker, A Kaleidoscopic Circumspection of Development Planning (Rotterdam University Press, 1973), pp. xvii, 165, iii. John C. Beyer, Budget Innovations in Developing Countries: The Experience of Nepal (Praeger: New York, 1973), pp. xii, 162, xiv. Naomi Gaiden and Aaron Wildavsky, Planning and Budgeting in Poor Countries (John Wiley and Sons: New York, 1974), pp. xvii, 323, xlv.

Dr. Arie Beenhakker's A Kaleidoscopic Circumspection of Development Planning is one of those short, tightly written books that are a challenge to read. There is very little in the planning process that he has omitted. The book grew out of Dr. Beenhakker's experience as an adviser to Nepal's Planning Commission (August 1967 to September 1971). It is in fact a slightly enlarged version of a paper he prepared and published for limited circulation while he was still serving in Nepal (Nepal, Mini-Economy: Maxi-Challenge, August 1970, mimeographed). Chapter Five, 'A Framework for the Methodology of Planning for Progress: Realistic Encounters', is totally new and represents his analysis of the planning process itself.

Dr. Beenhakker's work in Nepal was contemporaneous with that of Dr. John C. Beyer, who served in Nepal (also as an adviser to 'Planning') from May 1968 to May 1970, returning frequently over the next few years for short periods of assessment and advice. There is a certain linkage in their books as well. Dr. Beenhakker urges, among other improvements to the planning structures, the adoption of programme budgeting (PPBS), which was Dr. Beyer's major contribution during his years as an adviser in Planning and to the Finance Ministry.

Despite Dr. Beenhakker's specialization as an econometrician, one is pleasantly surprised at his sensitivity to the significance of social, political, and religious factors in the development process. Throughout his book, in fact, he shows a decided bias for social environmental factors in the planning process as opposed to the purely economic model one might have expected from him. There is a great realism about the book; the experience of a man who has been exposed to the tensions of planning in an administration that was still trying to find its way. In a sense the book is outdated, insofar as the whole planning structure of government has been changed. But in a far truer sense the book is meaningful even today. His emphasis on decentralization, the linkage of the tax structure to the Panchayat System, the desirability of field data over broad statistics, the evils of masking a project's real achievement by the monetary veil of GDP or similar monetary formulas, and the inability of the administration to tackle basic development problems because of the opposition of vested interest groups mark the book as the work of a man who has more than superficial exposure to the development problem of Nepal today. The book is a real window into Nepal's planning world, with interesting insights into its potentialities and its weaknesses.

The style of the book is something else. Dr. Beenhakker has combined an enormous amount of data and analysis with a conciseness of expression that is challenging in itself. However, when this style is coupled with his, at times, unusual use of the English language, Dr. Beenhakker's ideas seem laboured and unnecessarily difficult. The book has no preface. There is thus no way of knowing the readership for whom the book was intended. It is too complicated for the layman and too summary in its statement of problems to be of significant assistance to planners. Presumably it was written as one more addition to the vast body of literature on planning and development that has been growing in geometric proportions since the era of economic development and international aid was first launched. This is unfortunate. We need the insight that men like Dr. Beenhakker have to offer, but we need it in clear and simple lessons. Apparently, we cannot have everything. A Kaleidoscopic Circumspection of Development Planning is a book offering a good deal of insight and many lessons from experience in planning in Nepal for those with the patience and determination to study it.

Dr. John Beyer's Budget Innovations in Developing Countries: The Experience of Nepal is a clearly written, fascinating account of the effort of Nepal's Finance Ministry to introduce programme budgeting into Nepal's fiscal system. Actually, the book is more than this. It is also a very cogent argument for the introduction of programme budgeting as a more effective planning tool than the structuring of comprehensive development plans.

The history of programme budgeting has not been one of brilliant success. In no individual instance can programme budgeting be singled out as the key to the development tangle, and not even in highly sophisticated budgeting situations where programme budgeting has been tried can it be said that it succeeded. It would seem that this constitutes a direct denial of Dr. Beyer's thesis. However, this is not necessarily so. The basic argument that is forwarded is that a well-formulated national budget is the clearest statement of a nation's true plans for any given fiscal year is still sound. If the budget does not reflect the nation's intentions as regards financing government plans and programmes, either those programmes will not be undertaken or they are so poorly planned that they have little hope of success. Planning is basically an effort to direct a nation's resources towards clearly defined objectives according to national priorities. Beyer argues, as do Caiden and Wildavsky, that it is critical to the success of planning that plans actually be represented in the budget. Assuming that a budget is what it purports to be, it seems difficult to avoid this conclusion.

The questions that Beyer discusses are two: Is programme budgeting an efficient way to make the budget reflect more clearly the national intentions? and secondly: Is the use of trained manpower for programme budgeting a more efficient use of these scarce personnel than the division of trained manpower between a National Planning Commission and the budgeting division of the Finance Ministry? As one might expect, Dr. Beyer qualifies his answers to these questions very closely. Drawing on his experience with the introduction of programme budgeting in Nepal, he points out with considerable frankness the shortcomings in the method employed for introducing Nepal's version of the programme budgeting system, but he has also indicated important areas where programme budgeting (or at least Nepal's version of programme budgeting) led to a clearer assessment of the development picture than had been available before programme budgeting was introduced. At the time when he wrote, it was already clear that his thesis was not going to be tested in Nepal, and changes that have taken place both in the Finance Ministry and in the National Planning Commission since that time indicate that there is small hope that it will be so tested over the short-term. What will happen over a more extended period of time is, of course, difficult for anyone to say.

Informed people in Nepal speculate about the very possibility of carrying out a genuinely successful experiment in programme budgeting. They wonder whether the task is not simply beyond the powers of any finance ministry to perform. Certainly what Nepal has now would not fulfill the definition of programme budgeting in any strict accounting. The vital question remains: Is Nepal better off today in a development way after adopting this modified version of programme budgeting than it was before?

The book is an important contribution to the literature on Nepal's development. Dr. Beyer has not only given us a detailed treatment of key steps taken in the development of the Finance Ministry which makes his book invaluable for the economic historian of Nepal. He has also posed some very sound questions for government and planners to consider. More than that, I would say that his book is an important contribution for anyone who is concerned with the way things are done or could be done in Nepal's development. A careful observer can surely note those points where the evolution of the planning concept in Nepal has already indicated the correctness of his views on the planning function itself. I suggest that any reader of Dr. Beyer's book will find himself better informed and also better prepared to question in an intelligent way the processes of planning and development activity in Nepal.

In Planning and Budgeting in Poor Countries Caiden and Wildavsky have given us a book that good-humouredly pokes fun at the seriousness of the planning process. From the introductory prologue through to the final page, the book is a light, easy-to-read commentary on the plans and excuses that the age of development planning has produced. In my own mind the commentary runs at times to caricature, but it is good caricature and good fun. It is also provocative. Perhaps it is no longer possible for a single book to do justice to the literature and the development achievements and failures of the developing countries. But the challenge is there, and so also is the need to try to learn from the immense effort that has gone into planned development throughout the world. Caiden and Wildavsky have given us a good book, solidly based on the literature and capturing delightful insights into the poses assumed by official planners and their advisers. It is a joy to read a book about development that does not assume: a) it has all the answers; b) it has the critical answer; c) that there is no answer; or d) that the situation is so grim that unless an answer is found today there is little hope for the world tomorrow.

Caiden and Wildavsky say nothing really important about development as such. Just how a poor nation, or a developing nation, is going to pull itself out of lethargy and begin to make progress is not really the subject matter of their study. They do say a great deal about the efforts to plan and finance development that governments in different parts of the world have been and are attempting. I am quite sure that many an official who was interviewed in the course of the research that led to this book will be astonished at the way his comments have been used to build a mosaic of good-humoured condemnation of the whole planning process. I also think that much of the humour in the book rises from the halls of academia, which are fairly distantly removed from the real problems of poverty and human suffering that the world of developing countries connotes. I find that it is a great deal easier to maintain a sense of humour when discussing systems in the abstract than when I contemplate the human side of the problems of poverty, exploitation, and inadequate structures that development people constantly face. Perhaps this is one reason why I find myself so grateful to Caiden and Wildavsky. They have traced the whole route that planning for development has travelled in the last twenty-five years, once over lightly, and then suggested that one reason for the sense of frustration that planners feel is the basic fact that they are trying to do the impossible. Perhaps one reason why effective planning isn't found in poor countries is the fact that the data required for planning is just too expensive to acquire. If a country could afford to assemble this data, it would not be a poor country. It may also be that planning assumes the ability to predict human behaviour, which implicitly assumes knowledge of most of the motivational factors in society. Another seeming impossibility in a poor country.

Caiden and Wildavsky see planning as the rational application of a nation's resources to the achievement of specific development objectives. Their complaint is that when the planning exercise is done, planners, like the rest of humankind, accept the 'possible' and go along with whatever de facto 'works', regardless of their plans. Is this the most effective way to use the nation's resources? Seminars on planning have for years discussed the concept of 'development'. There must be almost as many definitions of development as there are major authorities in the field of planning. Caiden and Wildavsky reverse the process by discussing the notion of poverty. As they say, 'No approach to poor countries can succeed unless it is firmly grounded in an appreciation of their basic characteristics. The fact of poverty itself is the greatest obstacle to its removal. Poverty is not merely a condition to be overcome but the major cause of its own continuance.' (p. 31) Applying this principle, they say, 'In this book we give poverty an extended meaning. Low-income countries are poor for reasons other than lack of money. Their poverty extends to information, trained manpower, and public institutions.... the poor country finds it hard to increase its wealth rapidly because its population lacks skills, its information base is bad or non-existent, and its governments are unable to mobilize resources. The whole life of the society is affected by scarcity. Poverty has become a structural problem ... a self-propelling dynamic process.' (pp. 46-7).

They find the answer to the question: How can governments of poor countries use their resources most rationally to achieve their objectives? in the budgeting process. They decry the tendency towards 'repetitive budgeting', whereby finance ministries draw up a paper budget and then throughout the fiscal year fight a battle of fiscal restraint against the individual departments' efforts to pry loose the sums the budget promised them or ward off the department's demand for more. They recognize the claims of programme budgeting as promising, but decide that no government can really make it work and few governments truly understand it. What they urge is a system they call 'continuous budgeting.' As they put it, 'Rather than make believe the annual budget is meaningful when it isn't, we suggest that poor countries put their experience to good use by institutionalizing procedures for reconsideration during the year. Since the budget must be renegotiated constantly, adoption of continuous budgeting should be better than the present method.' (p. x) Explaining their concept of 'continuous budgeting' further, they say: 'The annual budget becomes a statement of what each agency spent in the previous year as nearly as that can be determined. The best (though not necessarily a good) guide to the year ahead is the one that has just ended. Only three basic questions are considered in compiling the budget. What did each agency spend last year? Are there built-in increases such as a rise in salaries that should be added to the total? Are there expenditures that should and could be eliminated? Departments that want additions to this budgetary base can come in at anytime

during the year with their justifications. They would have to convince the finance ministry, with its project evaluation office, that there were significant advantages in the proposed expenditure, and finance, in turn, would have a current notion of competing demands and available resources. Departments would know that a request for an increase carried with it the possibility that finance would suggest cuts instead, or that they would ask for the money to be taken out of existing expenditures.' (p. 316)

I am not sure that Caiden and Wildavsky have not had recourse to the same ploy that they accuse the planners of using (after the rational exercise is over, one does in the final event what works) or whether they have 'solved' the problem by institutionalizing it. I do know that a surprising number of government planners and finance people who should have seen this book either have not seen it or pretend not to have done so. It's a pity. I would not like to think that the frustration many feel with the constraints imposed by the planning mechanism were a part of our daily burden because those who structure plans are not willing to take a fresh look at basic concepts.

Dr. Ludwig F. Stiller, S.J.

