

# If Planning is Everything, Maybe it's Nothing

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## ABSTRACT

Where planning does not measure up to expectations, which is almost everywhere, planners are handy targets. They have been too ambitious or they have not been ambitious enough. They have perverted their calling by entering into politics or they have been insensitive to the political dimensions of their task. They ignore national cultural mores at their peril or they capitulate to blind forces of irrationality. They pay too much attention to the relationship between one sector of the economy and another while ignoring analysis of individual projects, or they spend so much time on specific matters that they are unable to deal with movements of the economy as a whole. Planners can no longer define a role for themselves. From old American cities to British new towns, from the richest countries to the poorest, planners have difficulty in explaining who they are and what they should be expected to do. If they are supposed to doctor sick societies, the patient never seems to get well. Why can't the planners ever seem to do the right thing?

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## Introduction

The planner has become the victim of planning; his own creation has overwhelmed him. Planning has become so large that the planner cannot encompass its dimensions. Planning has become so complex planners cannot keep up with it. Planning protrudes in so many directions, the planner can no longer discern its shape. He may be economist, political scientist, sociologist, architect or scientist. Yet the essence of his calling—planning—escapes him. He finds it everywhere in general and nowhere in particular. Why is planning so elusive?

The concept of planning stands between actors and their societies. It conditions the way they perceive social problems and it guides their choice of solutions. Their understanding of planning helps them to choose the questions they ask and the answers they find. It leads them to evaluate their experience, including their attempt to plan, in certain ways rather than others. The difficulties they experience in society are related to their understanding of the mechanism—planning—they believe will help them solve its problems.

Men think through language. They can hardly conceive of phenomena their words

cannot express. The ways in which men think about planning affect how they act just as their attempts to plan affect how they think about it. The problems they have with the word mirror their problems with the world.

Planners begin by attempting to transform their environment and end by being absorbed into it. This pattern of failure is most evident in the poor countries of the world where glittering promise has been replaced by discouraging performance.<sup>1</sup> Nor, despite the high economic growth, are the results different in rich countries; brief examination of two critical cases—France and Japan—will show they also do not follow their plans or make good on them when they do. Planning fails everywhere it has been tried.

How can this be? The reasonable man plans ahead. He seeks to avoid future evils by anticipating them. He tries to obtain a more desirable future by working toward it in the present. Nothing seems more reasonable than planning. And that is where the problem begins; for if planning is reason, then reasonable people must be for it. A reasonable author addressing a reasonable reader cannot be opposed to reason. Is it irrational to dissent from this position?

One good question deserves another: can it be rational to fail? Now anyone can do the best he can and still not succeed. Suppose, however, that the failures of planning are not peripheral or accidental but integral to its very nature. Suppose planning as presently constituted cannot work in the environment in which it is supposed to function. Is it irrational to entertain this hypothesis? If it is irrational to pursue any hypothesis that does not confirm the rational nature of planning, then you are about to read an irrational essay.

### **Planning as Future Control**

Practitioners and students of planning have given the word countless interpretations. Every writer, it seems, feels compelled to redefine the concept. And I am no exception. For the confusion resulting from this semantic Tower of Babel impinges on the practice of planning. How does one evaluate a phenomenon when there is little agreement about what it is? How can one say that planning is good or bad or in between when there are no accepted criteria for determining degrees of success or failure? Judgement of the performance of planning rests upon the nature of the expectations it arouses; and these expectations naturally vary with the definition one adopts. If planning is designed to make goals consistent on paper, one would judge it quite differently than if its purpose is actually to achieve social goals in the future.

Planning is the attempt to control the consequences of our actions. The more consequences we control, the more we have succeeded in planning. To use somewhat different language, planning is the ability to control the future by current acts. Instead of discovering his fate in the future, man plans to make it in his own image. But the present may be reluctant to give birth to the future. Man can attempt to plan and he can fail. As St. Paul put it in his letter to the Romans, “I do not understand my own

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<sup>1</sup> This essay is a revised and expanded version of material appearing in Naomi Caiden and Aaron Wildavsky. *A Constant Quantity of Tears: Planning and Budgeting in Poor Countries* (The Twentieth Century Fund, forthcoming).

actions. For I do not do what I want, but I do the very thing I hate. . . . I can will what is right, but I cannot do it. For I do not do the good I want, but the evil I do not want is what I do." While man has helped cause these unanticipated events, he has not consciously intended (that is, planned) to bring them about. We must distinguish, therefore, between attempts to plan and actual success in planning.

Attempts to plan are no more planning than the desire to be wise may be called wisdom or the wish to be rich entitles a man to be called wealthy. Promise must be dignified by performance. The determination of whether planning has taken place must rest on an assessment of whether and to what degree future control has been achieved.

Planning must not be confused with the existence of a formal plan, people called planners, or an institution (henceforth called the planning commission) with the word planning in its official title. Formal plans are only one possible manifestation of planning, since planning may take place outside of formal planning organizations. The distinction here is between a written and an unwritten plan. No one today would claim that the British do not have a constitution (rules specifying the procedures for exercising political power) merely because theirs is found in legislation and custom rather than in a single document like that of the United States. Perhaps the existence of a formal plan suggests a greater commitment to the objectives and the subordinate goals in the plan than one would expect in the absence of such a visible public document. This question should be resolved by observation rather than by definition. Certainly the absence of a Bill of Rights in the "unwritten" British constitution does not reveal a lesser commitment to due process or democratic procedure than America's formal statement in its Constitution. In like manner, it would be wrong to say that a government that consciously improved the conditions of its people and increased their ability to live productive lives was not planning because it lacked the formal apparatus, while another government whose people suffered in these respects was planning because it had a plan and planners.

It is tempting to identify planning with government ownership of industry. Then the government is directly making decisions for the entire economy, and that would appear to eliminate the difficulties of plan implementation caused by a recalcitrant private sector. The decisions that are made, however, may turn out to run counter to the plan. Planned decisions often have unplanned consequences. It would be more accurate to say that these governments attempt to plan but do not necessarily succeed, if success means controlling the future direction of their society through a pre-determined series of actions. Achievement and not the plan must be the final arbiter of planning. Otherwise, planning exists because there is a plan, no matter what fate has in store for it.

We want a definition of planning that will enable us to compare the efficacy of different ways of achieving control over the future. We want to be able to say that one process or strategy or social structure is better or worse in enabling society to move in the direction it chooses in the most expeditious manner. Central direction of the economy, reliance on a price mechanism, devotion to traditional culture, emphasis on agriculture and small industry, any and all bases for action may be judged by their consequences so long as none are identified as planning itself.

A definition based on attempts to plan—planning as a goal-directed behavior—leaves open the question of whether the actions involved have resulted in the kind of future control envisaged. By defining planning according to its inputs (different modes of trying to control the future) rather than its outputs (extent of future control) the element of direction is removed from planning. Such a definition might be appropriate for those interested in different styles of decision for their own sake but not for people concerned with appraising purposeful social action.

For if a definition covers all attempts to plan, whether they succeed or not, planning encompasses whatever men intend to do in the world. Since practically all actions with future consequences are planned actions, planning is everything, and nonplanning can hardly be said to exist. Nonplanning only exists when people have no objectives, when their actions are random and not goal-directed. If everybody plans (well, almost) it is not possible to distinguish planned from unplanned actions.

A definition of planning based on formal position—planning is whatever planners do—is useful if one wishes to examine the activities of people who occupy these places. But a formal definition rules out on *a priori* grounds the likelihood that ability to control the consequences of current actions may be more widely diffused in society. The question becomes not “who in society succeeds in planning?” but “how successful are formal planners in planning?” The planners are the active element, their society the passive beneficiary of their efforts.

Planning is often used (though this definition is rarely made explicit) as if it were equivalent to rationality. Once norms associated with rational action are identified—efficiency, consistency, coordination—any process of decision may be appraised according to the degree to which it conforms to them. The assumption is that following these norms leads to better decisions. Defining planning as applied rationality focuses attention on adherence to universal norms rather than on the consequences of acting one way instead of another. Attention is directed to the internal qualities of the decisions and not to their external effects.

The confusions surrounding the meaning of planning may have a social explanation. Unable to control the future, planners have resisted any other definition that would brand them as failures. After all, no one else is forced to make public predictions that rarely turn out right. Planners want credit for their aspirations, for a noble effort, so they grope toward a definition that stresses the activities in which they engage or the processes through which they work. Exhibition displaces power. The focus of meaning can then shift from events in the world to their own exemplary behavior.

These definitions are not merely different ways of looking at the same thing. They are not just words. They imply different standards for planning and they direct our attention to different phenomena. To define planning as future control, for instance, does away with the distinction between drawing up plans and implementing them, setting goals and achieving them. The objective and its fulfillment are part of the same series of actions.<sup>2</sup> Separating goals from achievements, as most definitions do by emphasizing intention over accomplishment, blurs the distinction between planning

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<sup>2</sup> See Jeffrey L. Pressman and Aaron Wildavsky, *Implementation* (University of California Press, 1973, forthcoming).

and other purposeful behavior. Hence planning becomes a self-protecting hypothesis ; so long as planners try to plan, it cannot be falsified.

In order to understand the implications of these rival definitions, let us consider what is involved in the statements about planning made by practitioner and theorist alike. Virtually everyone would agree that planning requires: (1) A specification of future objectives and (2) a series of related actions over time designed to achieve them. We can now try to discover in general terms what is entailed by national planning.

### **Planning as Cause**

We can say (beginning with the implementing actions) that the first requisite of national planning is causal knowledge: the existence of theory with at least some evidence to support it specifying causal relationships. If X and Y are done, then Z will result. If the consequences of contemplated actions cannot accurately be appraised, specified objectives will be achieved only by accident. The necessity for causal knowledge is made more stringent in long-range planning because the consequences of each action become the basis for the succeeding steps. Each error in prediction is magnified because of its impact on future decisions.

It will help if we specify the kinds of causal knowledge planning requires: a knowledge of the relationships in each of dozens of areas of policy from fisheries to foreign exchange. These relationships may be further subdivided: (1) interaction among the elements of the policy itself, (2) incentives for the people involved to carry out the policy or mechanisms for insuring compliance, (3) sufficient resources at the time required. In agriculture, for example, knowledge of the elements of the policy itself—the technology of production, the mechanisms of distribution, the availability of markets—must be right if the policy is to work. If the farmers will not plant the crops called for or if the prices do not bring them sufficient remuneration, they will sabotage the policy, either overtly or through passive resistance. If there is insufficient money for seeds or fertilizer or if the farmer lacks the education or the motivation to employ the necessary techniques, the policy will fail.

Even if good theory exists somewhere in the world, people in a particular society must be able to apply it in the specific context of their own country. Yet knowledge of how to apply theory is often as weak as the theory itself. Social circumstances may make a mockery of general principles. There may be few men who are capable of utilizing existing theory for practical purposes. Where causal theory is absent or imperfect, where applications are poor or nonexistent, where personnel to carry out policies is lacking or badly trained, the preconditions of formal planning cannot be met.

Yet we have not begun to exhaust the requirements of causal knowledge. Not only is it required in each important area of policy (actually it is also necessary to know which areas are important), but among areas of policy as well. Energy policy, for example, cannot be pursued apart from transportation, industrial and agricultural policy. The major consequences of each set of policy decisions for other areas of policy must be known; if they are not, some objectives will be achieved at the expense of others or none of the objectives will be achieved. Scarce as causal theory is within specific areas

of policy, it is superabundant compared to the lack of knowledge of interaction effects. There are no useful models of economies as a whole; either they contain so few variables as to be too general, or they contain so many that one cannot understand what goes on inside them, let alone in the world to which they are supposed to refer. If economic theory is weak, theories of society involving human motivation and incentive are barely alive. The provision of information itself is dependent on cultural norms, political support and administrative practices that usually work in the opposite direction. Thus the lack of theory means that one often does not know what kind of information to collect, and, in any event, it would probably not be available.

Causal knowledge is also necessary to relate the policies of the nation over time to changes in the international economy and political systems. Low income countries are especially vulnerable to fluctuations in the price of imports and exports and in the willingness of previous donor nations to supply aid. Should the plan require a certain amount of foreign currency, it can easily disintegrate if commodity prices drop, imports rise, and foreign aid disappears. There are no good predictive models of international prices or of willingness to supply aid.

National planning provides a hard test of causal knowledge. Men, resources and institutions must be mobilized and related to one another at successive stages in time in order to obtain predicted results that lead to the achievement of objectives. Nothing less than control of the future is involved.

Any regime, whether it professes to love planning and enshrines *the plan* in its hall of fame, or whether it rejects formal planning entirely, plans to the extent that it can control its future. Planning takes place when people in a society are able to cause consequences they desire to occur. Planning is, therefore, a form of social causation. It requires causal knowledge and the ability to wield that knowledge effectively in society. Power and planning are different ways of looking at the same events.

### **Planning as Power**

Power is the probability of changing the behavior of others against opposition.<sup>3</sup> As soon as the prevalence of disagreement over social goals or policies is admitted into the discussion, it becomes clear that there can be no planning without the ability to cause other people to act differently than they otherwise would. Planning assumes power. Planning is politics.

Power is a reciprocal relationship. It depends not only on what one actor can do but on how the other relevant actors respond in turn. A group may decide not to attempt to realize its intentions because doing so would use up resources that might be better employed elsewhere. Or its efforts may fail because others lack the ability to carry out their instructions. The wielders of power are restricted not only by the limits

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<sup>3</sup> See Andrew McFarland, *Power and Leadership in Pluralist Systems* (Stanford, California: Stanford University Press, 1969); Herbert Simon, *Models of Man* (New York: Wiley, 1957); John Harsanyi, "Measurement of Social Power, Opportunity Costs, and the Theory of Two-Person Bargaining Games," *Behavioral Science*, Vol. VII (Jan. 1962), pp. 67-80; Robert Dahl, "Power," *International Encyclopedia of the Social Sciences* (New York: Macmillan and Free Press, 1968), Vol. XII, pp. 405-415; James March, "The Power of Power," in David Easton, ed., *Varieties of Political Theory* (Englewood Cliffs, N.J.: Prentice-Hall, 1966), pp. 39-70.

on their own resources but also by the capacities of the respondents. Power must be viewed in its social context.<sup>4</sup>

Planning requires the power to maintain the preeminence of future objectives in the present. The nation's rulers must be able to commit its existing resources to the accomplishment of future objectives. If new rulers arise who make drastic changes in objectives, the original plan is finished. The continuity of the regime, of course, is one of the more problematical features of the poor country. Its unity may crumble, its devotion to original objectives may be undermined from within, and its ability to command the nation's resources may be dissipated through disagreement. Either the rulers must stay in power long enough to accomplish their original purposes or their successors must be people who share the same commitments.

If planning is to be more than an academic exercise, it must actually guide the making of governmental decisions. Governmental actions (and the private activities they seek to influence) must in large measure conform to the plan if it is to have practical effect. Planning, then, at any point in time, involves governmental decisions on resource allocation. A theory of how planning should be done, therefore, would be a theory of governmental resource allocation over time. Planning theory becomes a theory of successive government budgets. If we substitute the words "what the government ought to do" for the words "ought to be in the plan," it becomes clear that a normative theory of planning would have to include a political theory detailing what the government's activities ought to be at a particular time.

To plan, therefore, is to govern. Planning thus becomes the process through which society makes its decisions. If one takes a narrow view of politics, only acts by official government bodies are planning acts. A broader view of politics would include all acts, whether ostensibly private or public, that have substantial future impact on society. To plan is to make decisions that affect others. Planners are presidents, ministers, bureaucrats, party leaders, scientists, entrepreneurs—anybody whose acts have large future consequences.

But the act of governing need not necessarily involve planning; intentions in actions may be unrealized. Political leaders, like planners, may find that they cannot control the future. All may try but none may succeed. Planners and politicians may compete for the right to attempt to plan but there may be no victor to claim the spoils.

Formal planners may be viewed as rivals for control of policy with other government agencies and private groups. Can planners dominate these competitors? They can be nothing if no one listens to them. They may be used by others but have no independent force of their own. Planners may also be everything. They may become the government and exert most of the public force in their nation. Although planning theory sometimes suggests that this is the position planners would need in order to carry out their purposes, and though planners in moments of frustration may wish they had this power, it would be fair to say they do not envisage total control. The vision they have of themselves is of a small but dedicated band that somehow enables the nation to meet goals by bringing it to its senses when necessary. They have in mind a regulator role of the type found in cybernetic systems: amidst a vast complex of machinery there is a small but sensitive device that returns the system to its true path whenever

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<sup>4</sup> Harsanyi, *op. cit.*

it strays. By pushing in the right direction at critical times the sum of the corrections adds up to achievement of the original goals. France and Germany might well adopt this thermostatic view of planning. But poor countries require far more than occasional correction; they need large inputs of energy in order to build important components of their systems. Thus planners vacillate between the thermostatic view, which is more in accordance with their potential, and the assumption of total power, which is beyond their grasp, when the small changes they can cause are overwhelmed by the large ones over which they have little control.

The experience of formal planners has a universal tinge. Life is full of small corrections. Rarely is it possible to pursue objectives on a once-and-for-all basis. Relative success in meeting goals depends on new actions in response to changing circumstances. Learning, adjustment, adaptation are the keys to accomplishment. What happens to the original objectives when behavior changes in the light of new conditions?

### **Planning as Adaptation**

Until now I have taken for granted the existence of future objectives, each one neatly labeled as if they came out of a great national sausage machine in the sky. They have been assumed to exist somehow “out there”. The time has come to inquire into the setting of objectives.

One way to determine future objectives is to extrapolate present trends. The goal in the future is to go where the society was headed in any event. The very idea of planning, however, suggests that one is not letting things go any which way, but intervenes to make them move in a different direction or faster or slower in the same direction. You do not need a plan to get you where you were going to be. How, then, are new objectives created?

It turns out that there are no rules for determining objectives. The rules we do have for resource allocation—efficiency, productivity—assume that objectives are given. These rules specify: achieve a given objective at lowest cost or achieve as much of a given objective as possible from a fixed amount of resources. They posit relationships between inputs and outputs; they do not say what the outputs should be, other than getting the most out of the inputs related to them.

Suppose that governmental leaders simply pick any set that appeals to them. What validity should be accorded these objectives? The obvious answer is that they are authoritative if set out by leaders who will attempt to achieve them. This amounts to saying that they are valid because the government says so. Yet the idea of planning, with its connotations of reason and intelligence, resists the thought that objectives are just stuck out there. Presumably the planners must relate these objectives in some way to the capabilities of the nation as well as to the desires of its leaders.

An objective may be desirable but unobtainable. The result of seeking it may be a waste of resources. Fidel Castro publicly accepts blame for setting a quota of sugar cane so high that cutting went far past the time and use of resources that were economically justified.<sup>5</sup> But no one knows what the right level would be. If sights are

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<sup>5</sup> *The New York Times*, January 25, 1971, p. 55.



set too low, less may be done than desirable. If too high, unnecessary effort may be devoted to the task. Like Goldilocks, the leaders would like to come out just right. But that is too complex a task. So they simplify by allowing experience to modify the goals they set.

The Soviet Union's response to this dilemma has been instructive. The goals stated in their plans are meant to be targets. If a particular sector of the economy achieves its production goal, the standard is raised next time. Should the goal remain unfulfilled, the people involved are driven harder. If they still cannot make it, the target is lowered through negotiation.<sup>6</sup> There may be an implicit Pavlovian theory of human behavior in this process, but there is nothing scientific about the setting of objectives. Essentially, an arbitrary objective goal is set and then is modified with experience or sometimes just abandoned.

Another approach is to think of objectives as distant rather than near targets. Leaders spell out their objectives and hope to achieve them sometime, even if not in the period specified in the plan. Some might call this utopian, but others would say it represents a society going in a predetermined direction, though the pace of that effort is subject to change. Although this approach may be reasonable, it subverts the basic element of control which is supposed to differentiate planning from just mucking about.

What is the point of saying that the seven-year plan has been achieved in 22 months or that a certain industry has exceeded its quota or that it will take  $9\frac{1}{4}$  years to achieve some part of the five-year plan? Presumably the idea of planning is that you get where you are going when you say you will and in the manner specified. Can it mean that you get some other place faster or the same place slower and in a way you did not anticipate? This is not a quibble. It goes to the heart of the idea of planning.

What has happened is that the objectives and the means for obtaining them are no longer fixed but have become subject to modification. The original set of objectives and the plan that embodies them are considered merely starting points. They are altered on the basis of experience and necessity. A new regime, a change in commodity prices, discovery of a new theory, accumulation of changes in national cultural mores, may all signify the desirability of changing objectives and the policies to implement them. Adaptation to changing circumstances is certainly a virtue of the intelligent man. But it smacks of *ad hoc* decisionmaking.

When planning is placed in the context of continuous adjustment it becomes hard to distinguish from any other process of decision. By making planning reasonable it becomes inseparable from the processes of decision it was designed to supplant. One plans the way one governs; one does the best one can at the time and hopes that future information will enable one to do better as circumstances change. Some call this adaptive planning; others call it muddling through. Under the criteria of adaptation, almost any process for making decisions in a social context can be considered to be planning.

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<sup>6</sup> Joseph Berliner, *Factory and Manager in the U.S.S.R.* (Cambridge: Harvard University Press, 1957); David Granick, *The Red Executive* (Garden City, N.Y.: Doubleday, 1961).

## Planning as Process

One cannot, for instance, discuss democracy for long without using the terms—goals, alternatives, appraisals, objectives—which are at the heart of almost any contemporary definition of planning. This suggests that electoral democracy may be considered a mode of planning.

The United States does not seek to achieve goals stated in a national plan. Yet that does not mean that the United States has no goals its decisionmakers try to achieve. There are institutions—the Federal Reserve Board, the Council of Economic Advisers, the Office of Management and Budget, Congressional committees, and more—whose task is to find goals and policies that embody them. There are specific pieces of legislation that are dedicated to full employment, ending or mitigating the effects of pollution, building highways, expanding recreational opportunities, improving agricultural productivity, and on and on. When these goals conflict, new decisions must be made concerning how much of each to try to achieve. Even a single goal like full employment may not be capable of achievement because there is not enough knowledge to do it or because it entails other costs, such as inflation, that prohibit it. Moreover, these goals are related to ultimate objectives. The Preamble to the Constitution states national goals and the remainder presents an institutional plan for achieving them. The government of the United States seeks to achieve domestic prosperity and to protect its interests overseas. While these broad objectives remain constant the intermediate goals change in response to forces in society.

When he was a student in the City Planning Department of the University of California at Berkeley, Owen McShane wrote a paper making explicit the similarities between planning (as found in the model developed by West Churchman, in his book, *The Systems Approach*) and electoral democracy as a process of making decisions. Churchman postulates that planning is concerned with multi-stage decisionmaking and “hence it must study (1) a decisionmaker who (2) chooses among alternative courses of action in order to reach (3) certain first-stage goals, which lead to (4) other-stage objectives.”<sup>7</sup> It is easy to parallel this model in terms of electoral democracy as the operation of (1) the electorate which (2) chooses from a group of candidates in order to reach (3) certain first-stage goals, which lead to (4) the implicit goals of the society at large.

Placing the steps in each system side by side, McShane found that the electoral process fitted Churchman’s model with remarkable nicety. Every step has an operational equivalent in any electoral democracy.

Similar comparisons could be made between the process of planning and the process of legislation and administration. Consider, for instance, a recent description of how public policy is made: “Generically, one can identify at least six different steps in the process of making government policy—publicizing a problem, initiating a search for a solution, evaluating alternative solutions, choosing a solution or a combination of solutions, implementing the measures decided upon, and finally,

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<sup>7</sup> West Churchman, *The Systems Approach* (New York: Delacorte Press, 1968), p. 150.

TABLE I

**THE PLANNING SYSTEM**

**Program 1: Legitimacy**

Relationship between the planning system (P.S.) and the decisionmakers.

- (a) Justification (why the P.S. should exist and its role).
- (b) Staffing the P.S. and establishing responsibility and authority.
- (c) The Communication Subsystem
  - (i) Persuasion (selling the P.S.)
  - (ii) Mutual education.
  - (iii) Politics identifying and changing the power structure of the organization.
- (d) Implementation (installing the plan).

**Program 2: Analysis**

Measurement (Identification, classification, prediction, etc.)

- (a) Identifying the decisionmakers, and customers of the larger system.
- (b) Discovering and inventing the alternatives.
- (c) Identifying the first stage goals.
- (d) Identifying the ultimate objectives.
- (e) Measuring the effectiveness of each alternative for each first stage goal.
- (f) Measuring the effectiveness of each first stage goal for the ultimate objectives.
- (g) Estimating the optimal alternative.

**Program 3: Testing (*Verifying the Plan*)**

- (a) Simulation and parallel testing.
- (b) Controlling the plan once implemented.

**THE ELECTORAL DEMOCRATIC SYSTEM**

**Program 1: Legitimacy**

Relationship between the constitution, etc., and the electorate.

- (a) Justification (why democracy should exist and its role).
- (b) Designing the institutions of democracy and establishing responsibility and authority.
- (c) The Communication Subsystem
  - (i) Persuasion (e.g. the Federalist, etc.)
  - (ii) Public schools and media.
  - (iii) Politics (constitutional amendments, judiciary).
- (d) Implementation (setting up the institutions and operating them).

**Program 2: Analysis**

Measurement (Identification, classification, prediction, etc.)

- (a) Identifying interest groups, setting the franchise, etc.
- (b) Selecting candidates for office.
- (c) Identifying and lobbying for first stage goals and policies.
- (d) Identifying the ultimate aims of society (e.g., Goal for Americans, Bill of Rights, etc.)
- (e) Assessing the candidate and his policy platform.
- (f) Assessing the effectiveness of policies for ultimate objectives (e.g. the Vietnam war as protecting democracy).
- (g) Voting for the candidates of one's choice.

**Program 3: Testing (*Does the democracy work?*)**

- (a) Comparison with other nations, self-appraisal by the citizenry.
- (b) Checks and balances, news media, public debate, the opposition.

evaluating the consequences of a measure.”<sup>8</sup> At this level of description there appears to be no significant difference between the United States (and almost any other government, for that matter) and societies that engage in planning.

When planning is conceived of as goal-directed behavior, almost any decisionmaking process will be found to contain similar elements. How then can we evaluate planning? Asking what has been caused by goal-directed behavior is like requesting an explanation for all that has happened. If the process of planning cannot usefully be separated from other modes of choice, the observer will be unable to attribute consequences to

<sup>8</sup> Richard Rose, “The Variability of Party Government: A Theoretical and Empirical Critique,” *Political Studies* (Dec. 1969) vol. XVII, no. 4, p. 415.

planning that do not also belong to other ways of making decisions; its merits cannot be challenged by future events because they all have their origin in someone's efforts to secure his aims.

If planning is to be judged by its consequences, by what it accomplishes, we must return to the problem of causality. What has planning caused? What has happened differently because of the presence of plans, planners and planning commissions than would have happened without them? What, in the economist's language, is the value added by planning?

Evaluation of planning is not possible so long as it refers to mere effort. The only sportsmanlike response to a runner who has given his all, is "good try," especially if he has fallen at the first turn. Only if planning is defined to mean completed action, achieving a set goal, can its relative degree of success be appraised.

If we are willing to equate national planning with a formal plan, it is possible to ask whether the interventions specified in it have been carried out, and whether they have come close to achieving the desired ends. Evaluation of formal planning depends on forging a valid link between intentions expressed in the plan and future performance of the nation.

### **Planning as Intention**

I have grossly simplified the problem of deciding whether intentions have been carried out by placing them solely in the hands of planners and assuming that their intentions are manifested in the national plan. Judging plans and planners by their intentions nevertheless has strong attractions. The plan itself has the inestimable advantage of existing in time and space and being separable from other phenomena. The plan speaks of accomplishing certain things in specified ways and one can ask whether these future states of affairs have indeed come about. If the plan predicts a rate of economic growth, supported by the development of certain sectors of the economy, propelled by various key projects, one can ascertain whether that rate has been achieved, whether the sectors singled out for special attention have grown in the way specified and whether the projects have been built and are bringing in the returns that were claimed for them. To the extent that the planners are not impossibly vague about what they intend, and relevant information is available and accurate, the plan may be judged by the degree to which its intentions have been carried out.

Yet the criterion of intention may easily prove superficial. Let us suppose that a plan has failed the test of accomplishing the goals set down in it. How might one explain that failure? If the plan is viewed as a series of predictions, it is evident that they have not come true. Yet calling a bad prediction a failure in an uncertain world seems harsh. More to the point would be a statement that the planners were unable to move the nation in the directions they intended. The claim can still be made, however, that much progress occurred, even if it fell short of the initial aims. Imagine a situation in which under Plan I a 4% growth rate was postulated and only 3% achieved, while in Plan II a 10% rate was set out and one of 6% achieved. Plan I was more successful in the sense that the growth rate came closer to the target, but Plan II was more successful in that the overall rate of growth was greater. Assume for the moment that both levels of growth are attributable to the plan. Why should one set

of planners be criticized because of their higher level of aspirations if their actual accomplishments are greater? When the intentions in plans are not realized it is difficult to know whether this failure is due to poor performance or unreasonable expectations. Did the nation try to do too little or too much? Were its planners over-ambitious or underachievers?

Planners are vulnerable. Unless they take the precaution of making their goals too vague to be tested, their failure is evident for all to see. They must spend their time not in explaining how they have succeeded but in arguing away their evident failures. A great deal can be learned about fulfilling intentions by noting what happens when early optimism is replaced by later rationalization.

When a venture runs into trouble there are a number of classic ways of justifying it without showing that its performance is actually better. The usual tactic is to claim that the venture has not been tried hard enough, that doing more of the same would bring the results originally envisaged. If the bombing of North Vietnam does not weaken the will of that government to resist, the answer is evidently not to stop but to do more of it. When the poverty programs in the United States lead to disappointing results, then the answer must be that not enough money has been poured into them. It is always difficult to know whether the theory behind the policy is mistaken, so that additional effort would mean throwing good money after bad, or whether greater input of resources would reach the critical mass presumed necessary to make it successful. The same argument is made in regard to formal planning: if only there were more effort, more dedication, more commitment, things would be better. This argument, however, presumes on behalf of formal planning precisely what it is supposed to prove. If things were as they were supposed to be, planning would not be necessary to correct them. The argument is reminiscent of a practitioner's comment about planning around the world: in Russia it is imperative, in France it is indicative, and in poor countries it is subjunctive.

The usual way of justifying formal planning in the absence of (or contrary to the evidence about) accomplishment is to shift the focus of discussion from goals to process. The critic of planning, it is said, has evidently mistaken the nature of the enterprise: by focusing in his simple-minded way on the intentions of the planners he has missed the beneficial effects of the processes through which the plan is made. A similar argument is heard about the United States space program: it is not merely reaching the moon but all the wonderful things learned on the way up and down (cf. technological fallout) that justify the cost of the effort. Planning is good, therefore, not so much for what it does but for how it goes about not doing it.

The process of planning presumably inculcates habits of mind leading to more rational choice. Officials are sensitized to the doctrine of opportunity costs, to what must be given up in order to pursue certain alternatives, and to the notion of enterprise as a productive force in the nation's economy. Time horizons are expanded because the future is made part of present decisions. Because of the existence of the plans and the planners, data may have been collected that otherwise would not have been; men with economic skills have been introduced into government. Those who come in contact with these new men are said to benefit from their new ways of looking at the world. To ask how these spinoff benefits are made tangible would be to retreat to the

fallacy—comparing the intentions of planners with their accomplishments—that the process argument was designed to subvert.

There is another way of getting around the problem of intention and its realization; instead of merely saying that the intentions specified in the plan are not the real ones, one can argue that the planners are not the people whose intentions count. An interest-group leader or a politician may have hidden agenda the plan is supposed to achieve. The plan thus becomes an instrument for the purposes of others; its provisions are to be judged by the degree to which it serves their needs. To determine whether planning was successful or not would, therefore, require specific knowledge of the real purposes for which it was used and no *a priori* judgements from afar would be appropriate.

Plans and planners in this context are simply one element in a repertoire of responses in the political arena that are available to those powerful and clever enough to use them. Plans may be weapons wielded by one political faction against another. The forces of logic, reason and rationality may be used by a president against a recalcitrant ministry or by one ministry or region versus another. The possibilities are endless. If national leaders wish to be thought modern, for instance, they have a document with which to dazzle their visitors. Charts, tables, graphs, regressions, are trotted out, but no one who matters attends to them. The plan need not be a means of surmounting the nation's difficulties, but rather may become a mode of covering them up.

By taking the argument one step further, the idea of plans as intentions can be dissolved entirely. One no longer asks whether the intentions in the plan are carried out, but which of many competing intentions is validated, if, indeed, any are. In this view there is no single set of intentions, any more than there is a general will that can be embodied in a single plan. There are different wills and various interests that compete for shares in planning. Some of these "wills" get adopted as government plans for a time and then are altered or revised. The great questions then become: whose intentions are realized? Are anyone's plans made good by the unfolding of events?

Once conflict over goals is admitted, intention evaporates as a useful criterion for judging the success of planning. The planners lose their hold over intention; it is no longer immutable but problematical, a subject for bargaining, a counter in the flux of events. The stage shifts from the intentions specified in the plan to a multitude of actors whose intentions are alleged to be the real ones. The success of planning depends entirely on whose plans one has in mind.

My discussion of intention may be rejected, not necessarily because it's misleading (though that may be the case), but because it's seen as irrelevant. Sophisticated people, critics might say, have long since abandoned both the idea of national planning and of national intentions. They may go along with it for its symbolic value but they know it does not work. "So why bother to spend all this time discussing it," one can hear them say. Planners have a much more modest conception—to reduce the scope of efforts by concentrating on individual sectors of the economy and move in the direction of dealing with relatively small and circumscribed problems. They seek to discover an actual opportunity for decision, to elaborate a few alternatives and to discuss their probable consequences in a limited way. They cut their costs of calculations by vastly reducing the magnitude of the tasks they set for themselves.

This approach is basically conservative. It takes for granted the existing distribution of wealth and power. It works with whatever price mechanism exists. It seeks not to influence many decisions at once but only a few. Now the ordinary men who would otherwise have made these decisions in the absence of planners also concentrate on a very narrow area of specialization; they also consider a few different ways of doing things; they also estimate the probable consequences in a limited way, and they also choose the alternative that seems best under the circumstances. By making planning manageable it appears we have made it indistinguishable from ordinary processes of decision. Planning has been rescued by diminishing, if not entirely obliterating, the difference between it and everyday decisionmaking. Of what, then, do the advantages of planning consist?

Maybe we have been looking at planning in the wrong way. The place to look for the virtues of planning, perhaps, is not in the world but in the word. Planning is good, it seems, because it is good to plan.

Planning is not really defended for what it does but for what it symbolizes. Planning, identified with reason, is conceived to be the way in which intelligence is applied to social problems. The efforts of planners are presumably better than other people's because they result in policy proposals that are systematic, efficient, coordinated, consistent, and rational. It is words like these that convey the superiority of planning. The virtue of planning is that it embodies universal norms of rational choice.

### Planning as Rationality

Certain key terms appear over and over again: planning is good because it is *systematic* rather than random, *efficient* rather than wasteful, *coordinated* rather than helter-skelter, *consistent* rather than contradictory, and above all, *rational* rather than unreasonable. In the interest of achieving a deeper understanding of why planning is preferred, it will be helpful to consider these norms as instructions to decisionmakers. What would they do if they followed them?

Be systematic! What does it mean to say that decisions should be made in a systematic manner? A word like "careful" will not do because planners cannot be presumed to be more careful than other people. Perhaps "orderly" is better; it implies a checklist of items to be taken into account, but anyone can make a list. Being systematic implies further that one knows the right variables in the correct order to put into the list, and can specify the relationship among them. The essential meaning of systematic, therefore, is having qualities of a system, that is a series of variables whose interactions are known and whose outputs can be predicted from knowledge of their inputs. System, therefore, is another word for theory or model explaining and predicting events in the real world in a parsimonious way that permits manipulation.<sup>9</sup> To say that one is being systematic, consequently implies that one has causal knowledge.

Here we have part of the answer we have been seeking. Planning is good because inherent in the concept is the possession of knowledge that can be used to control the world. Knowledge is hard to obtain; the mind of man is small and simple while the

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<sup>9</sup> See David J. Berlinski, "Systems Analysis", *Urban Affairs Quarterly*, September 1970, 7, no. 1, pp. 104-126.

world is large and complex. Hence the temptation to imply by a cover word possession of the very thing, causal knowledge, that is missing.

Be efficient! There is in modern man a deeply-rooted belief that objectives should be obtained at the least cost. Who can quarrel with that? But technical efficiency should never be considered by itself. It does not tell you where to go but only that you should arrive there (or part way) by the least effort.

The great questions are: efficiency for whom and for what? There are some goals (destroying other nations in nuclear war, decreasing the living standards of the poverty-stricken in order to benefit the wealthy) that one does not wish achieved at all, let alone efficiently. Efficiency, therefore, raises once more the prior question of objectives.

One of the most notable characteristics of national objectives is that they tend to be vague, multiple and contradictory. Increasing national income is rarely the only social objective. It has to be traded off against more immediate consumption objectives, such as raising the living standards of rural people. Cultural objectives such as encouraging the spread of native languages and crafts, may have to be undertaken at a sacrifice of income. Political objectives, such as the desire to improve racial harmony or assert national independence, may lead to distribution of investment funds to economically unprofitable regions and to rejection of certain kinds of foreign aid. A great deal depends on which objectives enter into national priorities first, because there is seldom room for emphasis on more than a few.

Stress on efficiency assumes that objectives are agreed upon. Conflict is banished. The very national unity to which the plan is supposed to contribute turns out to be one of its major assumptions.

Coordinate! Coordination is one of the golden words of our time. I cannot offhand think of any way in which the word is used that implies disapproval. Policies should be coordinated; they should not run every which-way. No one wishes their children to be described as uncoordinated. Many of the world's ills are attributed to lack of coordination in government. Yet, so far as we know, there has never been a serious effort to analyze the term. It requires and deserves full discussion. All that can be done here, however, is barely to open up the subject.

Policies should be mutually supportive rather than contradictory. People should not work at cross purposes. The participants in any particular activity should contribute to a common purpose at the right time and in the right amount to achieve coordination. A should facilitate B in order to achieve C. From this intuitive sense of coordination four important (and possibly contradictory) meanings can be derived.

If there is a common objective, then efficiency requires that it be achieved with the least input of resources. When these resources are supplied by a number of different actors, hence the need for coordination, they must all contribute their proper share at the correct time. If their actions are efficient, that means they contributed just what they should and no more or less.

Coordination, then, equals efficiency, which is highly prized because achieving it means avoiding bad things: duplication, overlapping and redundancy. These are bad because they result in unnecessary effort, thereby expending resources that might be used more effectively for other purposes. But now we shall complicate matters by



introducing another criterion that is (for good reason) much less heard in discussion of planning. I refer to reliability, the probability that a particular function will be performed. Heretofore we have assumed that reliability was taken care of in the definition of efficiency. It has been discussed as if the policy in mind had only to work once. Yet we all know that major problems of designing policies can center on the need to have them work at a certain level of reliability. For this reason, as Martin Landau has so brilliantly demonstrated, redundancy is built-in to most human enterprises.<sup>10</sup> We ensure against failure by having adequate reserves and by creating several mechanisms to perform a single task in case one should fail.

Coordination of complex activities requires redundancy. Telling us to avoid duplication gives us no useful instruction at all; it is just a recipe for failure. What we need to know is how much and what kind of redundancy to build-in to our programs. The larger the number of participants in an enterprise, the more difficult the problem of coordination, the greater the need for redundancy.

Participants in a common enterprise may act in a contradictory fashion because of ignorance; when informed of their place in the scheme of things, they may obediently be expected to behave properly. If we relax the assumption that a common purpose is involved, however, and admit the possibility (indeed the likelihood) of conflict over goals, then coordination becomes another term for coercion. Since actors A and B disagree with goal C, they can only be coordinated by being told what to do and doing it. The German word, *Gleichschaltung*, used by the Nazis in the sense of enforcing a rigid conformity, can give us some insight into this particular usage of coordination. To coordinate one must be able to get others to do things they do not want to do. Coordination thus becomes a form of coercive power.

When one bureaucrat tells another to coordinate a policy, he means that it should be cleared with other official participants who have some stake in the matter. This is a way of sharing the blame in case things go wrong (each initial on the documents being another hostage against retribution). Since they cannot be coerced, their consent must be obtained. Bargaining must take place to reconcile the differences with the result that the policy may be modified, even at the cost of compromising its original purposes. Coordination in this sense is another word for consent.

Coordination means achieving efficiency and reliability, consent and coercion. Telling another person to achieve coordination, therefore, does not tell him what to do. He does not know whether to coerce or bargain or what mixture of efficiency and reliability to attempt. Here we have another example of an apparently desirable trait of planning that covers up the central problems—conflict versus cooperation, coercion versus consent—that its invocation is supposed to resolve. Planning suffers from the same disability that Herbert Simon illustrated for proverbial wisdom in administration:<sup>11</sup> each apparently desirable trait may be countered by its opposite—look before you leap, but he who hesitates is lost. An apt illustration is the use of “consistency”.

Be consistent! Do not run in all directions at once. Consistency may be conceived

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<sup>10</sup> Martin Landau, “Redundancy, Rationality, and the Problem of Duplication and Overlap”, *Public Administration Review* (July 1969) vol. XXIX, pp. 346–358.

<sup>11</sup> Herbert Simon, “The Proverbs of Administration,” *Public Administration Review* (Winter 1946) vol. VI, pp. 53–67.

as horizontal (at a moment in time) or vertical (over a series of time periods extending into the future). Vertical consistency requires that the same policy be pursued, horizontal consistency that it mesh with others existing at the same time. The former requires continuity of a powerful regime able to enforce its preferences, the latter tremendous knowledge of how policies affect one another. These are demanding prerequisites. One requires extraordinary rigidity to ensure continuity, the other unusual flexibility to achieve accommodation with other policies. Be firm, be pliant, are hard directions to follow at one and the same time.

The divergent directions implied in the term suggest that the virtues of consistency should not be taken for granted. It may well be desirable to pursue a single tack with energy and devotion but it may also prove valuable to hedge one's bets. Consistency secures a higher payoff for success but also imposes a steeper penalty for failure. If several divergent policies are being pursued in the same area they may interfere with each other but there also may be a greater chance that one will succeed. The admonition "Be consistent" may be opposed by the proverb, "Don't put all your eggs in the same basket."

Consistency is not wholly compatible with adaptation. While it may be desirable to pursue a steady course, it is also commonsensical to adapt to changing circumstances. There is the model of the unchanging objective pursued by numerous detours and tactical retreats but never abandoned and ultimately achieved. There is also the model of learning in which experience leads men to alter their objectives as well as the means of obtaining them. They may come to believe the cost is too high or they may learn they prefer a different objective. Apparent inconsistency may turn out to be a change in objectives. If both means and ends, policies and objectives, are changing simultaneously, consistency may turn out to be a will o' the wisp that eludes one's grasp whenever one tries to capture it.<sup>12</sup> The resulting inconsistency may not matter so much, however, as long as alternative courses of action are thoroughly examined at each point of decision.

Consider alternatives! Which ones? How many? Answers to these questions depend on the inventiveness of the planners; the acknowledged constraints; (such as limited funds, social values), and the cost in terms of time, talent, and money, that can be

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<sup>12</sup> It is, by the way, often difficult to know when inconsistent actions are taking place. Leaving aside obtaining accurate information, there are serious conceptual problems. Policies are often stated in general terms that leave ample scope for varying interpretations of their intent. Ambiguity sometimes performs a political function by enabling people (who might otherwise disagree if everything was made clear) to get together. There cannot then be a firm criterion against which to judge consistency. There is also the question of conflicting perspectives among actors and observers. The observer may note an apparent commitment to a certain level and type of investment and see it vitiated by diversion of funds to wage increases. To the observer this means inconsistency. The actor, however, may feel consistent in pursuing his goal of political support. Given any two policies that lead to conflicts among two values one can always find a third value by which they are reconciled. Investment seemd to bring support when it was announced and so does spending for other purposes when its turn comes. The actors' values may be rephrased as "the highest possible investment so long as it does not seriously affect immediate political support." In view of the pressures to meet the needs of different people variously situated in society, most decisions are undoubtedly made on such a contingent basis. This is what it means to adapt to changing circumstance. As the goals of the actors shift with the times, consistency becomes a moving target, difficult to hit at the best of times, impossible to locate at the worst.

spent on each. While it used to be popular to say that all alternatives should be systematically compared, it has become evident that this won't work; knowledge is lacking and the cost is too high. The number of alternatives considered could easily be infinite if the dimensions of the problem (such as time, money, skill and size) are continuous.

Let us suppose that only a small number of alternatives will be considered. Which of the many conceivable ones should receive attention? Presumably those will be selected that are believed most compatible with existing values and to work most efficiently. But this presupposes that the planner knows at the beginning how the analysis will turn out; otherwise he must reject some alternatives to come up with the preferred set. At the same time there are other matters up for decision and choices must be made about whether they are to be given analytical time and attention. The planner needs rules telling him when to intervene in regard to which possible decisions and how much time to devote to each one. His estimate of the ultimate importance of the decision undoubtedly matters, but also it requires predictive ability he may not have. He is likely to resort to simple rules such as the amount of money involved in the decision and an estimate of his opportunities for influencing it.

We have gone a long way from the simple advice to consider alternatives. Now we know that this command does not tell anyone which decisions should concern him, how many alternatives he should consider, how much time and attention to devote to them or whether he knows enough to make the enterprise worthwhile. To say that alternatives should be considered is to suggest that something better must exist without being able to say what it is.

Be rational! If rationality means achieving one's goals in the optimal way, it refers here to technical efficiency, the principle of least effort. As Paul Diesing argues,<sup>13</sup> however, one can conceive of several levels of rationality for different aspects of society. There is the rationality of legal norms and of social structures as well as political rationality, which speaks to the maintenance of structures for decision, and economic rationality which is devoted to increasing national wealth.

What is good for the political system may not be good for the economy and *vice versa*. The overweening emphasis upon economic growth in Pakistan may have contributed to the relative neglect of the question of governmental legitimacy in the eastern regions. Any analysis of public policy that does not consider incompatibilities among the different realms of rationality is bound to be partial and misleading.

Strict economic rationality means getting the most national income out of a given investment. The end is to increase real GNP, no matter who receives it, and the means is an investment expenditure, no matter who pays for it. To be economically rational is to increase growth to its maximum. Speaking of economic rationality is a way of smuggling in identification with the goal of economic development without saying so.

Rationality is also used in the broader sense of reason. The rational man has goals that he tries to achieve by being systematic, efficient, consistent and so on. Since rationality in the sense of reason has no independent meaning of its own it

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<sup>13</sup> Paul Diesing, *Reason in Society* (Urbana: University of Illinois Press, 1962).

can only have such validity as is imparted by the norms that tell us about what reasonable action is.

The injunction to plan (!!) is empty. The key terms associated with it are proverbs or platitudes. Pursue goals! Consider alternatives! Obtain knowledge! Exercise power! Obtain consent! Or be flexible but do not alter your course. Planning stands for unresolved conflicts.

Yet planning has acquired a reputation for success in some rich countries. Perhaps a certain level of affluence is required before planning becomes effective. Instead of stacking the deck against planning by asking whether it works in poor nations, let us play its best cards by looking at the record under the most propitious circumstances.

### **Planning in Rich Countries**

Although I have geared my remarks to conditions existing in poor countries, they apply to rich ones as well. Formal planning aside, they are better able than poor nations to control their future. Governments in rich nations have more resources on which to draw, more adequate machinery for mobilizing them, and more trained people to make use of them. They can afford more failures as well as capitalize on their successes. Their prosperity is not guaranteed but their chances to do well for themselves are much higher than in the poor countries. It is possible that the failure of formal economic planning in rich countries actually has been hidden by their wealth. Confrontation with experience in formal planning has been avoided by casting the debate in terms that avoid the central question.

The debate over national economic planning in the past four decades has been conducted largely in terms of dichotomies: the individual versus the state; freedom versus dictatorship; private enterprise versus state control; price systems versus hierarchical command; rational economic choice versus irrational political interference. The great questions were: could state planning be reconciled with personal liberty? Was central administrative command a better or worse way to make decisions than dependence on prices determined in economic markets? Would rational modes of economic thought, designed to increase national income in the long run, be able to overcome irrational political forces seeking to accumulate power in the short run? All these questions assume that national economic planning—as distinct from mere arbitrary political intervention—is a real possibility. But—if it doesn't work—if the goals of the plan do not move from the paper on which they are written to the society to which they are supposed to refer, then why worry about it; it can neither crush nor liberate mankind.

Is there a single example of successful national economic planning? The Soviet Union has had central planning and has experienced economic growth. But the growth has not been exceptional and has not followed the plan. Is there a single country whose economic life over a period of years has been guided by an economic plan so that the targets set out in the plan bear a modest resemblance to events as they actually occur? No doubt each reader will be tempted to furnish the one he has heard about. Yet the very fact (as anyone can verify by posing the same query) that it is hard to name an example suggests that the record of planning has hardly been brilliant.

For all we know, the few apparent successes (if there are any) are no more than random occurrences.

When really pushed to show results, somewhere, some place, sometime, planning advocates are likely to cite the accomplishments of indicative planning on the French model as the modern success story of their trade. The French example is indeed a good one because it puts the least possible demands on the planning enterprise. Where many national plans are comprehensive, in the sense that they try to set targets for virtually all sectors of the economy, the French dealt only with the major ones. While planners in some countries have to set the entire range of prices, the modified market economy in France makes this burden unnecessary. France has not been afflicted by the rapid turnover of key personnel that has contributed to the discontinuities in planning elsewhere. France is rich in many ways besides money—information, personnel, communication—that should make it easier for her planners to guide future events. Where some plans hope to be authoritative, in that both government and private industry are required to follow the guidelines contained in them, the French plans have been indicative, that is, essentially voluntary. While efforts are made to reward those who cooperate, there are no sanctions for failure to comply. French plans indicate the directions wise and prudent men would take, if they were wise and prudent. If planning does not work in France, where conditions are so advantageous, it would be unlikely to do better in less favorable circumstances.<sup>14</sup>

But like it or not, formal planning in France is a failure. Economic growth has taken place but not according to instructions in the plan. Targets have not been met in the first four plans. Neither for individual sectors nor for the economy as a whole have growth rates been approximated. Governments have consistently ignored the plan or opposed it in order to meet immediate needs. In order to justify the idea of planning, Steven Cohen, author of the best book on the subject, *Modern Capitalist Planning: The French Experience*,<sup>15</sup> suggests that if there were a democratic majority agreed on its goals, if their purposes could be maintained over a period of years, if they had the knowledge and power necessary to make the world behave as they wish, if they could control the future, then central planning would work. If . . . !

What Cohen's book actually shows is that limited economic planning in a major industrial country with considerable financial resources and talent did not work. What hope would there be for poor nations whose accumulated wealth is definitely less, whose reservoir of human talent is so much smaller, whose whole life is surrounded by far greater uncertainties? How could planning help radically change Africa or Asia when it has failed to produce even limited changes in France?

Significant control of the future demands mobilizing knowledge, power, and resources throughout a society. It does no good to propose measures that require nonexistent information, missing resources, and unobtainable consent. The planner cannot create, at the moment he needs them, things his society does not possess. He can, however, assume them to be true in that artificial world created in the plan. But planning is not a policy. It is presumably a way to create policies related to one

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<sup>14</sup> The following paragraphs on France are taken from Aaron Wildavsky, "Does Planning Work?" *Public Interest*, Summer 1971, no. 24, pp. 95-104.

<sup>15</sup> Harvard University Press, Cambridge, Mass., 1970.

another over time so as to achieve desired objectives. The immense presumption involved, the incredible demands, not merely on the financial, but on the intellectual resources of societal organization explain the most important thing about national planning—it does not work because no large and complex society can figure out what simple and unambiguous things it wants to do, or in what clear order of priority, or how to get them done.

Before admitting defeat the advocate of planning would at least gesture in the direction of Japan, whose extraordinary economic growth has taken place in a period during which “the government has established long-term economic plans as the guiding principle for economic policies.”<sup>16</sup> Of the dozen or so economic plans formulated since the end of the Second World War, five were officially adopted by the government and four have advanced far enough to appraise the fit between intention and accomplishment. In his splendid account, Isamu Miyazaki notes that the Five-year Plan for Economic Self-Support for fiscal years 1955–60 called for a five per cent rate of growth in gross national product. But “the economic growth rate turned out to be twice as large as what had been projected in the plan, and the growth in mining and manufacturing production and exports proved far greater than that envisaged in the plan. Thus the targets in the plan were achieved in almost two years.” A second effort, the New Long-Range Economic Plan for fiscal years 1958–62, set the desired growth rate at 6.5%. “However, in actual performance, the rate again exceeded the projection, reaching about 10% on the average during the plan period.”<sup>17</sup> The Doubling National Income Plan for fiscal years 1961–70, the third effort, postulated a real growth rate of some 7 to 8%. Miyazaki states that “In actual performance, however, the rate reached 11% on the average from fiscal 1961–63. Particularly notable was the performance of private equipment investment, which grew by almost 40% in fiscal 1960, followed by an additional 29% increase in fiscal 1961. This meant that the level which was expected to be reached in the final year of the plan was achieved in the first year.”<sup>18</sup> The fourth and last national economic effort for which the returns are in, the Economic and Social Development Plan for fiscal years 1967–71, resulted in even larger gaps between promise and fulfillment. According to Miyazaki, it was

estimated that the real growth rate would reach nearly 13% on the average for fiscal 1967–70 against 8.2% in the plan. The rate of increase of private equipment investment (nominal) was twice as large as the 10.6% of the forecast. Since the economic growth rate and private equipment investment have gone far beyond the projection, the plan cannot any more fulfill the role of a guide to private economic activities.<sup>19</sup>

Evidently the economy has been growing faster than anyone thought. Yet the purpose of plans and planners must surely be to guide economic growth in the expected direction, not to gasp in amazement at how wonderfully the country has grown contrary to (or regardless of) what they indicated. If plans are not guides, they have lost any meaning they might have had.

Questioning the meaningfulness of planning is likely to lead to impatience on the grounds that it represents man’s best hope. What have you got to offer in its place?

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<sup>16</sup> Isamu Miyazaki, “Economic Planning in Postwar Japan”, *The Journal of the Institute of Developing Economies* (December 1970), vol. VIII, no. 4, p. 369.

<sup>17</sup> *Ibid.*, p. 373.

<sup>18</sup> *Ibid.*, p. 374.

<sup>19</sup> *Ibid.*, p. 378.

That is likely to be the response. Putting the question that way suggests that planning provides a solution to problems. But planning is not a solution to any problem. It is just a way of restating in other language the problems we do not know how to solve.

But where's the harm? If planning is not the epitome of reason, it appears innocuous enough. If some people feel better in the presence of formal planning why not let it go on?

### **Formal Planning: Costs and Benefits**

Planning is like motherhood; everyone is for it because it seems so virtuous. Overpopulation on one side has not given birth to doubts on the other. If we leave out the old controversy over whether centrally directed economies are better or worse than reliance on the price mechanism, there has been virtually no discussion of possible adverse effects of formal planning. Although planners are often economists who profess to believe that there is a cost for everything, they have not applied this insight to their own activity. It may be instructive, therefore, to list a few of the possible costs of planning.

The plan may provide a substitute for action. Working on it may justify delay as the cry-word goes out, "Let's not act until the plan is ready." Delay may also be encouraged because the planning commission becomes another checkpoint in an already cumbersome administrative apparatus. If its consent or comments are required and its people overburdened, planners may discourage the speedy adaptation to emerging events that is so essential in the volatile environments of the poor countries.

Planning uses important human resources. In nations where talent is chronically scarce, men who might be contributing to important public and private decisions may be wading through huge bodies of data or constructing elaborate models whose applicability is doubtful at best. The planners not only take up their own time, they intrude on others. They call in people from the operating ministries who need to answer their questions and, if necessary, run around countering their advice. Time, attention and talent that might be spent improving the regular administration on which the nation depends, may have to be invested in internal hassling with the planners.

The direct financial cost of paying the planners and their consultants may be small, but the long-run financial costs to the nation may be high. Planners tend to be spenders. Their rationale is that they will help promote current investments that will lead to future increases in income. They, therefore, have a vested interest in increasing the total amount of investment. Frustrated at the efforts of the finance ministry to keep spending down, the planners have an incentive to get hold of their own sources of funds. They thereby contribute to one of the basic financial problems of poor countries—the fragmentation of national income. Then they become another independent entity able to resist whatever central authority exists.

Investments may come in large packages or small amounts, in humdrum improvement of human resources, or in spectacular projects. The tendency of planners is to seek the large and loud over the small and quiet. Their talents are better suited to the analysis of big projects that have a substantial impact on the economy and that, by

their cost, justify expensive analytical attention. They have too few people to supervise the multitude of small projects whose total impact may nevertheless be more important to the nation than the few big projects. Their fame and fortune depend on identification with visible objects and these are not to be found in the rural classroom or the feeder road.

The stock in trade of the planner is the big model. Sometimes it appears the larger and more complex the model (though it may actually be nothing more than a long list of variables) the more important the planner. Only he can interpret it and he may gain a kind of status from being its guardian. Bad decisions may result because these models are taken beyond any merits they might have. A spurious specificity may ignore the fact that the data used is bad, that the relevant calculations cannot be performed or that the model does not apply to the case at hand. As bad decisions are dressed up in pseudo-analytical garb, ministerial officials may become unduly cynical about analysis. When the devil quotes scripture, holy writ becomes suspect.

The planner makes his way by talking about the need of considering the future in present decisions. Yet poor countries have great difficulty in knowing where they are (even where they have been) in terms of income, expenditure, manpower and the like. Retrodiction is as much their problem as prediction. Yet the planners may neglect efforts to bring knowledge up to date because they have little stake in the present. Indeed, they may work hard to create what turn out to be imaginary future problems, as a way of gaining additional influence over forthcoming decisions.

The optimism of the planners may be desirable in order to give the nation a sense of hope amidst crushing burdens. This optimism, however, may result in unreal expectations that cannot be met. Demands may be made in anticipation of future income that does not materialize. Subsequent disappointment may create political difficulty where none need have occurred.

Though their formal plans may be irrelevant, actions of planners as an interest group may have impact. There is no need for us to argue here that formal planners are necessarily wrong. It suffices to say that they have their own built-in biases, and that these sometimes lead to unfortunate consequences. Why, then, is the worth of formal planning so rarely questioned?

Despite intermittent disaffection with planning—the contrast between the plan and the nation mocked the planners—it was difficult for national elites to forgo sight of the promised land. They so wanted an easy way out of their troubles. Besides, they soon discovered that the nonoperational quality of planning could be helpful. If it did not commit them to anything, it might yet be made into a useful instrument.

Formal planning may be useful as an escape from the seemingly insurmountable problems of the day. If life is gloomy in the present then a plan can help offset that by creating a rosier vision of the future. If groups cannot be indulged in the present, they can be shown the larger places they occupy in future plans. Formal planning can also be a way of buying off the apostles of rationality by involving them in tasks that take them away from the real decisions.

The reputation of a nation's leaders may depend on their having a glowing plan. International elites may expect it as evidence of competence and dedication to determine control of the future rather than simply being overtaken by events. Inter-



national prestige may rest to some degree on one of the few national products that are visible and transportable—a beautifully bound set of national plans.

A government may find uses for planners as a group apart from the regular bureaucratic apparatus. Planning machinery may be a way deliberately to introduce competitive elements into the administration, either as a means of provoking reform or of blocking departmental ambitions. Planners may be used as a source of ideas outside regular administrative channels (as a kind of general staff for the executive) bypassing the normal chain of command. All this, however, has little to do with their ostensible reason for being, namely, planning, but much to do with the fact that since planners do exist, they may as well serve the purposes of others.

Trivial functions aside, planning might have withered from disappointment and disuse had not new clients insisted on it. When the United States made foreign aid fashionable, a number of poor countries were in a position to secure sums of money that were large in comparison to their small budgets. This created a need for institutional mechanisms that could do two things: spend surpluses and obtain foreign aid. The United States would not, of course, do anything so simple as to give money just because a country said it needed it; capitalist America insisted upon a plan. Since an existing bureaucracy would have had no experience in putting together these documents, it was necessary to create a mechanism for preparing them. It did not matter whether the plan worked; what did count was the ability to produce a document which looked like a plan, and that meant using economists and other technical personnel. If these skills were not available within the country, they had to be imported in the form of planners and foreign aid advisors. A demand existed and an entirely new industry was created to fill the need. Thus national planning may be justified on a strict cash basis: planners may bring in more money from abroad than it costs to support them at home.

These uses for formal planning suggest that I have been looking at plans, planners and planning commissions in the wrong way. I have been assessing (in the language of the sociologist) their manifest functions, the purposes they are supposed to serve. Formal planning also has latent functions; it serves other purposes as well.

### **Planning as Faith**

While there is every evidence that national plans are unsuccessful, there is virtually no evidence that they do good, however “good” might be described. Yet no one thinks of giving them up. When people continue to do things that do not help them the subject cries out for investigation. Neither the governments nor the people they rule are presumed to be masochists. Why, then, do they not change their behavior?

Planners are men of secular faith. The word “faith” is used advisedly because it is hardly possible to say that planning has been justified by works. Once the word is in them it leaps over the realm of experience. They are confirmed in their beliefs no matter what happens. Planning is good if it succeeds and society is bad if it fails. That is why planners so often fail to learn from experience. To learn one must make mistakes and planning cannot be one of them.

Planning concerns man’s efforts to make the future in his own image. If he loses

control of his own destiny, he fears being cast into the abyss. Alone and afraid, man is at the mercy of strange and unpredictable forces, so he takes whatever comfort he can by challenging the fates. He shouts his plans into the storm of life. Even if all he hears is the echo of his own voice, he is no longer alone. To abandon his faith in planning would unleash the terror locked in him. For if God is dead, only man can save himself.

The greater his need, the more man longs to believe in the reality of his vision. Since he can only create the future he desires on paper he transfers his loyalties to the plan. Since the end is never in sight he sanctifies the journey; the process of planning becomes holy. Since he is the end of his own striving, his reason becomes the object of his existence. Planning is reason and reason is embodied in the plan. Worshipping it, he glorifies himself. But a secular idolatry is no easier to maintain than a religious one.

Faith in planning has an intermittent hold on political leaders. Their ascension to power is full of everlasting hope. The end of despair, they tell their people, is within sight. The leaders too, are overwhelmed by the gap between the future they promise and the present they cannot change. Progress is slow and painful. By allying themselves with the forces of reason, by embracing the plan as a visible sign of salvation, they hope to overcome the past and create a new life for their nation. When plans fail governmental leaders are tempted to abandon the god of reason. Once they have lost faith in planning, it becomes difficult for them to believe that there is any place for reasoned analysis. So they manipulate the plan and its planners for tactical purposes. If planning is reason, then reason flees when planning is in flight. Misplaced faith in the norms of rationality is easily transmuted into normless use of power.

The task of relating processes of decision to the social conditions in which they must operate is hampered because rational planning is supposed to stand as universal truth not subject to alteration through experience. It thus becomes difficult to evaluate experience; departure from the norms of planning are suspect as contradicting reason. Discussion of what seems to work in a particular context is inhibited because it may be inconsistent with "good planning practice." Rather than face up to actual conditions, planners are tempted to wish them away. If planning is a universal tool, planners find it reasonable to ask why their countries cannot live up to the requirements of rational decisionmaking. If planning is valid, they feel, nations should adjust to its demands rather than the other way round.

To save planning, planners may actually accept the blame. For if better behavior on their part would make planning work, the solution is not to abandon plans but to hire more talented planners. Martyrdom may be appropriate to their profession, but I would argue against allowing them to make the ultimate sacrifice.

Planning requires the resources, knowledge, and power of an entire people. If commodity prices suddenly fall, leading to a precipitous drop in national income, the ensuing difficulties may be attributed to faulty predictions by planners, but the relationship of the nation to international markets would seem to be the proper realm in which to seek scapegoats. Should it turn out that political leadership is divided, that may be because the planners could not convince them all, but it is more likely the result of causes deeply rooted in the nation's political history. It seems odd to blame the planners because the political leaders who agreed on a particular set of priorities are

suddenly replaced by another group of men with quite different preferences. If private citizens send their capital abroad rather than investing it at home, it is the values of economic elites rather than the investment plan that deserves priority investigation. When taxes are not collected because social mores prohibit direct personal confrontations, national culture, not the national plan, is the place to look. When planning is viewed as a function of the society's ability to control its future, we seem better able to explain difficulties than if we look at the alleged shortcomings of planners.

If formal planning fails not merely in one nation at one time but in virtually all nations most of the time, the defects are unlikely to be found in maladroit or untalented planners. Nor can a failure be argued successfully by saying that the countries in question are not prepared to behave rationally or to accept the advice of rational men called planners. That is only a way of saying that formal planning, after innumerable iterations, is still badly adapted to its surroundings. It cannot be rational to fail. To err is human; to sanctify the perpetuation of mistakes is something else. If governments persevere in national planning, it must be because their will to believe triumphs over their experience. Planning is not so much a subject for the social scientist as for the theologian.