

The Meaning of Politics in Public Budgeting

Public budgets have a number of special characteristics. These characteristics suggest some of the ways that the budget is political. Political is a word that covers a number of meanings, even when narrowed to the context of budgetary decision making. The purpose of this book is to clarify the meaning of politics in the context of budgeting by sorting out some key meanings and showing how these meanings apply to different parts of budgetary decision making.

Concepts of Politics in the Budget

The literature suggests at least five major ways of viewing politics in the budget: reformism, incremental bargaining, interest group determinism, process, and policy making.

- The first is a reform orientation, which argues that politics and budgeting are or should be antithetical, that budgeting should be primarily or exclusively technical, and that comparison between items should be technical and efficiency based. Politics in the sense of the opinions and priorities of elected officials and interest groups is an unwanted intrusion that reduces efficiency and makes decision making less rational. The politics of reform involves a clash of views between professional staff and elected officials over the boundary between technical budget decisions and properly political ones.
- The second perspective is the incrementalist view, which sees budgeting as negotiations among a group of routine actors, bureaucrats, budget officers, chief executives, and legislators, who meet each year and bargain to resolution. To the extent that interest groups are included at all in this view, they are conceived of in the pluralist model. The process is open, anyone can play and win, and the overall outcome is good; conflict is held down because everyone wins something and no one wins too much.
- The third view is that interest groups are dominant actors in the budget process. In its extreme form this argument posits that richer and

- more powerful interest groups determine the budget. Some interests are represented by interest groups and others are not, or are represented by weaker interest groups; the outcome does not approximate democracy. There may be big winners and big losers in this model. Conflict is more extensive than in the incrementalist model. This view of politics in budgeting raises the questions of whether these interest groups represent narrow or broad coalitions, or possibly even class interest. To what extent do these interest groups represent oil or banking or the homeless, and to what extent do they represent business and labor more broadly? The fourth view of politics in the budget is that the budget process itself is the center and focus of budget politics. Those with particular budget goals try to change the budget process to favor their goals. Branches of government struggle with one another over budgetary power through the means of achieving or denying separation and balance between the branches of government. The degree of examination of budget requests, and the degree to which review is technical or political, cursory or detailed, is regulated by the budget process. The ability of interest groups to influence the budget, the role of the public in budget decisions, the openness of budget decision making—all these are part of the politics of process. In this view of politics, the individual actors and their strategies and goals may or may not be important, depending on the role assigned to individual actors in the budget process, and depending on whether the external environment allows any flexibility.
- The fifth view is that the politics of budgeting centers in policy debates, including debates about the role of the budget. Spending levels, taxing policies, and willingness to borrow to sustain spending during recessions are all major policy issues that have to be resolved one way or another during budget deliberations. Budgets may reflect a policy of moderating economic cycles or they may express a policy of allowing the economy to run its course. Each is a policy. Similarly, budgets must allocate funding to

The Revenue Cluster

The Budget Process

Budgetary Decision Making

Particular programs, and in the course of doing so, decide priorities for federal, state, and local governments. This view of politics in the budget emphasizes tradeoffs, especially those that occur between major areas of the budget, such as social services and defense or police. This view also emphasizes the role of the budget office in making policy and the format of the budget in encouraging comparisons between programs.