

Democracy Through the Performance Budget

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PERFORMANCE budgeting is democracy in action. It is an activity whereby the estimates and reports of many people, superiors and subordinates alike, and both majorities and minorities, are respected and employed. It partakes of the slower but surer manner of doing things for which democracy is known. In a dictatorship, it seems easy to run an organization as big as the Armed Forces. The dictator decides the budget. It is a dangerous process for which free people condemn an autocratic system.

Democratic Tool

Performance budgeting, inaugurated recently in the Philippines, is very significant not only as an effective and versatile tool of management but also as a device to maximize democracy. The lowliest enlisted man is supreme as a factor in the budgeting process. Everybody cooperates and is entitled to his opinion, with the final body judging as fairly and justly as possible on the basis of the estimates and reports submitted.

Budget directives are usually understood to emanate from the

top, whether in a specific office or bureau in the government. Such directives, of course, are originally issued by the President of the Philippines.

However, all budget directives are, in the final analysis, the result of studies made of data gathered from or furnished by the people themselves, with due attention to the President's action after the necessary study by the National Economic Council and/or the Cabinet. In the Armed Forces the data are gathered from or furnished by the servicemen themselves, with due attention to the action of the Chief of Staff after the essential study made by the fiscal bodies.

Estimates precipitated by directives are made and accumulated in the field. These estimates are screened by the different headquarters. The estimates are integrated in the highest headquarters. The budget of the Armed Forces of the Philippines is ready for submission after a final screening and integration of the estimates and after the Secretary of National Defense has acted upon it.

The Commissioner of the Budget, as a staff officer of the President, integrates all estimates of the departments, offices and corporations in the executive department. The resulting integrated estimates are thereafter presented to Congress which, in our scheme of government, holds the power over the purse.

From the grass-roots, through all channels, to Congress itself, performance budgeting needs the unstinted cooperation of as many as possible: the unit installation making their own estimates supported by such things as objects or nature of obligations, projects, programs, appropriations, or accomplishment sometimes called performance and/or unit costs; all

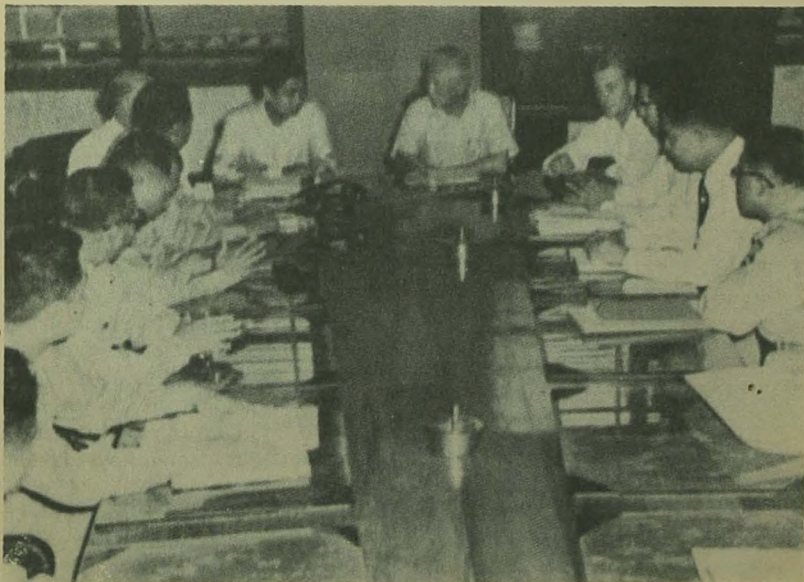
organizational levels making the necessary verifications of data submitted; and the members of Congress thoroughly discussing and determining the propriety, justification and reasonableness of all requests from operating agencies of the government.


All along, people are involved; and, in performance budgeting, many people, in fact, participate as a matter of necessity.

Ramifications

Democracy through the budget is very much in evidence even after the appropriation has been finally passed and approved. The appropriation has to be broken up among the different installations whose needs have to be satisfied.

Management Consultants and government top brass attend AFP conference on performance budgeting to promote cooperation





Gen. E. Balao, then AFP vice chief of staff, talks on need of comptrollership before officers attending conference.

It is in this work that conferences after conferences are held. These conferences involve many meetings. Masses of data are presented to justify an increase of a unit's tentative share. Passions sometimes run high during free deliberations. However, they subside and are totally forgotten after a decision. Democracy is at work.

Before the beginning of a fiscal year, approved appropriations are first studied in their broader aspects. Then the amounts are apportioned to the budgeting units.

This year, in the Philippine Ar-

my, the apportionment was made by the Chiefs of Technical Services, with the G 4 presiding. This is at the GHQ level, since the Headquarters, Armed Forces of the Philippines, is concurrently the Headquarters of the Philippine Army. The same procedure will be followed next year. It may be more democratic to allow at least the G-4s of the budgeting areas to participate in the apportionment of approved appropriations. Their participation is advisable, since they are more conversant with their problems and needs.

In the Philippine Army during the current year, the operating budgets contained not only programs, projects and objects but also the allocation by Technical Services in the corresponding budget areas. The Philippine Army's operating budget was an example worthy of emulation of lower echelons amidst the near-confusion caused by the new budgeting system. The lower headquarters did not have to further divide the allocations by means of its technical service because the breakdown had already been made at the Philippine Army headquarters level.

Some observers have stated that the procedure deprives the local commander of discretion in the apportionment of funds for ob-

jects with which he is more familiar. While the observation is meritorious, it is outstripped, by the necessity, during the beginning of the current year, of the Philippine Army's furnishing top guidance and leadership to local units since it was the first year of performance budgeting in the Armed Forces. An example or pattern had to be set so that smaller budgeting units can easily do their own part later on.

All Hands Job

Everyone becomes a budgeteer with the implementation of the

performance budget system. This is a requirement following the

publication of a memorandum, from The Adjutant General, GHQ, AFP, with the subject "Units of Work Measurement for Effective Business Management throughout the Philippine Army", and with an annex entitled "Program Performance" dated August 31, 1955. Because of this requirement, all Philippine Army units are now or should be compiling statistics by day, week, month or year, on the basis of their actual performance. Accordingly, there is now a semblance of everybody doing his part in the accomplishment of the unit's work.

Conclusion

As this writer had mentioned in his "Red Tape and Work Measurement" (Philippines Armed Forces Journal issue of September, 1955), the time is not far when the individual civilian employee, enlisted man, or officer will be required to show his specific performance based on prescribed work measurements for the unit concerned. When such a time comes, performance budgeting shall have become the device that it should be — a modern tool of democracy wherein each individual contributes his part and where every part is a necessary segment and parcel of the whole job which is no other than rendering the best service to the people.

