Higher order goals as masks – a philosophical reflection on expenditure budgeting

J. C. Pauw

Department of Public Administration and Management,
University of South Africa, P. O. Box 392, Pretoria, 0003
e-mail: pauwjc@unisa.ac.za

ABSTRACT

Expenditures in a public budget are typically arranged as a hierarchical tree of goals where lower level goals are understood as means to higher order ends. This goal hierarchy is used in strategic planning and to justify expenditures. Goal hierarchies are conceptually suspect, as higher order goals generally underdetermine their sub-goals and vice versa. The question arises whether higher order goals might not be a mere rhetorical device masking the real agendas of those in power. Although goal hierarchies are problematical, one cannot do without them. Higher order goals are necessary from a budgeting and well as a political point of view. Goal hierarchies in budgets should be retained, but with modest expectations regarding their rationality. This article suggests a square of opposition as a tool for analysing the relationship between goals in a budget.

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Our fourth goal is to apply the compassion of America to the deepest problems of America. For so many in our country – the homeless and the fatherless, the addicted – the need is great. Yet there's power, wonder-working power, in the goodness and idealism and faith of the American people.

George W. Bush (*State of the Union* 2003)

'Say – I mean, Eugenia – you don't want – you aren't trying – you aren't working to – you haven't any idea of trying to get them to make me a lord, have you?'

'It is what I have been working for all these years!'

'But – but why? Why? That's what I want to know. Why?'

Mrs Crocker's fine eyes glittered.

"I will tell you why, Bingley. Just before we were married I had a talk with my sister Nesta. She was insufferably offensive . . . She referred to you in terms I shall never forgive. She affected to look down on you, to think that I was marrying beneath me. So I am going to make you an English peer and send Nesta a newspaper clipping of the Birthday Honours with your name in it, if I have to keep working till I die! Now you know!'

P. G. Wodehouse

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1 Practical context

At the beginning of his book on practical reasoning, Gauthier (1962,1) correctly points out that practical reasoning is contextual, because practical problems require solving in a here and a now. Reflection on practical reasoning may likewise stem from a practical context. The context of our consideration of goal hierarchies in practical reasoning in this piece is my puzzlement with an aspect of the kind of public expenditure budget one finds, *inter alia*, at national and provincial government level in South Africa. The puzzle relates to the fact that goal hierarchies in the budget (with their higher order goals), which are supposed to promote rational budgeting may be inexplicable in principle and sometimes illusory. Goal hierarchies in the budget may serve other purposes than rationality. The question arises how 'real' – to use that word in its colloquial sense – the higher order goals in budgets are, can be and should be.

This article serves as a warning that the names of expenditures at the higher levels of the budget may be problematic. It tries to prepare the way for a more rigorous discourse on goals in budgets. My ultimate goal is to contribute to better expenditure budgets. Fortunately, philosophy is not a theoretical activity.

The practical reasoning I have in mind focuses on reasoning about means and ends. In the expenditure budget the achievement of certain goals is viewed as means to the achievement of higher order goals. The establishment of a clinic is, for instance, seen as a means to improving the health of the population in a certain district. Instrumental reasoning covers technical as well as moral thinking. Means and ends reasoning is relevant to moral reasoning because of our moral obligation to be prudent when we pursue good ends. There is no better example of morality necessitating prudence than public policy formulation; specifically the compilation of expenditure budgets by governments. (I make this point because of the invalid dichotomy that is sometimes posited between practical and instrumental reasoning[1] – remember that one man's means is another man's purpose.)

The recent controversy in South Africa about the anti-retroviral, Nevirapine (see for example *Mail & Guardian, Thursday 4 April 2002*) springs to mind in connection with the moral aspects of instrumental reasoning. I have shown elsewhere (Pauw 1999) that public expenditure budgets have life and death implications for citizens. A budget compiler who is nonchalant or unthinking may cost people their lives. Therefore, from a moral point of view, budget compilers ought to be as clever and circumspect as they possibly can. Thou shalt be prudent!

2 Budget background

In formulating the problem of higher order goals in the budget, I am not thinking of a so-called item budget that is set out in terms of the classes of items to be bought. An item budget deals only with kinds of resources as means. The components of an

item budget are typically personnel expenditure, inventories, equipment, land and buildings, administrative expenditures and so on. These items do not concern us because they should never be goals. (Items may be described as 'pure means'.) Items as budget components are useful only for control and costing purposes. Officials who focus on the item dimension of budgeting have not really started budgeting for expenditures in the real sense of the word.

Rational budgets are formulated in terms of outcomes: what are budgeted for are goals or objectives.[2] I will not make distinctions between different goal (teleological) concepts. If there is a distinction between, goals, objectives, objects, aims, ends, purposes, *et cetera.* I have no use for it here. All these words signify a desired state of affairs that is thought to be achievable or that can be promoted through deliberate action.[3] What is desired for the relevant fiscal year is an activity or set of activities, or a state or a situation funded through the expenditure budget – it is rarely, if ever, a thing.

The kind of expenditure budget under consideration is a structure consisting of what I would like to call *expenditures*. An expenditure is a binary budget component consisting of (1) an amount authorised to pay for (2) something. The structure of, for example, the expenditure budget of the South African government is a linearly ordered tree with, say four levels. It is an ideal type result of a budget ideology that may be termed 'budget rationalism'.
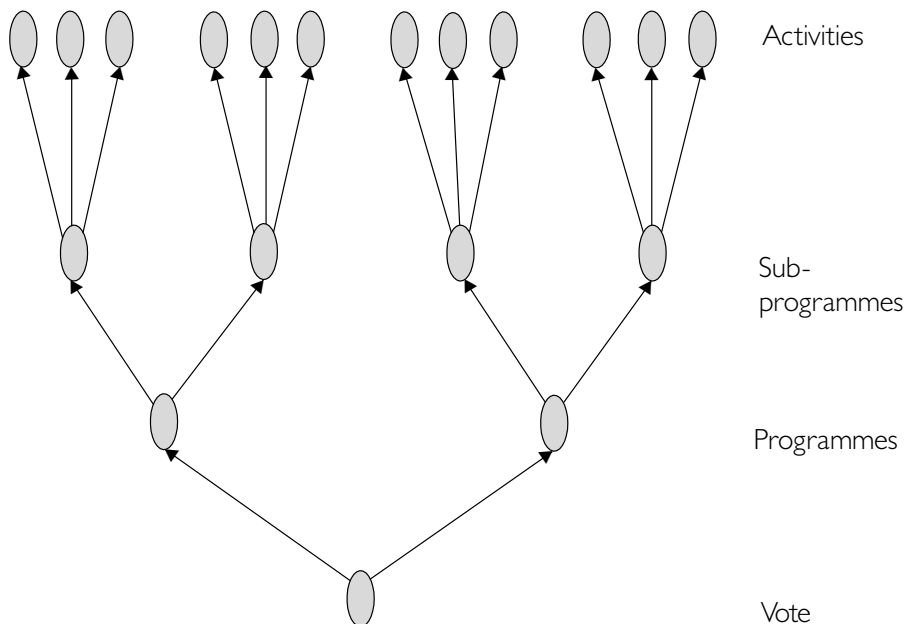

Figure I   The Budget Tree: Planning Path[4]

Expenditures can be added together and therefore also broken up in constituent components. A transitive relation seems to obtain between expenditures. If one expenditure is a part of a second, and that one is part of a third one, then the first expenditure is part of the third. So, if an expenditure is part of a sub-programme, and that sub-programme is part of a vote, then that expenditure is part of the vote. All elements form part of a single hierarchical structure with a very modernist architecture. This architecture makes expenditures amenable to control, especially if the budget structure is mirrored in the organisation of the institution. Is it a good or a bad thing? One person's stewardship is another person's fascism.

3 Budget designations as masks

It was mentioned that this article does not make a distinction between the meanings of the various words (e.g., 'goal', 'objective', 'purpose') expressing that which our endeavours are directed at. Perhaps I am wrong. But even if there are different concepts here, they are not uniquely paired with the various goal-family words in English.

Let us look at a concrete example of goal terminology in a budget tree. The terms used in the South African national budget documentation may cast some light here (South Africa 2003). We will look at the budget for the national health vote for the 2003 financial year for our examples. Additionally, our exposition of the terms for goals at various levels in the health budget provides a telling example of the way budget goals can function as masks. Our treatment itself is an example of killing two birds with one stone, which, by the way, is one of the hallmarks of good expenditure budgeting.

In the said documentation, the goal at the highest budget level (the vote)[5] is called an 'aim'. For example, for the Health Vote it is set out as –

> The aim of the Department of Health is to promote the health of all people in South Africa through a caring and effective national health system based on the primary health care approach.

The goal at the next (that is programme) level is called a 'purpose'. For example the goal of Programme 2 (Strategic Health Programmes) is put into the following words –

> Purpose: Co-ordinate a range of strategic national health programmes through the development of policy, systems and monitoring; and manage and fund key programmes.

At the next level the goals are described as 'measurable objectives'. (It looks as if the goals of both sub-programmes and activities can be described thus.) Here are two of them from Programme 2 –

1 To continuously strengthen policies and programmes for HIV/Aids prevention and care, including those for sexually transmitted diseases and tuberculosis; child health; reproductive and women's health; occupational and environmental health; and nutrition.

2 To ensure that all medicines used are safe and affordable, and that 90 per cent of essential medicines are available at all times in the public health sector.

Taken at face value all these goals are certainly laudable. The money on the budget is spent on a *caring* health system; the management of health services is *strategic* and they *ensure* that *90 per cent* of essential medicines are available at *all* times in the public sector. If we take the words of the aim of the vote too literally, then all the expenditures in the Department would be caring or at least contributing towards caring. Taken to the extreme, it would imply that uncaring (non-caring) activities would involve unauthorised expenditure.

One should never take a mask for a face. At every budget level in the health budget the names of the goals hide much more than what they reveal. Behind the three-layered masks hide the sordid details of a government that had to be dragged to the highest court in the land at the expense of the people to defend its policy at the time not to give HIV-positive pregnant women significant access to Nevirapine.[6]

The first motto on top of this article provides us with a second example of what may be a budget mask. In this, President Bush sets a higher order goal in terms of 'Compassionate Conservatism'. (This goal is of the type that we will later call a 'transverse goal'.) A document produced by the minority staff of the House Appropriations Committee in the United States with a telling title – *Bush credibility gap: The 2004 budget: Rhetoric, reality & the 43rd president of the United States*[7] – tries to tear off this mask. The document is set out in three columns: 'Priority', 'Bush rhetoric' and 'Bush budget reality'. This design enables the critics of President Bush to point out that while professing compassion, the Bush budget would cut millions out of community service programmes, freeze certain funding for the aged and 'gut the very "safety-net" programs he touts'. We will return to this example.

4 The puzzle: up and down the budget tree

Let us turn from the moral dilemma to the conceptual dilemma: from concerning ourselves with honesty to concerning ourselves with rationality. At this stage, our criticism of the health budget relates to the rhetoric of the goals at the three levels without specifically relating the levels to one another. However, the problem that mainly interests me has to do with the conceptual and therefore practical[8] relationship between the levels. For the sake of our discussion we take *higher order goals* to be (1) goals at the programme or vote level, or (2) transverse goals that are set for activities covering more than one vote.

The puzzle becomes apparent when we analyse the teleological relationships between the budget levels as depicted in our first diagram; in other words, as we move up and down in the branches of the budget tree. We have seen that expenditure budgets are presented in hierarchical form where so-called votes are broken down into programmes, programmes are broken down into sub-programmes and these into activities. Votes signify the goals of their constituent programmes, which signify the goals of their sub-programmes, which signify the goals of their activities. In terms of the accepted logic the programmes are means to achieve the goal of the vote,[9] the sub-programmes are means to achieve the goal of the programme and so on.

The amounts appropriated to each element add up through the hierarchy[10] through addition, or – which is the same thing – the amounts of each component can be broken down or parsed as the sum of all its underlying components, where each is counted as a percentage of the whole, for example.

Now here is the thing: although the structure seems inescapable, it is built on a shaky logical foundation. The easy arithmetic masks the puzzle. Goals can be composite and therefore accumulations, fair enough. However, may we say that adding allocations (expenditures) means adding goals as much as it involves adding amounts? Are goals transitive through the budget levels? Budget logic within the framework of rationalist budget ideology seems to require it.

However, there is no algorithm of goal addition and no algorithm of analysing goals into their sub-goals. The fact that we can easily either add or parse the amounts hides the inherent difficulties in most public budgets in adding up or parsing expenditures as for their other element, namely objectives. On closer inspection, many higher order goals seem to be underdetermined[11] by their sub-goals and vice versa. The sub-goals may be insufficient to accomplish goals higher up or the higher goal may mean something different than the sub-goals put together.

Various factors thus work against the accumulative relationship we require for the objects of allocations, and therefore for allocations as such. There are conceptual, practical and computational constraints on the adding up of goals. The conceptual problems deal with difficulties of meaning, the practical problems deal with difficulties of accomplishing objectives and the computational problems deal with difficulties in the allocation of resources. All three problems are intertwined in the compilation of budgets of even moderate scope.

The fact that we have an algorithm for adding amounts enables us to use the budget as a control instrument. The budget tree makes it possible to show where expenditures are not made according to plan, where virement can be effected and which managers have to pull up their socks. The budget tree is useful in managing the efficiency and effectiveness of managers and their organisational components. However, because we lack an algorithm for goal addition, we lack a formal standardised procedure for controlling the rhetorical aspects of the budget. In fact, there is no generally accepted formal discourse to test the authenticity of goal designations structured in different layers. Therefore, governments and officials have

some freedom to call the higher order programmes they spend money on by sweet sounding names and to use budget designations as masks. Politicians will like budget designations that present their expenditures as aimed at meeting the needs of the public (as in 'caring' health systems!), and officials will like budget designations that will enable them to carry on with what they have been doing. As always, the first principle of public administration applies, namely that paper is patient.

Underlying the writing of this article is my belief that my puzzle about goal addition is generic to many budgets, that is a conceptual and not merely a technical puzzle and that many practitioners ignore it – in short, I believe that it is a philosophical issue. Solving a philosophical issue means that, in the language of Wittgenstein, it will go away. This one will definitely not go away because of this article.

5 Means – ends chains

In a budget with a tree structure such as we are considering, there are many goal strings or means-ends chains (MECs) in the terminology of Gutman (1997:545). A movement down a goal string (branch) in our ideal type derives goals; and goals are used to justify other goals in an upward movement along a string (branch). Starting from the goal of the vote as a totality, strategic planners are supposed to ask what programmes are necessary to achieve that goal. For every programme, the constituent sub-programmes are then defined, and for every sub-programme the constituent activities are then planned. The allocation of the money in our ideal type also follows a top-down path. In this view, the higher order goals require lower order goals as their means down to the lowest planning level. However, the fact that people find many and various ways of reaching goals in practice again makes one wonder about the validity of this ideal type.

Be that as it may. In the context of strategic planning then, one moves top-down. In the context of justifying actions and amounts, the movement is in the opposite direction. Actions and amounts are justified by the degree they promote or bring about higher order goals. (As mentioned later, higher order goals originate from more than one dimension.)

If rigging a ship is part of or contributes towards seaward defence and seaward defence is part of national defence, then rigging a ship is part of national defence. Expenditures at one level are means to ends that lie on the next level. We can hardly imagine approving of an expenditure of which we do not know the purpose. There must be a reason for rigging a ship.

This is exactly where rational (or rationalist) budgeting is well nigh irresistible. Higher order goals justify expenditures. Lacking this, we seem to be trapped in a situation where expenditures are determined by the previous budget. Activities and their bureaucracies then become self-perpetuating. This is the weak point of

institutionalism or incrementalism at the opposite end from rationalism on the spectrum of budget ideology. Countries with limited funds must have a way of looking at institutions and asking every year whether they can be afforded.

Rigging a ship is a means to the end of seaward defence; seaward defence is a means to the end of national defence – then what? One should remember that the budget as a whole is also an expenditure. I wonder what the goal of that allocation should be called.

Again, if we do not start from a single amount that is divided between lower order allocations on the grounds of criteria, we are allocating public money without sufficient reason. To think that there is an invisible hand that will ensure good allocation in a bottom-up political process is to be overly optimistic. A developing country cannot afford bottom-up budgeting.

6 Meanings

If goals really were accumulative like amounts, there would be no conceptual difference between higher and lower level objectives. However, there is. In the South African health budget that we considered above, only the lower level goals denote 'measurable objectives'. In the higher realms of a budget, the goals may be formulated in such abstract terms that it may be hard to parse them, that is, to break them down into their practical (even semantic) components.

The conceptual constraints on the accumulation and parsing of goals can be illustrated by a typical defence budget, to which we have already referred in passing. Within this budget there is, say, a programme called *Seaward Defence*. Unlike the meaning of amounts, the practical budgetary meaning of objectives (goals) is debatable. Does *Seaward Defence* mean a navy of 20 ships or 50 ships? Does it mean 100 per cent combat readiness, or 50 per cent combat readiness? Not only is the status of the objective uncertain at a specific level; its branch relations up and down the budget tree are also uncertain. How essential are cruisers to the navy? That depends, among others, on the effectiveness of other allocations in the main division. How important is seaward defence for national defence? That depends on the current threat to the country. And so on. The effectiveness of accumulated expenditures is furthermore dependent on factors lying outside the sphere of influence of policy-makers. The degree to which seaward defence contributes to national goals depends on the intensity of the seaward threat.

The example is probably applicable to most votes. Most, if not all, vote and programme goals have underdetermined meanings. A melodramatic way of expressing our puzzle in this context is to say that the biggest amounts on the budget are spent on goodness knows what. This point can be made in a slightly different way by introducing the idea of 'budget perversion'. Budget perversion takes place where meanings are taken for effects or contributions.

Strategic planning and allocation are supposed to take place top down and the amounts spent on expenditures are supposed to be justified be their serving higher goals in the interest of rationality. It is possible, if not current, to pervert these budget movements into their opposites. This is made possible by the semantic fact that every activity or project can easily be classified under a broader category. Thus, keeping a battleship seaworthy is per definition part of seaward defence and seaward defence is per definition part of national defence. Therefore, my activity of maintaining a certain ship in a seaworthy condition may be justified by the mere semantic fact that it is semantically part of national defence even if the fact that it ties up resources on a useless activity would make it detrimental to national defence. This could go hand in hand with incrementalism in budgeting where allocations are made bottom up and where the totals at the higher levels are the mere results of spending at the lower levels for the previous budget year. The ease with which we can devise broader categories as masks under which our activities, projects and programmes can be subsumed may help us to claim success amid the reality of failure. If the purpose of the Navy is, for example, defined as '*promoting* seaward defence' then activities can conceivably be justified even if they make only an infinitesimal contribution to seaward defence in case of an attack. No, the goal of the Navy is to ward off seaward threats. Semantic compliance is not what the public wants. They want results.

Treasuries may think that they have solved this problem by introducing measurable objectives. They could say that the goal of a programme in essence is the totality of its measurable objectives. Thus, if the programme manager for submarines has stipulated the number of submarines in service at a certain level of combat readiness as her measurable objective, that's it. However, the question about the objectives of measurable objectives remains: 'For what purpose do you want to deploy this number of submarines at this level of combat readiness?' and 'Will they in actual fact defend our shores effectively?' For every measurable objective it must still be proven that it can realistically be expected to serve the goal on the next level. The meaning of the higher order goals is richer than the mere addition of successful actions on the previous level. Again, what the public needs are not the results of the administrative process (outputs), but outcomes (a real change in their wellbeing or at least the prevention of harm).

The reader would have noticed that the indeterminacy (or underdeterminacy) of higher order goals relates to their implications with regard to other levels. Intuitively it is, of course, entirely clear what *Seaward Defence* means. It means defending the country from attacks that come from the ocean. If an attack has been warded off, the programme was effective. If the country is invaded from the sea, the programme failed. The connotation is not unclear. The problem lies with the denotation in a specific situation.

Semantics do have a practical function, though. The meaning of the concepts in a goal sets limits to the spending of managers. If a manager spends money on

activities that are not even semantically related to the name of the programme or vote, it is nearly certain that unauthorised expenditure has occurred. However, elementary semantic facts hardly tell us anything about budgeting when limited funds have to be allocated between various purposes of which, say, seaward defence is one.

I suspect that underdetermined meaning is the price we pay for having ordered goals at multiple levels: higher order goals in particular. This is shown by the difference between compound and abstract goals. A goal is compound if it consists of concrete enumerable elements. In principle, the desired state of affairs can be described in concrete terms. On the other hand, a goal is abstract if it covers all possible instances of a certain kind signalled by its meaning. A goal is abstract if its denotation is open. The goals in our budget tree are not merely nodes where different goal strings come together: they cover a range of possibilities that are as yet unknown. Seaward defence was seaward defence in the times of the triremes; it would still be seaward defence if submarines and cruisers had become obsolete.

Without abstract concepts very large systems will be unmanageable. More importantly: without abstract concepts the practice of politics in environments bigger than the neighbourhood would be a farce. National, provincial and metropolitan politics are conducted in generalities. A street light on a certain corner can only enter the discourse of politics as a symbol for a bigger issue.

7 Goal strings

We saw that goals can be linked together in strings or means and chains. Goal strings can either be same-dimensional or hierarchical. The goal string involved in travelling from Pretoria to Cape Town where we regard every next town as an intermediate goal (the mean between two towns?) is same-dimensional. The goal strings involved in project management and shown on a device such as a PERT diagram are likewise same-dimensional. Same-dimensional goal strings do not present inherent conceptual difficulties.

On the other hand, the goal string where I justify an allocation to an activity in terms of the higher order goal of a programme, which I may in turn justify in terms of various other goals, is clearly hierarchical. A hierarchical goal string is thus one where the sequence of goals in the string shows an increase in logical level or abstraction. I may offer an example of a different kind from the world of sport: winning the Tri-nations Championship is from a higher logical order than beating the All Blacks,[12] while forming part of the same goal string. In a hierarchical goal string higher order goals can be understood to use earlier goals as means. That is why goals in hierarchical strings in the budget must be consistent. It would be clear to the reader that it is hierarchical goal strings that undermine a rationalist understanding of the budget.

Two further remarks need to be made on goal strings. The first is that they may 'split', and the second is that we desire of them to have ends – that is, final ends in the language of Aristotelian scholarship.

A goal string is said to split when the same action can satisfy or promote more than one goal. In travelling to Cape Town, the towns on the road are not merely points that must be reached, they also contain bars. Reaching Springfontein may satisfy my goal of attaining one of the intermediate steps on my way to Cape Town, but it may also imply attaining my goal of arriving at the next bar in time to keep my blood alcohol at civilised levels. As goals these two are independent of one another, but it will depend on my management whether they are competitive, consistent, supporting or conflicting in the execution. Obviously, a too long sojourn in the Springfontein bar conflicts with the goal of reaching my destination. In the context of the public budget as a planning instrument, we need to have as many multi-goal activities as possible for efficiency reasons, although the budget tree schema that I have exhibited will hardly help us to provide for this.

8 Goal matrices: the second dimension

Goal strings with split ends[13] involve killing two birds with one stone – if you will pardon the expression. This brings us to one of the most fundamental aspects of current budget logic regarding higher order goals. The hierarchical goal strings in budgets that we have considered are limited to a single function, for example the health vote. In terms of Figure 1 we have looked at budget goal strings up and down a single branch. The string may start with the goal of an activity and end with the goal of the vote as a typical higher order goal.

However, in many budgeting processes there are other higher order goals which play a role at all levels because they cut across all functional lines. A typical example of such a transverse goal is the one quoted at the top of this article. President Bush formulated a number of goals for his nation – one of which is 'to apply the compassion of America to the deepest problems of America'. Clearly compassion is not a line function, although it can be conceived thus by a weird budgeteer. As far as the Bush budget goes, compassion should be a goal for many expenditures; or, at the very least, a large number of expenditures should be consistent with this goal. There are conceivably also goal strings and even goal hierarchies consisting of transverse goals.[14] A good topical example of such transverse higher order goals for South Africans are the so-called programmes of the Reconstruction and Development Programme (RDP).[15]

This kind of higher order goal may be viewed as a mask and mere rhetoric. However, transverse goals are essential for budgeting from a technical point of view – that is, if you want to be rational. Without them we cannot make rational allocation decisions between votes. Just because they are transverse, they can be used to

compare candidate expenditures with one another. These higher order goals function as priority and allocation criteria in combination with things like affordability and feasibility and the sort of economic cybernetics the World Bank likes. Not only votes are treated in this way, but all levels in the hierarchy. The following practice is followed in many budgeting environments: when an activity is considered for funding, its expected productivity in relation to the goals of the, say, department is weighted by a measure of its contribution to transverse higher order goals. Activities or projects can then be ranked in terms of resultant scores.[16] It is very easy to find fault with such measures. The alternatives are much worse.

Transverse goals are also essential from a political point of view. If they were not supposed to be applied in budget decisions, the people would have no handle on the budget other than the very contingent results of political carryings-on. The document by the minority staff of the House Appropriations Committee cited above is a perfect example. If president Bush had not committed his administration to the goal of 'compassionate conservatism', his political opponents would have had a much more tenuous basis to criticise his budget. In practice budget politics cannot deal too much with very specific issues such as the street light on the corner of 56th and Wabasha. On the other hand, if a government spell out it goals, its actions can be evaluated in terms of these goals, as I have just shown. Even if the goals may conceivably be very specific, it is much more reasonable to expect them to be abstract. They may be abstract in the sense of covering a range of activities within a vote or abstract in the sense of covering activities in more than one vote. Abstract goals bring indeterminacy. Nevertheless, they are everywhere in the language of politics.

Budget decisions must be in line with policy platforms in terms of which electoral choices were made. The realisation of higher order goals form part of a social contract between political parties and their supporters. The last sentiments will be regarded as highly romantic and unrealistic. I do not think that there is a better alternative than ballot box democracy. The whole public participation movement rests on very unsure foundations.

If we accept these transverse goals, and I think we are forced to do so on formal (even political) grounds, every expenditure may serve a line function as well as transverse political goals. This leads to the question whether in a goal matrix for the budget as a whole as depicted in Figure 2 can be constructed. The columns would show the allocations to votes for a putative three vote expenditure budget and the rows would show the 'allocations' that are thought to be given to transverse goals. This view of the budget is unconventional and is not applied in practice as far as I am aware. However, it needs to be investigated.

	Vote 1	Vote 2	Vote 3	Totals
Transverse goal 1	$$$$$$$$	$$$$$$$	$$$$$$	$$$$$$
Transverse goal 2	$$$$$$$$	$$$$$$$	$$$$$$	$$$$$$
Transverse goal 3	$$$$$$$$	$$$$$$$	$$$$$$	$$$$$$
Totals	$$$$$$$$	$$$$$$$	$$$$$$	$$$$$$

Figure 2   The budget matrix

Money is exclusively allocated in the columns. Funds that go to Vote 1 are for the exclusive use of the institutions under Vote 1, and so on. In practice transverse goals may overlap. I do not even think they are absolutely required to be consistent.

9 Final ends

'What is the length of a piece of string?' is used disparagingly as an example of an unhelpful question. I will not be deterred and still ask the question about the ends of goal strings. Final ends or ultimate goals are, among others, invoked according to Henry S Richardson (1992, 327) to serve as a guide for living a virtuous life, as the source of value or to provide life with meaning or a 'point'. Goal strings are not limited to the mundane. Be that as it may, if we use goal strings in a context of justification a final end is necessary to stop infinite regresses. Why did you budget money for research on tobacco? To promote crop production. Why do you want to promote crop production? To promote agricultural output. Why do you want to promote agricultural output? Just because.

The final end of a goal string is a goal that needs no further justification. The set of goals or single goal we regard as final is determined by our view of life. The question is whether there is more than one final end. One of the charms of conservatism lies in the fact that goal strings can be very short because there are so many final ends. In conservatism it is easy to justify an action simply because it is the done thing. The life world of the conservative is replete with final ends. The conservative regards the urge to justify activities through various levels with its elaborate goal strings with a healthy scepticism.

Looking at the current budget tree schema with a conservative eye brings to light various activities sitting at lower levels of the budget that would be a sin to view as instrumental to other activities or programmes. Expenditures aimed at saving lives in a hospital budget involve goals that are ends in themselves – to justify them by saying that they contribute to the health programme of the government is callous. Expenditures aimed at preserving historical treasures such as valuable traditional

masks or promoting high art involve goals that are ends in themselves – to justify them by saying that they contribute to some abstract social goal is impious.

What we have found regarding the budget may also be true of our lives as individuals – the middle class dream of happiness or success illustrates this. You have done everything to achieve your goals: you have your car and your job and your house and your spouse and you still feel like a louse. And on top of it all some conservatives do not have much sympathy for you. Happiness or the good life is not the result of goal addition, it seems. The meaning of a concept like *happiness* seems to be of a higher logical order than *car, job, house* and *spouse.*

Now, what is true for happiness is also true for the higher order goals in an expenditure budget with limited funds. The promotion of, say, the health of all South Africans is not a collection of enumerable particulars. Even if the sought after state of affairs was describable – for example all individuals living up 100 years and then dropping dead without a stitch of pain after enjoying sex thrice a week since the age of twenty – the actions bringing about that state of affairs cannot be denoted. Various combinations of actions are possible depending on the practical context, which always includes limited funds.

The answer to the question 'What is happiness?' is not traditionally a description of a composite state of affairs as it is in bourgeois utopia. No, in Ancient philosophy one often finds an answer of the form: Happiness is pleasure, or honour or contemplation. Final ends tend to be non-composite but they need not be single. I have already indicated the charms of conservatism in this regard.

10 The square of opposition – a diversion

We have unearthed at least three aspects in our reflection to show that the rationalist budget architecture of the hierarchical tree does not tell the whole story about budget goals. The tree does not expose the absence of an algorithm for goal addition and the problems in connection with meaning, efficacy and allocation. The tree also does not show the transverse goals without which rationality in budgets and (perhaps) meaningful political discourse on resource allocation would not be possible. The tree also hides the expenditures on goals that may well be regarded as ends in themselves.

So, in compiling and evaluating budgets, other intellectual resources should be investigated. In practical budgeting, it is essential to understand the synchronous relationships between goals. Without specific regard to strings then, we see that in a context goals are either synergistic, consistent, competing, or conflicting.

Conflicting goals are such that striving for their fulfilment is contradictory. In the field of actual budgets examples of allocations aiming at conflicting goals are not too hard to find. A government may, for example, allocate money for research to promote tobacco growing under the agriculture vote and at the same time allocate

money for anti-smoking campaigns under the health vote. Even when expenditures involve conflicting goals, the amounts are still added together when the budget as a whole is added up. The totals tally and the paper on which the budget is written does not cry out.

Goals are competing when, while they are not in conflict with one another, they have rival claims to resources. In a normal budget the majority of expenditures at a specific level stand in this relation to one another. The idea of rival claims to resources may be seen as limited to budget levels. Two expenditures may seem in competition on the programme level, but if they both serve the goal of the vote, they can hardly be described as competing. This is more paradoxical than it looks.

Goals are consistent when they can be achieved simultaneously without any additional costs. A typical example would be where one goal can be seen as a means to achieve another goal. Beating the All Blacks and winning the Tri-nations Championship are consistent goals for Australia. Resources spent on beating the All Blacks are included in the resources necessary for winning the Tri-nations Championship and beating them does not add to the cost of winning the Championship.

Goals are synergistic if achieving them simultaneously adds to higher effectiveness or efficiency than would have been the case if only one of the goals had been achieved. The goal of effective learning in the education sector and the goal of improving the health of learners are supportive of one another. Healthy students learn better and better-educated persons look better after their health. Therefore, if the circumstances are right, voting money for education promotes health and voting money for health promotes education.

These four kinds of goal relationships can be depicted in a square of opposition, which may be an entertaining device to contemplate.
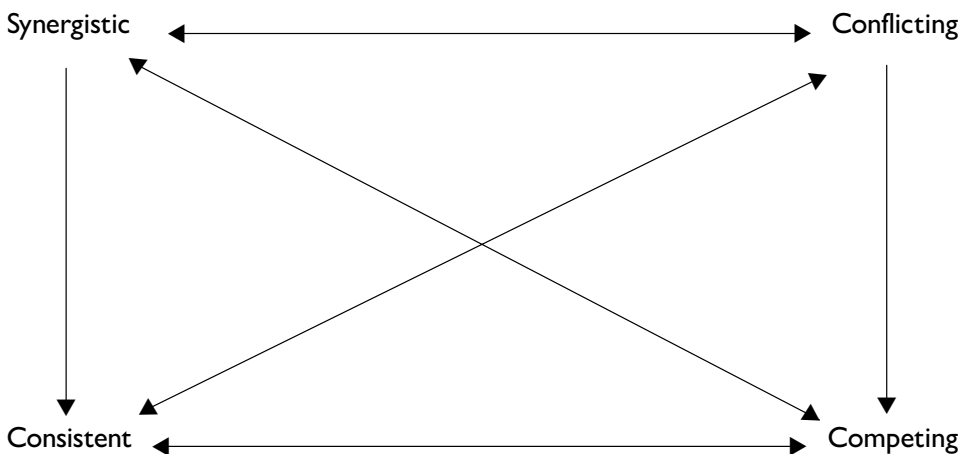

Figure 3 The teleological square of opposition[17]

The square shows that if goals are synergistic, they are consistent[18] and if they are conflicting, they are competing. Two sentences stating a synergistic and a conflicting relationship between the same two goals cannot both be true. Two sentences stating a consistent and a competitive relationship between the same two goals cannot both be false. The relationship between *synergistic* and *competing* is contradictory, as is the relationship between *conflicting* and *consistent.*

It is not feasible to compare all expenditures with one another in a sizable expenditure budget. Nevertheless, the square of goal opposition will have some utility even if it is only to counter the masking effect of higher order goals.

11 Whither higher order goals?

A mask is not necessarily a negative thing. As long as my co-actors know what the mask means within the social activity and it is not used to mislead, masks can be helpful. In Greek tragedy the audience knows that the mask is a simplification and an abstraction. It represents the concept of a certain type of character. Higher order goals in budgets can be helpful or misleading masks. This article identified a number of problems with higher order goals in a certain budgetary ideal type. What is the way forward?

1   Obviously, close scrutiny of the way in which politicians and senior appointed officials formulate higher order goals is indicated. A regime can be worked out to evaluate these goals as for their rhetoric. These goals should not be formulated in a self-congratulatory and sanctimonious way with value–laden terms like 'caring', 'ensuring', 'effective and efficient'. (The formulation of outputs presents a slightly different problem complex.)

2   What was called 'budget perversion' should be prevented. This occurs when the justification of expenditures and strategic planning is based on meanings rather than effects. Higher order goals are misused when budget compilers misunder-stand or abuse the logic of hierarchical goal strings. When higher order goals are used in strategic planning to derive programmes, sub-programmes or activities, one should understand that the relationship between higher and lower order goals is not that of strict implication. The current goal of the department can be reached by a variety of programmes and should not be used as a mask for maintaining a bureaucratic *status quo*. Although a variety of subordinate goals may be derived, not all subordinate goals can be derived. The fact that a certain subordinate goal can be derived again does not mean it is the only one that can be derived.

When higher order goals are used to justify current activities one should understand that an activity might be classified under a concept without contributing to the realisation of the goal signalled by that concept. Rigging a ship is a naval activity and may be classified under seaward defence even while

making no contribution to the country's ability to defend itself and using valuable resources at the same time. Again, higher order goals should not be used as masks for maintaining useless activities.

3   Ways should be found to evaluate expenditures relative to one another independently of the hierarchical budget tree. This may be achieved, for example, by means of the teleological square of opposition proposed in this article; but definitely by means of transverse goals.

4   Research is necessary on the logic of transverse budget goals in their relationship with the budget tree. Do hierarchies of transverse goals exist? Do we understand the allocation (if any) of money to transverse goals? Can we pair off activities with transverse goals?

5   The positive uses of higher goals should be kept on track. They can be useful abstractions because they stipulate boundaries for the range of subordinate goals. The goal of a vote is the mission of the institution for which the money is voted. A mission sets out what the institution does in conceptual terms, thereby providing the classification of all potential subordinate goals as permissible or not permissible. A mission statement is also the starting point for the strategic planning process.

I also believe, perhaps old fashionably, that higher order goals as part of the social contract between politicians and voters should remain.

6   Finally, we must continue reflecting on budget ideology and its collateral budget architecture. The budget tree that we have depicted is necessary for allocation, accounting and control purposes. As a picture of the relationships of all expenditures, especially as regards their goals, it seems too rigid – fascist even. For example, it does not depict the importance of transverse higher order goals and ignores the numerous ends in themselves that have to be financed from the public purse. The picture of the goals in the budget as a hierarchical tree must be redrawn without reverting to incrementalism.

Notes

1   See, for example, the discussion of Jay White (1999, 64–71). His discussion is well balanced, but the feeling still lingers that instrumental reasoning may be suspect

2   The point of this article is that what is a goal on one level of the budget can be viewed as a means relative to the next or higher level. Budget items, however, cannot be goals. They are inputs, as a rule. At least three different uses of the means-ends concept play a part here. Firstly, the budget as such has a purpose, namely to order the financing of activities. Secondly, the individual items that are bought make activities possible. Thirdly, lower level goals are seen as means to higher order goals.

3   Van de Graaf offers the following definition –

Onder een doel verstaan we nu: een constellatie van faktoren op een bepaald gebied, die een actor wenslik acht, althans accepteert, en waarvan hij het intreden

> *meent te kunnen bevorderen of te kunnen teweegbrengen en die hij ook wil*
> *bevorderen of teweegbrengen.*

Van de Graaf, H. 1983. *Denken aan Doen – Een onderzoek naar enkele methodische aspecten van beleidsontwikkeling.* Amsterdam: VU Boekhandel/Uitgeverij: 157.

4 The diagram (figure 1) depicts the *planning* path in that the arrows show that all expenditures come from a total that is divided: first into programmes, then into sub-programmes and then into activities. This is the ideal strategic planning template for adherents of the rationalist persuasion in budgeting. If the arrows pointed in the other direction, it would have depicted the justification of expenditures. Activities 'i.e. the expenditures that make the activities possible) are justified by their contribution to sub-programmes, sub-programmes by their contribution to programmes, and so on. In this article the movement from the vote to activities is from 'higher' to 'lower' and the movement from activities to vote is from 'lower' to 'higher'. You may need to turn figure 1 on its head in your mind. One expenditure is higher than another if it contains the amount of the latter plus the amount of at least one other expenditure.

5 You may also call it the '*second* highest level' as the highest level in a budget tree is strictly speaking the total of expenditures of all votes –'the budget itself'.

6 Under the heading 'Manto's legal costs R3m', Adrian Lackey writes: 'The legal costs of two cases in which government tried to defend South Africa's highly controversial HIV/Aids policy are in excess of R3m and taxpayers will have to foot the bill. Information that Health Minister Dr Manto Tshabalala-Msimang had to hand over to MPs under parliamentary rules, shows that the Mpumalanga government spent more than R140 000 in legal action against the non-governmental organisation, Grip, over a two-year period. Sibongile Manana, MEC for health in Mpumalanga, decided a few days ago to drop a lawsuit against Grip, instituted to remove the organisation from Rob Ferreira and Themba hospitals. Grip supplied anti-retrovirals to rape victims at its own expense over the past few years while there was a national ban on using anti-retrovirals in public health institutions.'
11/03/2003 21:12 – (SA). http://www.news24.com/News24/South_Africa/Politics/ 0,6119,2-7-12_1331691,00.html

7 http://www.house.gov/appropriations_democrats/budgetvsreality.pdf. Still available on 2004-02-07.

8 Unlike in the philosophy of science that may ask questions about the relationships between concepts and real things, concepts are real things in practical philosophy. A budget, a court case and an audit are, for example, all conceptual by nature.

9 See Gutman, J. 1997. 'Means-end chains as goal hierarchies' *Psychology & Marketing* Vol.14, 545–560 (September 1997). The article deals with a similar conceptual structure in the context of consumer preferences. He writes: 'A goal hierarchy is the way a consumer breaks up a complex or longer-range problem into a series of smaller, shorter-range problems that can be managed better over an extended period of time' (Bettman 1979).

10 We are not dealing with goal hierarchies in the sense that higher order goals are more important or preferable than lower order goals. See J. Bell and Z. Huang. 1997. 'Dynamic goal hierarchies'. In *Intelligent agent systems: Theoretical and practical Issues*, ed. L. Cavedon, A. Rao and W. Wobcke. pp. 88–103. Springer-Verlag, Berlin, 1997.

11 This word may mean various things as Emma Ruttkamp has pointed out to me. As I use the word here, it simply means that the meaning of a higher order goal often does not imply the activities that are necessary to achieve it for a specific budget. You can understand exactly what a goal means without being able to stipulate what is necessary to achieve it in a specific administrative context. The inverse is also true. The goals at one level put together either may not mean, or may not accomplish, the goal at the next (higher) level under which they are subsumed.

12 Gilbert Ryle (1900–1976) introduced the term *category mistake* for the failure to recognise this type of difference.

13 Gutman (1997, 552) draws an interesting 'Hierarchical Goal Map' depicting a related idea.

14 An investigation of a possible hierarchical structure for transverse goals should be philosophically interesting.

15 These goals that were intended to guide all government activities, including expenditure budgeting, are the following: Meeting Basic Needs; Developing our Human Resources; Building the Economy; Democratising the State and Society; and Implementing the RDP'.
(Parliament of the Republic Of South Africa, 1994. *White Paper on Reconstruction and Development* Cape Town, 15 November 1994 (Notice No. 1954 Of 1994): 9.

16 The bad news for practitioners and the good news for philosophers is that the problem of deriving allocation (sums of money) from rank (priority) has not been solved. A goal can carry a top priority and still receive a small amount of money because of its cost structure.

17 This is obviously analogous to the square of opposition known in traditional logic from at least medieval times. See, for example, Beach, J. D. 1970 *Introduction to logic*. Boston: Allan & Bacon Inc.: 15.

18 To save my diagram, synergy must be understood as saving money. Otherwise synergistic goals will be competing and not consistent.

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