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The Politics of Resource Allocation in the U.S. Department of Defense: International Crises and Domestic Constraints

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convince the skeptic. The skeptic will want to know more.

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Mintz, Alex. *The Politics of Resource Allocation in the U.S. Department of Defense: International Crises and Domestic Constraints*. Boulder, Col.: Westview Press, 1988. 149pp. \$21

Alex Mintz argues that studies of military spending have focused on the total level of expenditure while neglecting the components of the defense budget. This is an overstatement when one considers the numerous analyses of defense programs published by the Congressional Budget Office and the Brookings Institution, among others. But on the topic of the defense budget there is always room for more research. Mintz differentiates his work from other analyses by concentrating on the determinants of the principal appropriations categories, e.g. military personnel, procurement, etc., over the 1948-1980 period.

He applies an eclectic model with basic spending decisions determined by organizational practices and each budget component increasing on an incremental basis according to a fair share allocation principle. He finds that this bureaucratic politics model usually explains the pattern of defense spending quite well. It demonstrates how the DOD budgetary process has successfully resisted

reforms such as the planning, programming, and budgeting system (PPBS) and zero base budgeting (ZBB) when judged by the impact on the appropriations categories.

The one area of defense spending showing less incrementalism is military procurement, with considerable fluctuation from year to year. However, even the other budget categories show some nonincremental variations in response to internal and external shocks. Mintz draws on several theories, including the political business cycle, neo-Marxism, the arms race, and war mobilization, for his set of internal and external influences.

Some of his results are not surprising, while others seem counter-intuitive. It is not surprising that nonincremental military personnel spending is most influenced by war mobilization. Less obvious may be the model's finding that changing the party in control of the White House has a significant spending impact on military personnel. Increases come with Democratic administrations and decreases with Republicans. This politically related pattern is most likely due to Democrats being the president during most of the Korean and Vietnam wars, while Republicans were in office during most interwar and postwar periods.

Few readers will be surprised to learn that military pay hikes seem to follow an electoral cycle. The largest pay increases, in both number and size, came in budgets which coincided with a presidential elec-

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tion year. The second highest were in congressional election years.

Some of Mintz's results do not conform to expectations. He finds that international crises have a significant impact on increases in RDT&E spending, but only a relatively weak effect on other spending categories. This is contrary to the hypothesis of international crises causing the share of RDT&E to fall as resources are reallocated from long-term programs to budgetary categories more closely related to readiness, i.e. personnel, O&M, and procurement. Failure to observe the expected result may be due to the way Mintz related the variables in his statistical models. International crises were lagged by one year in their effects on spending, i.e. the effects of a crisis in 1961 were determined by analyzing spending in 1962. For military personnel and O&M spending, this lag may be too long to show much of the effects of the crisis. The Berlin crisis of 1961 probably had a bigger budgetary effect on the accounts in the year of the crisis than in the following year, when the crisis had cooled off. And a one-year lag may not be long enough to show the full effect of the crisis on accounts like RDT&E and procurement, which take longer to plan and implement (e.g. shipbuilding outlays are spread over several years).

Mintz does not carry the test of his budgetary model through the Reagan years, but he does comment on the Reagan defense program in light of the model's results. The Reagan

defense budgets were consistent with elements in the Mintz model favoring increased defense spending, especially in the areas of RDT&E and procurement. Notable influences were the growing gap between Soviet and U.S. military spending in the 1970s, and public opinion favoring greater defense spending. The weight given to the neo-Marxian variables of industry profits and unemployment is questionable.

This book is brief but has material which should interest students of defense budgeting. However, potential readers should be warned that the book is a revised doctoral dissertation, with all the weaknesses of that form of writing.

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Jennings, Peter. *The Armed Forces of New Zealand and the ANZUS Split: Costs and Consequences*. Occasional Paper No. 4. Wellington: New Zealand Institute of International Affairs, 1988. 108pp.

A surprising characteristic of the 1985 diplomatic rift and downgrading in defense cooperation between the United States and New Zealand has been the singular lack of serious analysis of the implications for Wellington of the break in this previously close peacetime alliance. Given the importance the American alliance had in New Zealand defense policy formulation since the early 1950s, one would have assumed that there would have been greater