ADMINISTRATIVE FAIRNESS

FAIRNESS, INEQUALITY AND PUBLIC ADMINISTRATION IN A TIME OF PANDEMIC

Allan Rosenbaum[1]

Abstract

One important consequence of the great Covid pandemic has been a growing concern about the question of fairness in modern society. Such concerns have grown as it has become increasingly evident that our economic and governmental systems have worked in such a fashion as to leave large numbers of individuals far behind others when it comes to having the resources necessary to defend oneself, and one's family, against the ravages of the pandemic. Clearly, if this situation is to be addressed, one critical aspect of any solution is to recognize both the important role and the responsibility of government in addressing such matters. No other institution of society is either so central to, or has the potential capacity required for, effectively addressing the growing economic and resource inequalities that are increasingly characterizing virtually every country of the world.

Key words: *Covid pandemic; institution of society; fairness in modern society*

The Covid pandemic, with which the entire world has been forced to deal, has had many terrible consequences. Most notable and tragic has been the death and illness that it has produced. However, this awful event also has produced significant economic hardship for very many. In so doing, it has served to call much greater attention to many social realities which, all too often, most societies have chosen to ignore. One obvious example is that most of the world's countries are now much more aware of the need for greater investment in, as well as the current limitations of, their public health systems.

The pandemic also has brought much attention to the issue of fairness within society more generally, and within the public sector in particular. The grim reality is that, at least in many countries, the most significant impacts of the pandemic have been borne more heavily by some than others. In virtually every country, those bearing the most severe toll physically and economically have been the elderly, the poor and members of various national minorities, which in the case of North America and Europe has often meant either people of color or of very limited education and/or economic means, or both.[2] Thus, and particularly in light of the pandemic, it is increasingly difficult to ignore basic issues of fairness in society, however one may define such matters.

This is especially so for the field of public administration, both as a discipline and a profession. Since the 1960s, issues of equity have increasingly become central to the field. In recent years, in many countries the notion of the public sector as an agent for promoting equitable, as well as efficient and effective, governance has gained increasing currency. To a considerable degree, this

[1] Allan Rosenbaum is President of the American Society for Public Administration and Distinguished University Professor, Department of Public Policy and Administration and Director, Institute for Public Management and Community Service and Center for Democracy and Good Governance, Steven J. Green School of International & Public Affairs, Florida International University, Miami, Florida, USA. He can be contacted at rosenbau@fiu.edu.

[2] Long, Heather, Van Dam, Andrew, Fowers, Alyssa and Shapiro, Leslie, "The COVID-19 recession is the most unequal in modern US history", September 30, 2020, the Washington Post.

has been driven by increasing attention being given by the academic side of the field to issues of social equity. Especially over the course of the past 20 years an increasing amount of research and writing in the field of public administration has focused on what is now the growing subfield of social equity research.[3]

Nevertheless, as a quick review of literature in the field will show, many aspects of the discipline of public administration have long been and still are, at least in theory, very strongly influenced by concerns about fairness. Merit-based employment, equal treatment under the law, nonpartisan decision-making, and various similar practices, all are designed to reflect an objectivity that is grounded in a sense of fairness and equal access. However, while often a goal of public administration, frequently broader societal conditions and practices serve to profoundly undermine the commitment of the public sector in its ability to shape policy about and/or carry out the delivery of basic services in a manner that is truly fair and equitable.

Of particular concern in this regard has been the frequent inclination of the field to accept the notion that the broader economic and societal conditions which undermine fairness and equity in public sector actions are beyond the scope of the public sector. Rather, it is often assumed that these are the natural outcome of private sector realities and, thus, not of particular or immediate relevance and thus need not be addressed. Especially notable in this regard has been the failure of many of those who both write about and practice public administration to address the issues surrounding the significant and dramatically growing income and wealth inequality which plague almost all of the world's countries.[4] These realities, especially in terms of access to economic resources, have had terrible, often fatal, consequences for those who have been most victimized by the pandemic.

Over the course of the past several decades, dramatically increasing inequality has emerged as a growing problem in many situations and contexts in many countries -- both economically developed ones as well as developing ones.[5] The reality is that economic, and consequent resource, inequality has increased significantly not only between the wealthy and less wealthy within countries, but between developed and less developed countries and between regions within countries. One sees this terrible inequality, and resulting lack of fairness, regarding Covid death, illness and loss of income, in the data coming from country after country.

In the past, major societal turmoil and trauma has often been an equalizing force in terms of income, wealth and resource distribution. However, in the case of the current pandemic, largely as a consequence of the extent to which reliance upon information technology has dramatically increased, the most well to do portions of our societies, those who lead and work for the various companies that have driven the technological revolution, have gotten much wealthier while the average worker has seen little gain. Indeed, in many instances the average worker has fallen behind where they were three and four decades ago.

In the United States, for example, the average middle class worker has seen little gain in income or wealth for the past four decades.[6] In contrast, a recent detailed study by the New York Times found that just during this past year of Covid, March of 2020 to March of 2021, nine of the nation's wealthiest men, all founders of tech companies whose stock soared in value, saw their personal assets increase by a total of $360 billion. This was occurring at a time when the lower level workers in the companies led by these fabulously wealthy individuals were themselves being exposed to Covid.[7]

---

[3] See, for example, Gooden, Susan, Race and Social Equity: a nervous area of government; Amonk, New York, M. E. Sharpe, 2014.

[4] 3) Crow, Ben and Loana, Suresh K, The Atlas of Global Inequalities; Berkeley, California, University of California Press, 2011.

[5] ibid.

[6] Rosenbaum, Allan, "On the Current State of Public Administration Research and Scholarship: political accommodation or simply increasing your relevance"; NISPAcee Journal of Public Administration and Policy, Bratislava, Slovakia, NISPAcee Press, 2019.

[7] Tiku, Nitasha and Greene, Jay. "The billionaire boom", March 12, 2021, The Washington Post.

However, it is not just in the tech sector the great inequalities in income and wealth resources have become common place. As many studies have shown over the course of the past half century, the world's great urban areas truly have become the driving force and major source of growth for the modern economy. At the same time that this has been occurring, the economic gap between the well to do and everyone else in the world's urban centers has become all the more dramatic.

In Hong Kong, more residents than in any other city in the world, approximately 10,000, possess wealth of $30 million or more. However, over 20 per cent of the city's population, 1.4 million people live below the poverty line. The city with the next largest population of individuals with financial resources of over $30 million, the 8,800 individuals living in New York City, had 16 per cent of its population, 1.3 million people, with incomes below the official poverty line. In Paris, capital of a country with far greater concern about inequality than most, some 4,000 residents have a net worth above $30 million, while about 15 percent of the city’s residents, 350,000 individuals, have incomes below the official poverty line.

When one breaks these issues down to the individual level, the well to do versus the individual worker, the reality becomes even more stark. To draw upon some American examples, at a very large company like Walmart, the discount superstore, the median employee salary is $19,000 a year. The chief executive officer of Walmart. earns $22 million a year. For the employee at the median income level at Walmart to earn the amount of money that the Chief Executive earns in one year, it would require that median income employee to work for 1000 plus years. In the case of a technology focused company like Time-Warner where the median salary for all employees is a much higher $75,000 a year, the median income earning employee would only have to work a mere 650 years in order to earn what the chief executive officer of the company earns in one year with their $49 million annual salary.[8]

The dramatic growth in inequality is not just a problem of the United States. Rather, it is true in most countries of the world and it is also a notable characteristic of the past half century. As such, it reverses a significant trend towards greater equality of income occurring during the prior half century. In 1910, the top 1% of the population in France, Britain and the United States possessed 50% of the wealth of each of those nations. By 1970, that figure in each case was down to 20%. However, since that time, in the United States, the percentage of wealth possessed by the top 1% of the population has increased from 20% to almost 40%. While not as pronounced, the same trend is in evidence in Europe and elsewhere.

Today, worldwide the top 20% of the population in terms of earned income receives approximately 80% of the world's income each year, while the bottom 20% receives 1.5%. This has, understandably a profound impact in terms of the consumption of goods and services. The top 20% of the world's population consumes about 80% of the world's goods and services, the bottom 20% 1.5%. For example, if one looks at the data regarding automobile ownership, the top 20% of the population in. terms of earned income possess about 90% of the automobiles in the world; the bottom 20% possesses about 1% of the world's automobiles.[9]

Current trends would suggest that degrees of inequality in terms of both wealth and income will be even more severe in the future than they are today. In large part this is because of the declining role of government in the addressing of such matters. While tax rates have declined significantly, wealth creation has dramatically increased over the past 50 years. The not surprising result is that the basic resources of government have declined very substantially, especially relative to those of the private sector. In the mid 1970, about 30% of the world's economic resources were governmental resources. In recent years that figure has declined to 10%. (9)

---

[8] Gelles, David, Millions at the Top, A Pittance Below", May 27, 2018, The New York Times.

[9] Alvarado, Facundo, Chancel, Lucas, Piketty, Thomas, Saez, Emmanuel and Zucman, Gabriel; World Inequality Report, World Inequality Lab, 2 018.

This very significant decline in governmental resources is largely due to the fact that during the past fifty years, especially in the United States and Western Europe, but around the world as well, tax rates have frequently been being reduced. In turn, that has lessened the ability of government to be able raise the revenue needed to remedy and address the health, education and social problems which great private sector inequality is increasingly generating. In the United States, for example, when Dwight Eisenhower was president in the 1950s, a time of very great national economic growth, the tax rate on the very highest levels of earned individual income was 90%. Today the top tax rate on the highest levels of individual earning in the US is 39%.[10]

While those advocating on behalf of the lower tax rates argued strenuously that the reduction in rates would stimulate a burst of economic activity and creativity which would lead to a dramatically expanded economic base against which taxes could be applied, that simply has not happened. Instead, government revenue as a percentage of the economy has declined dramatically over the years, thus, significantly lessoning its capacity to assist in dealing with problems of poverty. During this same time, many nations have also seen considerable deregulation of economic activity, thus facilitating conditions allowing for even greater income growth for those at the top of the economic totem pole and a resulting even more growth in the concentration of wealth.

Further complicating these matters has been the fact that the new technologies generating much of the world's increased wealth are ones which require higher levels of education and knowledge at a time when, in fact, the possibility of educational access is not becoming easier for the average person in many parts of the world. All too often, the financial resources supporting educational opportunity are distributed in such a fashion as to provide greater funding to those academic institutions which cater to the most economically advantaged elements of any given society.

CONCLUSION

One important consequence of the great Covid pandemic has been a growing concern about the question of fairness in modern society. Such concerns have grown as it has become increasingly evident that our economic and governmental systems have worked in such a fashion as to leave large numbers of individuals far behind others when it comes to having the resources necessary to defend oneself, and one's family, against the ravages of the pandemic.

Clearly, if this situation is to be addressed, one critical aspect of any solution is to recognize both the important role and the responsibility of government in addressing such matters. No other institution of society is either so central to, or has the potential capacity required for, effectively addressing the growing economic and resource inequalities that are increasingly characterizing virtually every country of the world.

[10] ibid.

BIBLIOGRAPHY

Long, Heather, Van Dam, Andrew, Fowers, Alyssa and Shapiro, Leslie, "The COVID-19 recession is the most unequal in modern US history", September 30, 2020, the Washington Post.

Gooden, Susan, Race and Social Equity: a nervous area of government; Amonk, New York, M. E. Sharpe, 2014.

Crow, Ben and Loana, Suresh K, The Atlas of Global Inequalities; Berkeley, California, University of California Press, 2011.

Rosenbaum, Allan, "On the Current State of Public Administration Research and Scholarship: political accommodation or simply increasing your relevance"; NISPAcee Journal of Public Administration and Policy, Bratislava, Slovakia, NISPAcee Press, 2019.

Tiku, Nitasha and Greene, Jay. "The billionaire boom", March 12, 2021, The Washington Post.

Gelles, David, Millions at the Top, A Pittance Below", May 27, 2018, The New York Times.

Alvarado, Facundo, Chancel, Lucas, Piketty, Thomas, Saez, Emmanuel and Zucman, Gabriel; World Inequality Report, World Inequality Lab, 2018.