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INTEGRATING CONCEPTS OF SOCIAL EQUITY INTO THE PUBLIC ADMINISTRATION CURRICULUM: A UNITED STATES EXAMPLE

Blue Wooldridge
School of Government and Public Affairs
VIRGINIA COMMONWEALTH UNIVERSITY
USA
INTRODUCTION

The Conference “call for papers” points out the paradox of the 21st century: “Progress in the field of information technologies, telecommunications, electronics, biotechnology, chemistry and medicine has opened unparalleled opportunities to humanity. On the other hand, a great part of humanity remains excluded from these developments, living in very tough conditions.” Moreover as the “Invitation” for the 2003 Annual Conference of the International Association of Schools and Institutes of Administration *Public Administration: Challenges of Inequality and Exclusion* points out that “around half of the world’s population have income below the poverty line. Two billion people lack access to clean water; 800 million people suffer from hunger and 500,000 mothers die every year while giving birth...The richest 20 percent of the population receive 8 percent of the world’s national income, while the poorest 20 percent receive less than 1 percent.”

In the recently released Human Development Report 2003, the UNDP Administrator pointed out the intra-national as well as the international inequities in the distribution of income, wealth and public goods and services. He said, “The Report shows that there are many countries where income levels are high enough to end absolute poverty, but where pockets of deep poverty remains, often because of worrying patterns of discrimination in the provisions of basic services.” This report state that in many countries women, the rural poor and ethnic minorities do not get their fair share of increased social spending.
Included among the main subjects of analysis and exchange of experiences upon which the Conference has set its agenda are the issues of: “The role of the schools of public administration in the fight against poverty and social exclusion,” and “How to train social managers?”

Working Group I: Education and Training Programmes, asks, as part of its sub theme of Aligning Mission and Quality “How can the Public Administration curriculum respond to promote inclusion and greater equality—both domestically and externally?”

This presentation is intended to provide a partial answer to this very important question by suggesting opportunities for integrating concepts of Social Equity in the post graduate Public Administration Curriculum.

**WHAT IS SOCIAL EQUITY?** Social Equity has been defined as: “The fair, just and equitable management of all institutions serving the public directly or by contract, and the fair and equitable distribution of public services, and implementation of public policy, and the commitment to promote fairness, justice, and equity in the formation of public policy.” (National Academy of Public Administration, Standing Panel on Social Equity). “Social Equity is fairness in the delivery of public services; it is egalitarianism in action—the principle that each citizen, regardless of economic resources or personal traits, deserves and has a right to be given equal treatment by the political system.” (Shafritz and Russell, 2003, p. 395). H. George Frederickson says that he developed the theory of Social Equity in the late 1960s to remedy a glaring inadequacy in both thought and practice. He suggests that this concept should be a “third
pillar” for public administrators, a concept which holds the same status as economy and efficiency values (1990)

Using the “Common Core Curriculum” Standard of the accreditation process of the U.S. National Association of School of Public Affairs and Administration (NASPAA), this presentation will identify opportunities for integrating Social Equity concepts in the Public Administration Curriculum. The presenter’s own experiences in this regard will be discussed.

A Common Core Curriculum of Post Graduate Public Administration Education

Standard 4.21 of the Standards for Professional Masters Degree Programs in Public Affairs, Policy, Administration (January 2003 edition) states that: The common curriculum components shall enhance the students, values, knowledge, and skills to act ethically and effectively: In the Management of Public Services Organizations, the components of which include:

- Human resources
- Budgeting and financial processes
- Information management, technology applications, and policy.

In the Application of Quantitative and Qualitative Techniques of Analysis, the components of which include:

- Policy and program formulation, implementation and evaluation
- Decision-making and problem-solving

With an Understanding of the Public Policy and Organizational Environment, the components of which include:

- Political and legal institutions and processes
- Economic and social institutions and processes
Organization and management concepts and behaviour

The Standards go on to state:
*These areas do not prescribe specific courses. Neither do they imply that equal time should be spent on each area or that courses must be offered by the public affairs, public policy or public administration. Nor should they be interpreted in a manner that might impede the development of special strengths in each program.*

For the remainder of this presentation, I will suggest where concepts of Social Equity might be incorporated into portions of this common core curriculum. In light of time and space constraints, I will limit my remarks to that element of “Management of Public Services Organizations,” the general “Principles of Public Administration” course and the “concluding experience (Capstone) course. My suggestions are not meant to be all-inclusive but rather to stimulate learned discussion on how to achieve the purpose presented by this Conference and Working Group I.

*In the Management of Public Services Organizations, the components of which include:*

*Human resources*

The graduate programs in Public Administration at my university requires a course in Public Sector Human Resource Management. When I teach this course, I present my students a synthesis of what leading textbooks identify as being the essential dimensions of Human Resource Management. Under each, I will suggest how concepts of Social Equity might be integrated.

**HUMAN RESOURCE MANAGEMENT (HRM):** The policies and practices one needs to carry out the “people” or human resource aspects of a
management position, including recruiting, screening, training, rewarding, and appraising. (Dressler, 1997). **Human Resource Management** refers to the comprehensive set of managerial activities and tasks concerned with developing and maintaining a qualified workforce—human resources—in ways that contribute to organizational effectiveness (DeNisi and Griffin, 2001). It is suggested that HRM can be considered to include the following components:

*Job Analysis* is the process of describing and recording information about job behaviors and activities. Typically, the information described and recorded include the:

- Purposes of a job;
- Major duties or activities required of job holders;
- Conditions under which the job is performed;
- Competencies (i.e. skills, knowledge, abilities, and other attributes that enable and enhance performance in the job.

(Jackson & Schuler, 2000)

I consider job analysis the corner stone of HRM.

It should be pointed out to students that well-designed job analysis can reduce many of the *non-job related* barriers that prevent minorities, women, and people with disabilities from being considered for employment. In one of the landmark Equal Employment Opportunity law cases, *Griggs vs Duke Power*, Willie Griggs, an applicant for a job as a coal handler. The Duke Power Company required its coal handlers to be high school graduates. “Griggs claimed this requirement was illegally
discriminatory because it wasn’t related to success on the job and because it resulted in more blacks than whites being rejected for these jobs,” (Dresser, 1997,p. 43). There are many other examples where non-job related qualifications were included in job descriptions. Thoughtful, sensitive, professional, job analysis would reduce these instances.

*Human Resource Planning* (HRP) is the process of forecasting the supply and demand for human resources within an organization and developing action plans for aligning the two. (DeNisi and Griffin, 2001). *Human Resource Planning* is a management practice that involves analyzing an organization’s human resource needs under changing conditions and then developing policies and systems to satisfy those needs (Schuler and Huber, 1997).

Professors can sensitive their students as to how HRP can be used to identify opportunities to make organizations more “representative.” The concept of *Representative Bureaucracy* (Dolan, 2002; Dolan 2000; Riccucci and Saitdel, 1997, Kranz, 1976; Meier, and Nigro, 1976) holds that the demographic composition of the staff of an organization should mirror the demographic composition of the general public. In this way, the preferences of a heterogeneous population will he represented in organizational decision making (Ricciucci and Saidel, 1997). That is a female faculty member with dependent children is more likely to hold values and be sensitive to the experiences of a female student/participant with the same responsibilities.
When carrying out HRP, professionals should be alerted to seek out opportunities, because of turnovers, growth, need for new competencies, etc, where the selection of “currently underrepresented” populations can be recruited, promoted, or developed to fill these anticipated vacancies.

We must realized the results of a HRP process might identify a surplus of personnel or budget shortfalls or a change in government priorities that would result in restricted hiring, reduced hours, early retirements and/or reductions in force (RIFs) (Mondy & Noe, 1987, p. 131).

Unfortunately, previous experiences with reducing the number of government employees have disproportionately impacted those groups that have traditional been underrepresented in public sector employment, especially at the higher levels of public organizations. During the U.S. recession of 1980-1981, when the US federal government had a “reduction-in-force”, minority administrators were 3.2 times a likely to be RIFed as non-minority administrators. Women administrators were 1.6 times a likely to be RIFed as men administrators. At the state and local level, four of every five Maryland state employees receiving layoff notices in October of 1981 were women or minorities. In Detroit, where 60 percent of the work force are black, four of every five of the nearly 3,000 city employees laid off over a period of two years, were black (Wooldridge, 1998).

This disproportionate impact on women and minorities need not be. In 1982, the Bureau of National Affairs issued a special report that listed strategies used by state governments to mitigate this effect (Bureau of
National Affairs). We must ensure that our students/participants are aware of such strategies and how to implement them.

*Recruitment* is the process of attracting individuals on a timely basis, in sufficient numbers and with appropriate qualifications to apply for jobs with an organization. *Recruitment* is specifically the set of activities and processes used to legally obtain a sufficient number of the right people at the right place and time so that the people and the organization can select each other in their own best short-run and long-run interests (Schuler and Huber, 1997). *Recruitment* is the process of developing a pool of qualified applicants who are interested in working for the organization and from which the organization might reasonably select the best individual or individuals to hire for employment (DeNisi and Griffin, 2001).

Courses designed to enhance HRM competencies, and which want to integrate Social Equity concepts, would certainly stress the need for employers to generate and use innovative recruitment methods and locales. High technology job posting and recruitment methods such as web based/internet strategies must be assessed in terms of their disparate impact on ethnic/racial/religious minorities and low income individuals. Traditional recruitment practices which involve reliance on “word-of-mouth and employee referral networking; the use of executive search and referral firms in which affirmative action/EEO requirement were not always made known,” (Ricucci, 2002, p. 69) also serve as institutional barriers for some “currently under represented” groups. For some groups, non-traditional recruitment approaches such as religious
organizations, social associations, recreational outlets can be effective for reaching “currently under represented” groups.

*Selection* is the process of gathering legally defensible information about job applicants in order to determine who should be hired for long-or short-term position (Schuler and Huber, 1997). The *Selection Process* is concerned with identifying the best candidate or candidates for jobs from the pool of qualified applicants developed during the recruiting process. (DeNisi and Griffin, 2001).

In order to promote social equity in organizations employers must avoid any unlawful discriminatory selection methods. They must ensure that all selection methods are based on professionally conducted job analysis.

*Placement* is concerned with matching individual skills, knowledge, abilities, preferences, interests, and personality to the job. Effective selection and placement involve finding the match between organizational needs for qualified individuals and individual need for jobs in which they are interested (Schuler and Huber, 1997).

Students must be made aware of the need to avoid placements that are based on stereotypes of “currently under representative” groups that might lead such individuals to face limited promotional opportunities because of such phenomena as the “glass” or “bamboo” ceiling. Riccucci (2002) points out that in the US federal government it was found that, “women do confront inequitable barriers to career advancement; women of color face a ‘double disadvantage.’ The study revealed that, on
average, women of color are promoted less often than white women with the same qualifications,” (p. 69).

*Performance Appraisal* is a formal that provides a periodic review and evaluation of an individual’s job performance. *Performance appraisal system (PAS)* refers to the form or method used to gather the appraisal data, the job analysis conducted to identify the appropriate criteria against which to establish standards to be used in evaluating the appraisal data, establishing the validity and reliability of the method(s) used, the characteristics of the rater and ratee influencing the appraisal and the appraisal feedback and interview process (Schuler and Huber, 1997).

*Performance Appraisal* is the specific and formal evaluation of an employee in order to determine the degree to which the employee is performing his or her job effectively (DeNisi and Griffin, 2001).

Students/participants in schools and institutes of administration programs must be sensitized to the potential dysfunctional consequences predicted by the similarity-attraction theory, (Byrne, 1971).

Another common type of perceptual bias involves the tendency for people to perceive more favorable others who are like themselves than those who are dissimilar. This tendency, known as the *similar-to-me effect*, constitutes a potential source of bias when it comes to judging other people. In fact, research has shown that when superiors rate their subordinates, the more similar the parties are, the higher the rating the superior tends to give (Greenberg & Baron, 2003).
Compensation is the set of rewards that organizations provide to individuals in return for their willingness to perform various jobs and tasks within the organization (DeNisi and Griffin, 2001).

Compensation inequities in US private companies have become a national disgrace. The average CEO made 42 times the average blue-collar worker’s pay in 1980, 85 times in 1990 and 531 times in 2000 (American Federation of Labor-Congress of Industrial Organizations, 2002). The average CEO makes 728 times more than a minimum wage worker. While such great disparity is rare in the public and non-profit sectors, it is not uncommon to have a ratio of CEO’s salary to that of the minimum-wage worker of 12 or more to one in local governments, 36 or so to 1 in institutions of higher education, and even higher in a few non-profits. “In general, women routinely earn less than their male counterparts. Despite the Equal Pay Act of 1963, which requires women and men to be paid ‘equal pay for equal work’ women continue to earn about seventy-three cents for every dollar earned by a male,” (Ricucci, 2002, p. 91). For positions, such as in academia, where there is room for negotiation for initial salaries, it is suggested that sometimes women and minority candidates, lacking role models and mentors, do not seek high enough compensation, thus starting out in an unequal basis. While such inequities arouse our moral outrage, they have an even more profound impact on organizational performance. Research on the impact of wage dispersion in organizations has shown it to be associated with lowered productivity,
less cooperation and increased turnover (Finkelstein, 1996; Pfeffer and Davis-Blake 1992; Pfeffer and Langston, 1993).

When distributing pay and benefits, a Rawlsian/Frederickson principle would suggest that any deviation from an equal distribution based on job performance, should be directed to promote a fairer distribution of resources in the organization. I can recall my first meeting as a member of the Policy Issues Committee of the American Society for Public Administration. We were asked to support a resolution that would provide a pay differential in high cost areas for members of the Senior Executive Service (the top levels of the U.S. Civil Service) while members of the lower civil service grades would not. Obviously, this struck me as being contrary to principles of Social Equity.
Training and Development. There are many different definitions of training. Dresser (1997) defines training as “The process of teaching new employees the basis skills they need to perform their jobs” (p. 248). Schuler and Huber suggests that “Employee training and development is any attempt to improve current or future employee performance by increasing an employee’s ability to perform, “ (1987, p. 512). Wooldridge (2001) has developed the following definition: “Management training and development is an organized learning experience designed to enhance the ability of current or future managerial employees to achieve the desired levels of performance in specific jobs necessary in order for their organization to achieve its strategic mission” (p. 85).

It has long been recognized that organizations in the United States invest less in staff development than do organizations in other developed countries. For example:

A study of 70 auto assembly plants from 24 companies in 17 countries showed that newly hired production workers in U.S.-owned plants received an average of only about 40 hours of training during their first six months on the job. That compares with an average of about 300 hours for similar workers in plants owned by citizens of Japan and about 260 hours for similar workers in plants headquartered in the newly industrialized countries of Korea, Mexico, Taiwan, and Brazil (Jackson and Schuler, 2003 p. 358).
Worse than that, public sector organizations in the U.S. invest less in staff development than do their private sector counterparts. It has been suggested that in High Performing Organizations, from 5 to 15 percent of the organization’s budget is committed to employee development (Kalleberg and Moody, 1994). “…the Winter Commission (National Commission on the State and Local Government Public Service, 1993) recommends that state and local government expenditures for training and development activities be about 3% to 5% of salaries, but one estimate placed federal expenditures at just 1.3% (as reported in Berman, Bowman, West & Van Wart, 2001, p. 233). But even those employee development expenditures that are made are frequently disproportionately focused on top and mid-level management, levels of the organization that are dominated by the male majority group. Riccucci (2002) summarized the findings of several studies on the US national government by pointing out, “Development practices and credential-building experiences including advanced education and career-enhancing assignments (e.g., to corporate committees and task forces and special projects)—which are traditional precursors to advancement---were often not available to minorities and women,” (p. 69).

Even if one does not subscribe to equal treatment in staff development because of Social Equity principles, which I hope one would, participants must be made aware of legal reasons, at least in the U.S. As Dessler (1997) points out, aspects of an organization’s staff development program must be assessed with an eye towards the program’s impact on protected groups. “For example, having relatively few women or minorities selected for the training program may require showing that the admissions procedures are valid—that they predict performance on the job for which the person is being trained,” (p. 252). Assuming completing the program is a prerequisite for promotion, employers must be able to show the staff...
development program itself has no adverse impact on women or minorities.

Employee Rights are regarded as those rights that employees desire regarding the security of their jobs and the treatment administered by their employees while on the job, regardless of whether or not those rights are currently protected by law or collective bargaining agreements.

**Budgeting and financial processes**

**ELEMENTS OF PUBLIC FINANCIAL MANAGEMENT**

Many years ago the staff and members of the (then) Municipal (now Government) Finance Officers Association (GFOA) attempted to list and define the elements of public budgeting and financial management. This effort defined Public Finance Management as being the process of designing, implementing and evaluating those policies and practices that deal with the raising, storage, and use of money. The components of a financial management system include Budgeting, Accounting, Auditing, Treasury and Cash Management, Fiscal Policy, Intergovernmental Fiscal Relationship, and Pension Fund Management, (Wooldridge, 1982).

Time/space (and my own lack of insight) does not permit me to identify opportunities for discussing Social Equity under each of these concepts, however I will define 4 or 5 of them and make suggestions for sensitizing our participants/students to possibilities for increasing equity.

**Budgeting:**

The GFOA points out that the **budgeting** process results in financial guidelines for public administrators to follow in delivering local services. It is the plan for financing government. In its simplest form, a budget consists of a comprehensive listing of anticipated revenue and proposed expenditures for each function of government for a future 12-month period or fiscal year. Ideally, the budget process represents a comprehensive and coherent allocation of limited resources among
potential users. As such, it represents the heart of government financial management.

Graduates of our Schools and Institutes of Administration, because of their roles as professional public administrators and their professional expertise, will be called upon to participate in decisions affecting the allocation of scarce resources within their communities (Wooldridge, 1998). It is essential that individuals with these responsibilities be sensitive to the concept of equity and public service distribution (Lucy and Mladenka, 1977).

There are, of course, many ways to view the equitable distribution of public goods and services. As Lucy and Mladenka (1977) point out, one view is to equate it with the term *equality*. Using this orientation, public goods and services might be distributed on a per capita basis (even after deciding that this is the correct view of equity, another important decision must be made. What is the “unit of analysis for distribution?” Will it be the household, per individual or some other unit?). Another important factor to consider is equality of what? Resources used, efficiency or outcome?

A second important view of equity is *need*. Equity based on *need* assumes that some people have a greater need for some public services than do other people and that this greater *need* should influence the distribution of these services.

A third concept conveyed by the work “equity” is *demand*. Equity based on *demand* means that the public service distribution should be influenced by the demands that people make for services. These *demands* can be expressed in several ways, including the use of facilities, requests for services, or, perhaps even complaints about services.

A fourth possible view of the word “equity” is *preference*. Preference reflects expressed and unexpressed wishes for goods and services. Services can be distributed equitably according to *preferences*. Citizens may wish to request a particular service but might not do it. They might
want to use certain public services but cannot because they lack money or accessibility.  

Finally there is the view of “equity” based on the concept of **willingness to pay**. Some services, it is thought, should be distributed on the basis of the willingness of the consumer of these services to pay for them. Participants in the allocation of scarce resources must be sensitive to these various views of “equity” in order to overcome the dysfunctional consequences of blindly following what “decision-rules” we might have taught them in our programs, or that might be inherently “logical”. Public administrators must examine the “decision rules” (Lineberry and Sharkansky, 1978) they use in making allocation decisions to determine if these rules result in an inequitable distribution of that particular good or service. A knowledge of these concepts might result in a more equitable distribution of public goods and services. While engaged in the budget process, public officials might decide that a specific level of one good or service should be distributed based on the dimension of **equality**, with additional amounts of the same good or service, distributed on the dimension of **willingness to pay**, or perhaps, demand. Another service might be distributed solely on the dimension of **need**. For example, a government might divide its library budget in order to distribute one portion to district libraries on a per capita basis (**equality**) and the rest on patron’s request for service (**demand**). All parts of the community might have a minimum level of police services (**equality**), with high crime areas receiving special attention (**need**). Our participants/students must have the competencies to incorporate Social Equity concepts into the most important decisions they will be called upon to make, the budgeting of their community’s resources.  

*Auditing*:  
The traditional view of **Auditing** is that it is an appraisal of financial activity. It examines the adequacy of internal control, verifies and safeguards assets, checks on the reliability of the accounting and reporting system, ascertains compliance with established policies and
procedures, and appraises the performance of activities and work programs. However many nations’ Supreme Audit Institutes (SAIs) have expanded the scope of auditing to include both Economy and Efficiency audits and Program Effectiveness and Results audits. It is this later type of audits that might have profound Social Equity implications.

The very latest preliminary edition of the General Accounting Office’s “Yellow book”, the Government Auditing Standards (United States General Accounting Office, 2003) suggests that Program Effectiveness and Results Audits might include assessing

a. the extent to which legislative, regulatory, or organizational goals and objectives are being achieved;
b. the relative ability of alternative approaches to yield better program performance or eliminate factors that inhibit program effectiveness;
c. the relative cost and benefits or cost effectiveness of program performance;
d. whether a program produced intended results or produced effects that were not intended by the program’s objectives.

Insights gained by the multiple-constituency (MC) approach to assessing program effectiveness alerts us that an organization/program is effective only to the extent it satisfies the interest of one or more constituencies associated with it (see Tsui, 1990 for an excellent review of the MC literature). Therefore auditors/evaluations engaged in Program Effectiveness and Results Audits must be aware of the need to obtain input from such, non-traditional, population groups as women, minorities, and low income individuals and have the competencies to effectively communicate with these groups and assess their reactions to the organization/program.

*Treasury and cash management* involved the handling and control of cash and securities. It usually included tax administration; receipt, deposit, and disbursement of cash; supervision of depositories; cash flow
projection; short- and long-term investment of idle funds; and short-term borrowing to bridge gaps in the cash flow cycle.

Let’s talk about tax revenues first. Almost every writer on this topic has identified criteria for assessing tax revenues. Taxation has two basic goals: to distribute the costs of government fairly and to promote economic growth (Pechman, 1987). A socially acceptable revenue system should be compatible with the social value criteria which govern the general social processes, it should be fiscally adequate, broadly based, and stable in its yield and balanced in its final incidence, it should be administratively simple, economic to administer, with clearly defined base and rate structures, and revenues should have minimum adverse effects on economic productivity, resource allocation, and the levels of employment, income and output (Rostvold, 1976). Two desirable administrative characteristics are enforceability (a good revenue system does not impose taxes that are impossible to enforce) and acceptability (Eckstein, 1973).

Based on the above and other authors (e.g. Williams and Wooldridge; 2000, Bahl, 1996; Mikesell, 2003; Raphaelson, 1996, Schultz and Harris, 1965) the following decision criteria assessing revenues emerged as most fitting for the subject of this paper. *Vertical equity* which relates to the appropriate division of the tax burden among people with different abilities to pay.

As Mikesell (2003) points out, “A tax structure is *regressive* if effective rates are lower in high-ability groups than in low, *progressive* if effective
rates are higher in high-ability groups than in low, and proportional if effective rates are the same in all groups” (p. 294). Our public finance curricula must sensitize our participants/students as the redistribution impacts of, not only various taxes (in the United States, it is generally assumed that State and Local taxes are regressive, and perhaps the Federal tax system is progressive), but how variations in a particular tax affects its incidence (a tax on consumption [ie sales tax] which does not tax services is probably regressive). Public administrators must always be cognizant of who really pays the tax (Mikesell, 2003, p. 292). The nominal taxpayer might not be the “effective” taxpayer of a tax on a business relationship because of the concept of tax shifting. Tax shifting is the recovery by a taxpayer of any part of the tax through pricing adjustments (Schultz and Harris, 1965). Whether a tax can be shifted or not depends upon: 1) the nature of the tax, it must be a tax on a business relationship, 2) the prevailing economic conditions, and 3) the knowledge of the original taxpayer as to the ability to shift his/her tax payment. I illustrate this concept by giving the example of the potential behavior of my landlord (a Mr. Gordon) when I lived in a block of 100 flats near my University. Let’s assume that my city council, in an attempt to “soak the rich” decided to increase the real estate tax on this apartment building by $240,000 per year. It is clear who the nominal taxpayer will be (that is who’s name will be on the check), it will be Mr. Gordon. Since his income is far greater than mine, or the other tenants, one could assume that this is a progressive tax. However Mr. Gordon is an intelligent person, with a skillful
tax accountant. Assuming that apartments are difficult for renters to find, he could adjust his prices by increasing his rent, thus shifting his tax payment forward to me and my fellow renters. Or he could delay pay increases, or reduce the salaries of his employees, or reduce the purchase of goods and services, thus shifting the tax backwards to his suppliers. Or he could do both, by even more than 100% of his tax payment. Or if occupancy rates are high and so are employment rates, then perhaps he might have to absorb the payment, thus experience a lower profit (Mikeshell, 2003 p. 292).

But taxes are not the only revenue source that raises concerns about vertical equity.

Governments are increasingly relying on Charges. The U.S. Bureau of the Census defines charges as being composed of current (user) charges, utility revenues, and liquor store revenues. Current charges are those amounts received from the public for performance of specific services benefiting the persons charged and from sales of commodities and services (Downing & Bierhanzi, 1996, this source presents an excellent discussion on the factors that should be considered in the design of charges). For example, in the United States, local governments in forty-six states increased the relative importance of user charges between 1978 and 1988 so that by 1991, these revenues made up, on average more than 14 percent of local government general revenue (Wooldridge, Gillespie, & Bowen, 1993).

Some characteristics of user charges make them an appealing alternative source of revenue. Charges are different from taxes in that they involve a direct exchange—a service is performed for which a price is paid. In addition to generating revenues, user charges also ration output by limiting the use of these public services to those willing (and able) to pay for them. Moreover, user charges allocates the financial burden of providing goods and services to
those individuals who enjoy the benefits. These individuals bear the burden in close relationship to the amount of service they consume. Like prices in the private sector, user charges also signal how much goods or service is wanted at what cost. (Wooldridge, 1998).

However there are several disadvantages to the increased reliance on user charges. The Conference for Alternative State and Local Policies (CASLP) states: “User charges imposed for public services that are like to be more often consumed by lower-income people, such as public swimming pools and health care facilities have serious equity implications.” In addition, some of the non-revenue consequences of user fees, such as their ability to ration consumption of services, have other serious policy implications. “Setting too high a fee will discourage consumption of a service, in part, by barring low-income people from using the service (Conference for Alternative State and Local Policies, 1983, p. 80).

Our public finance curricula must develop competencies in our future and current public administrators so that they can design user charges that will minimize the regressive impact on lower-income groups. Fortunately there are some strategies that will assist in this endeavor. RAND researchers suggest three strategies to reduce the regressive impact of user fees on the economically disadvantaged:

*Lifeline Rates:* One approach to this form of protection is a variant on lifeline electricity. The idea is to provide a minimum level of consumption at a low cost....beyond that the price per unit rises;

*Target Group Discounts:* Another approach is to build on the examples of special fares for the different groups that use public transit systems. School children, the elderly and the handicapped are frequently charged lower fares than other passengers. Once again, the protection is built into the system of charges;

*Neighborhood Rebates:* A third approach would be to establish charges that vary with the income the neighborhood. Rebates in low income neighborhoods (identified through Census tract statistics) could be installed
for local facilities such as libraries and health clinics, or for such services as
CASLP also has some suggestions to reduce the impact the regressive impact
of user fees:
- Communities should assess the impact of new or expanded user fees on
  their low income citizens prior to impositions.
- Fees for essential services which promote the general well-being of the
  community should not be imposed.
- Communities should take steps to lessen the inequities inherent in
  existing user fees. Reduced fees could be made available to certain
  identifiable groups.
- Communities should select those services likely to be consumed by
  higher-income people for impositions of user fees, or increases in existing
  fees (Conference for Alternative State and Local Policies, 1983, p. 82).
Yet there is still another source of revenue that has potential for promoting
Social Equity. This is interest earned from the investment of government’s
“temporarily idle funds” through careful cash management practices. Banks
make some of their profits from the difference in the “spread” between the
interest their pay their depositors and that they earn from their borrowers.
Governments sometimes have large amounts of temporary idle funds.
Banks, in their eagerness to obtain the use of these funds, will do all sorts of
things to encourage governments to deposit these funds in their institutions
(see the Government Finance Officers Association publication list for
resources on cash management and banking relationships).
But these investments of “temporarily idle funds” can earn more than
interest. When, during the early 1970s, I worked as Coordinator of Federal
Programs and Budget Analyst in the Office of the Director of the Budget, U.S.
Virgin Islands, I noticed that we had an agreement with the two largest local
banks, that for every (say) $1,000,000 we would deposit in their accounts,
they would write one mortgage for a low income homeowner. Little did I
know it, but I was observing the “Power of Linked Deposits (Maryniak, 1995;
Valais, 1989). “Linked deposits” involve the investment of idle funds for
social and not only economic reasons. Years later, while I was serving as a financial management training consultant for the leading black think tank for elected and appointed minority public officials, the Joint Center for Political (and now Economic) Studies, a training participant, the black treasurer of a county in a southern state of the U.S. described how he told the president of the community’s largest bank they the county would be delighted to deposit its “temporarily idle funds” but that the treasurer always felt so out of place when entering the bank. The bank had no professional workers of color. The treasurer told me it was amazing how fast that bank found talented employees of color to serve as tellers, loan officers etc. Deposits have been “linked” to such banking services as writing loans for small businesses, mortgages and home improvements in low-income communities, increasing the availability of ATMs and banking services in such neighborhoods, and the hiring of city residents as employees (Maryniak, 1995). Obviously linking deposits to social objectives sometimes involves a trade-off between greater economic gain from higher interest earnings and the achievement of non-economic goals (Mikesell, 2003). The public finance curricula of our Schools and Institutes of Administration must ensure our students/participants know of these options and have the skills necessary to assess the costs and benefits of each.

The Government Finance Officers Association described Public pension fund management as involving the operation of retirement plans, including the design of benefit programs, administration of the plan, investment of assets, payment of pensions to eligible beneficiaries, and accounting for pension fund transactions.

In addition to the pros and cons of investing pension funds for economic or social investment (see Mikesell, 2003 for an excellent discussion), our public finance curricula must prepare our students to analyze the changes that are taking place in this field. “Reforms” have modified the traditional public pay-as-you do defined benefits schemes with multipillar systems where fully funded defined contribution
Systems (Fertranou, 2001). Then, of course, there are efforts to privatize public pension systems (Dion, ND). Analysis of gender (and perhaps other non-traditional workers’) “gaps in coverage and benefits have been one of the policy issues missing in most of these reforms, in part because it has been underresearched in the literature” (Bertranou, 2001, p. 911). James, Edwards & Wong (ND) conclude that women are the biggest gainers from the type of pension reform recently implemented in three Latin American countries—Chile, Argentina and Mexico, because of the targeting of the new public pillars towards low earners, many of whom are women. Dion (ND) conclude that the privatizing of the Mexican public pension system will result in a net deterioration in the welfare of women at retirement and will likely increase the dependence of elderly women upon family networks for their welfare.

Our curricula must prepare our students to be aware of these potential dysfunctional consequences of public pension “reforms” and have the skills to perform the needed analysis.

\textit{Fiscal} policy relates to determining the overall impact of government revenues and expenditures upon the economy of the jurisdiction. It concerns such matters as the effect of the tax system, borrowing practices, employment, capital outlays, and purchasing policies on employment, income and wealth in the jurisdiction. Fiscal policy is frequently defined as the discretionary and automatic use of the government’s taxing and expenditure power to promote economic stability. Economic stability referring to a state of low inflation and low unemployment.

There are, however, some counter intuitive concepts about unemployment that must be pointed out in our courses. First, unemployment is not equally distributed across all ethnic and racial groups (at least not in the United States). The June, 2003 employment situation as reported by the United States Bureau of Labor Statistics (BLS) points out that while the national employment rate was 6.4\%, the teenage unemployment rate was 19.3\% percent, for blacks: 11.8\% percent, whites: 5.5\% percent and Hispanics: 8.4\% percent. Also the length of time individual have been unemployed is
an important factor. In June of 2003, 21.4 percent of unemployed persons had been looking for work for 27 weeks or longer, up from 18.8 percent a year earlier. (United States Bureau of Labor Statistics, 2003). Then of course there are important sub-national regional differences in the unemployment rate. The 6.4% national average might hide the 25% unemployment rate in some sections of the country.

Moreover, there are important definitional issues that mask the true state of “being out of work.” In the U.S., the labor force is comprised of those employed and those unemployed. Simple enough. However when we “deconstruct” these terms we see that the “devil is in the details.” All people with who did any work for pay or profit during the survey week, all persons who did at least 15 hours of unpaid work in a family-operated enterprise, and all persons who were temporarily absent for their regular jobs are considered employed for these statistics. Thus persons who are “involuntarily” part time are considered employed; those who are earning below the minimum wage, or the poverty level wage, are considered employed; and those who are involuntarily working at jobs below their qualifications are considered employed. In addition, to muddy the water, not all persons who are not employed are “officially unemployed.” To be counted by the BLS as “unemployed” one must be a person who was not classified as employed during the survey week, made specific active efforts to find a job during the prior 4 weeks (others are considered the “discouraged” workers!!), and were available for work. Also included as “unemployed” are persons not working and were waiting to be called back to a job from which they had been temporarily laid off.

It has frequently been suggest that our fiscal policy might be improved by developing an index of “underemployment” where the sum of those currently defined as unemployed, the discourage workers, persons involuntarily part time, and those earning below a socially determined wage would be divided by the sum of the current labor force plus the “discourage workers.” It has been estimated that for some populations in some communities, the “underemployment” rate might be two to three
times the official unemployment rate!! Awareness of this type of data must be included in the PA curricula.

*Information management, technology applications, and policy.*

THIS SECTION TO BE COMPLETED BY THE TIME OF THE CONFERENCE

IT WILL DISCUSS THE “DIGITAL DIVIDE”

*Additional Courses:*

In the United States, many Public Administration programs include an “Introduction to PA, or Principles of PA” designed to be the first course that students/participants take in the curriculum. While the content of these courses vary by programme and by professor, there are some common texts frequently used. Svara and Brunet (2003) recent analyzed six of these texts to determine the extent Social Equity is covered. They conclude, “with the exception of the Shafritz and Russell text which offers an entire chapter on the subject, students will not fine the phrase “social equity” in introductory public administration books. Instead, textbook authors prefer to discuss social equity issues (e.g. discrimination, sexual harassment and representativeness) without reference to social equity” (p. 7). When I teach our Principles of Public Administration course, as I am this fall term, I use the Shafritz and Russell text. I discuss Social Equity as one of the 5 E’s (Economy, Efficiency, Effectiveness, Ethics and Social Equity) that make up the pillars of public administration.

In this introductory course, I also stress the “new governance“ which frames the environment in which today’s governments function. This new governance include contracting out and other forms of privatization, as well as the use of NGOs in the provision of public goods and services. Through my article “Protecting Equity While Reinventing Government” (Wooldridge, 1998), I make my students aware of how operating in the environment of the “new governance” might impact social equity and
strategies that would mitigate this disparate impact on minorities, women and the economically disadvantage. I am also using an additional textbook (Salamon, 2002) which not only describes and analyzes the various tools governments use in this “new governance”, but contains a section describing the Social Equity implications of each tool. A copy of my syllabus for PADM 601, Principles of Public Administration can be found on my webpage www.people.vcu.edu/~bluewooldridge.

Likewise many US public administration programmes include a “concluding experience” sometimes in the form of a “capstone” course. Last academic year, I integrated a Social Equity module into each term’s capstone course.

After presentations on the various concepts of Social Equity, readings that included Wooldridge, 1998; Lucy & Mldanka, 1977; the various reports of the Standing Panel on Social Equity in Governance of the National Academy of Public Administration, and a presentation by the director of research for the local United Way (a NGO that serves as an umbrella organization for non profit social services providers), the students are organized into groups to carry out the following assignment:

PADM 689
SEMINAR IN PUBLIC ADMINISTRATION

ASSIGNMENT ON SOCIAL EQUITY

This group assignment is to be presented on Saturday, April 12th session. Please do not hesitate to bring drafts for me to review before that date. Define all terms. This assignment is worth 20% of your course grade.
1. Prepare a scholarly essay on the origins, essences, pros and cons of the existence of the concept of Social Equity and Governance.  
   15%

2. Briefly, but thoroughly describe and discuss the Public Policy Area and the specific sub-public policy (SPPA) area in the Richmond Metropolitan Area that your group is studying.  
   10%

3. Describe and discuss the most important Social Equity (SE) issues and concerns in this sub-public policy area.  
   20%

4. Identify and discuss the most important indicators and score cards needed to track Social Equity issues in this SPPA.  
   20%

5. Recommend and discuss strategies to improve Social Equity in this SPPA in the Richmond Metropolitan Area. Identify possible obstacles to the implementation of these strategies  
   20%

Presentation:  
   15%

This assignment will be assessed based upon your demonstrated knowledge of:

- Knowledge of the concept of Social Equity and Governance,
- Knowledge of SPPA in the Richmond Metropolitan Area,
- Knowledge of SE issues in SPPA,
- Creativity in establishing SE indicators and scorecards in this SPPA,
- Quantity and Quality of Research,
- Quality of writing,
- Presentation.

The student groups made one hour “professional” presentations using PowerPoint™ and sometimes video and videostreaming. During the past academic year groups presented on the topics: Social Equity and Housing; Social Equity and Criminal Justice; Social Equity and Special Education; Social Equity and Heath Care for Infant and Children, and Environmental Justice. Copies of these group reports can be found on my website (www.people.vcu.edu/~bluewooldridge). The participants/students were asked to do a specific written evaluation of this module, which asked them to reflect on the value of studying social equity, its importance to them as public administrators, and whether Social Equity is a topic that should be stressed in a public administration curriculum. I will be reporting on this experience at the annual conference of the National Association of Schools of Public Affairs and Administration.
next month (October) in Pittsburgh. A copy of that presentation will also be posted on website when it is finished.
Where do we go from here? H. George Frederickson, perhaps the father of Social Equity in public administration in my country said:
- Generally provided public services vary in their impact on recipients depending on the recipient’s social, economic, and political status;
- The public administrator is morally obligated to counter this tendency
- Variations from equity always should be in the direction of providing more and better services to those in lower social, economic and political circumstance;
- A full commitment to social equity might result in the development of a kind of compensatory ethic, that is a norm which tells the administrator that public services must be especially well-developed in those areas of his [or hers] community which have the most critical need to balance the inherited disadvantage of the poor (1971, p. 2)

I invite the faculty and administrators of Schools and Institutes of Administration represented in this fine organizations to make a commitment to having a curriculum that will prepare our students/participants with the competencies to carry out Frederickson’s challenge.

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