The Importance of the Equity Concept Revisited

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We appreciate Dixon’s thoughtful response to our article and we welcome the opportunity it affords to elucidate and expand upon the original manuscript. Equity is a fertile area for controversy into which economists, lawyers, political scientists, philosophers, and now marketers have ventured. Each discipline brings a different perspective to the issue. It appears that many of Dixon’s concerns are attributable to preoccupation with a different perspective than ours. He states that, “the principles of social justice are a societal, not a managerial issue.” However, the focus of our article is emphatically managerial. Many of Dixon’s observations are directed to what he perceives to be philosophical limitations in our discussion of social justice in the rather abstract context of “society.” This is peripheral to the managerial focus of the article. The intent is not to provide a comprehensive, in-depth, philosophical analysis of alternative conceptions of distributive justice. Rather, our main concern is to sensitize public sector marketers to the distributional implications of equity alternatives, and to show how the most commonly accepted alternate models affect marketing management decisions.

The Comment expresses four major concerns. First, Dixon argues that our analysis is limited because it omits formal consideration of the distribution of burdens. It is axiomatic that in every allocation decision there are winners and losers. Every public marketing decision favors or disfavors particular segments of the community and thus redistributes well-being or ill-being. As a result, implicit concern with who loses as well as who wins permeates our discussion of alternate equity models. In the Implications section of the article the burdens issue is addressed very specifically in the discussion of pricing and the public-private goods model.

We believe this discussion of burdens is adequate given the objectives of the article. We also believe that a formal consideration of the distribution of burdens would be redundant. It would lengthen the article but would not substantially add clarity either to the brief exposition of distributive justice concerns or to our discussion of the marketing implications of equity models. In short, although Dixon’s point that distributive justice concerns the just distribution of both benefits and burden is technically legitimate, we do not consider it to be germane to the main thrust of the article.

Dixon’s second concern is that only three models of equity are selected (four if the demand “model” is included), and that other alternatives suggested in the literature are ignored. He cites a number of other equity models that are conceptually sound and, as he points out, even this list is not exhaustive. Unfortunately, these other alternatives are not readily operationalized and, perhaps for this reason, are not commonly used. The models must be operationalizable before their impacts on marketing decisions can be assessed.

Experience that we have accrued from conducting over 100 workshops with public service administrators during the past five years has demonstrated to our own satisfaction that these three models (and demand) are widely recognized and implemented (albeit implicitly or even inadvertently). When the equity issue is discussed spontaneously, without prejudice, the equal opportunity model and the demand approach are cited most frequently as agencies’ operationalization of equity. After subsequent discussion, the compensatory and market equity models frequently emerge. These models represent the perceptions of the respondents.

Dixon’s third concern is an adopting and advocated approach. It is important to emphasize that making superfluous a distributional concern. Since there are different ways of doing things, he suggests that “alternate” models are not necessary.

Dixon’s final concern deals with the pros and cons of a homogeneous approach and, again, relates it to gardening. He contends that central importance of equity has to do with the non-allocative, total benefits and burdens. He says that managers, not policymakers, have such values. However, the Commentators and we have suggested that such values are allocative.

This Comment is, in the larger context, a reappraisal of the selected equity models. Our concern is that adequate specification of alternative equity models is a third phase of the process of justifying public policies. Often the work of community members, the public sector, and equity oriented administrators. The response of the residents and administrators to the equity models is motivated by a variety of concerns. Not all models are appealing or appropriate. Input is critical.

Dixon does not specify some perceptions
represent the total set of equity alternatives considered by practicing administrators.

We are in general agreement with Dixon's third major point, which suggests the need to adopt a pluralist approach. Indeed, it is advocated in the Implications section of our article. It is unrealistic and oversimplistic to believe that one model of equity should be considered superior to the others for all public services. Since individuals have different values, and different agencies with different personnel do things in different contexts, the same equity model is unlikely to be appropriate in all situations.

Dixon's concern with our failure to discuss "the question as to whether we want a society with a lower average allocation which is equal, or a higher average allocation which is unequal" again illustrates our differing perspectives regarding the article's objectives. These are important philosophical issues with which society has to grapple, but the public sector marketer is unlikely to have the flexibility to select the total sum of benefits and burdens to be distributed. Total budget allocations clearly remain the prerogative of elected policy-makers. However, as we stated in the article, administrators, through their use of decision rules, do have substantial influence on how given resources are allocated.

The "claims" issue is really part of the larger question of how one model should be selected from the alternatives in any given context. Our contention that compensatory equity is a legitimate model whereas demand is an inadequate surrogate does not imply that compensatory equity claims should be determined by a third party. On the contrary, the principles of justice are determined by all involved citizens in any given context. That is the essence of commitment to the marketing concept in the public sector. Guidance for implementing equity decisions should be sought from consumers. In this case, consumers consist of all the residents of a jurisdiction. In the past, residents' input has not been solicited because the equity issue was not identified or appreciated by many administrators as a relevant concern. Now that financial retrenchment is focusing attention on the equity issue, consumer input is the next logical development.

Dixon's fourth concern arises from his perception that we have relied on arguments from Rawls' work, but explicitly rejected the basic tenets of his entire theory of justice. We accept that this is partially true, but we do not regard it as being either inconsistent or necessarily undesirable. It is not unusual for different individuals to review an argument and conclude that only parts of it are acceptable. Further, there may well be disagreement as to which parts are acceptable. Rawls' work has spawned a substantial critical literature that has vigorously attacked various aspects of his arguments. Nevertheless, this work survives as the classic treatise in the field of distributive justice.

Our position regarding the process approach has been partially misinterpreted, suggesting that our exposition was unclear. We do not explicitly reject Rawls' desired outcome of designing the social system through the basic institutions of society. We reject only the absence of the prerequisite upon which it should rest; that is, that a thoughtful reasoned process should be involved in this design. To cite Dixon's quotation of Rawls, "Men are to decide in advance how they are to regulate their claims against one another and what is to be the foundation charter of their society." The thrust of our argument is that, at this time, the whole equity issue has not been discussed in advance, but has been generally ignored by many public sector administrators and marketers. To accept the process approach when it is being thoughtlessly pursued is expedient and self-serving and offers no consistent guidelines to those responsible for making service delivery decisions.

Dixon comments, "It appears [from our article] that no principles of justice exist." This needs to be qualified. Our point, consistent with the notion of a pluralist approach, is that there is no consensus that a generic set of principles of justice exist that are acceptable to all people and generalizable to all jurisdictions. The voluminous contentious commentary that Rawls' work has stimulated provides supporting testimony for this viewpoint.

We concur with Dixon's observations that the management of a public agency "must conform to the requirements of the economic and political systems, and these in turn must conform to the principles of social justice ruling in that social system." We disagree with the unit of analysis he suggests. We believe that the term "social system" should be interpreted as the
particular jurisdiction in which marketers operate rather than the less definitive context of “society.” If one accepts the proposition that political and economic environments and the principles of social justice adopted by jurisdictions will differ, one must also accept the proposition that full acceptance of Rawls’ theory and its attendant implications are untenable. The public agency does have the responsibility of choosing a model of equity to meet perceived requirements of clients. Indeed, commitment to the marketing concept requires that this approach be adopted.

The marketer faced with making managerial decisions does not have the luxury of adopting Rawls’ “original position,” which is an intellectual state essential for assuming the conditions whereby moral discourse will promote consensus on the rules of distributive justice. In the real world of public sector marketing, Rawls’ theory is unworkable. At the same time, we find some of Rawls’ arguments and logic persuasive and the suggested procedure for selecting an equity model is derived from Rawls’ work. Experience with practitioners at numerous workshops has shown this procedure to be a useful starting point from which administrators are able to develop a set of principles of justice appropriate for the unique context of their agency and jurisdiction.

We appreciate Dixon’s thoughtful remarks and his interest in our work. Although his perspective is societal and ours managerial, we share a common frame of reference. It is not our intent to refute The Theory of Justice; rather our purpose is to illustrate how Rawls’ theory of distributive justice, mediated by practical governmental realities, can provide useful policy guidance to public sector managers who face difficult decisions.

In this article, note, we attempt to show that public managers, even for what is considered “normal” program decisions, can benefit from marketing principles. This is of interest to sociologists and sociologists of business who look at the public sector in terms of policy. In the following five major catchments of a more general exchange, we look at five main categories (customer, product, price, place, and promotion) and call public officials managers. Some of these concepts are not new, but...