

INTRODUCTION

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This special issue in *Public Administration & Management* will address the issue of “Economic Crisis and Public Management.” Over three years have passed since the collapse of the Wall Street investment bank of Lehman Brothers which initiated the greatest financial crisis since the beginning of the Great Depression of 1929. A growing number of economic analysts believe that the present crisis may eclipse that of the Great Depression. It appears that this crisis will be protracted – lasting years, not months – and its long-term consequences will be far-reaching, specifically as this impacts government and public management. History is being made, and the world that emerges from this crisis will be very different from that which existed prior to the Lehman Brothers collapse of September 15, 2008. In fact, the scale of economic breakdown is difficult to comprehend. No previous event in economic history has involved the sums of money, in the trillions of dollars, that have been squandered by the governments of the United States and Europe to prop up the banks and financial institutions whose reckless activities triggered the global meltdown. The economic calamity has in fact impacted economies throughout the world. Thus the focus of this symposium will not only be placed on the United States, it will also include an international dimension: Cuba.

The situation in the United States continues to deteriorate. Another 563,000 people lost their jobs in April 2011, while the national unemployment rate rose to 8.9 percent. The total number of workers unemployed is now 13.7 million, the highest in the post-World War II era.

Since the onset of the economic crisis, 6,000,000 workers have been thrown out of work. In March, unemployment increased by 62,000 in California, 51,000 in Florida, 47,000 in Texas, 41,000 in North Carolina, 39,000 in Illinois, and 37,000 in Ohio. The highest regional unemployment rate is in the West, where it now stands at 9.8 percent. It is 9.0 percent in the Midwest. These levels of unemployment translate into other indices of extreme social distress: a tidal of foreclosures and personal bankruptcies, declining college enrollments, rising crime rates, and a general deterioration in the health and well-being of the population. Wage cuts of 10 percent and higher have been imposed on workers throughout the country, eroding living standards and pushing millions of workers to the brink of financial disaster.

What is the prognosis for the future? The recent rise in global markets from March 2011, is being lauded as the beginning of a turnaround. Aside from the direct impact of multi-billion-dollar infusions of public money into the banking system, such as the American Recovery and Reinvestment Act, 2009 (ARRA), the Restoring American Financial Stability Act, 2010 (RAFS), the Dodd-Frank Wall Street Reform and Consumer Act, 2010, and establishing investigative committees such as, the Financial Crisis Inquiry Commission, and the cursory identification of the causes of the economic crisis such as, “lack of regulation,” “breakdown in securitization,” “over the counter derivatives,” “increased liquidity,” “over the counter derivatives,” “prime and sub-prime loans,” there is little data that justifies various optimistic forecasts of an imminent end of the recession. In fact, billionaire Warren Buffett has referred to “derivatives” as economic “weapons of mass destruction.” It is important to note, that the most recent US employment statistics showed nothing more promising than a slightly less severe rate of job loss, nationally. In states such as California, unemployment is at

12%. Moreover, speculation about an imminent “rebound” reflects an incorrect understanding of the present crisis. This is not entirely beyond the realm of possibility that there may be, at some point in time, an improvement in the economy. Nor is it difficult to imagine, as Richard Wolff describes it in *Capitalism Hits the Fan: The Global Economic meltdown and What to Do About It*, in which the economic situation may continue to deteriorate. Whatever the short-term economic fluctuations in the markets and other indices of the global economy, there will not be a return to the *status quo ante*. The previous conditions are gone and will likely never return. As a result, public policy and administration will need to adjust to the present economic calamity and subsequent changes that will be needed in the field of public management to address the negative outcomes of economic ruin. This special issue in *Public Administration & Management* will address these issues and the possible adjustments that might be needed.

The first article by Edward J. Martin, “Economic Rights, Sustainable Development, and Environmental Management,” discusses the economic downturn and how this debacle has hurt the housing industry through defaults on mortgages, foreclosures on homes, short sales, financial bankruptcies do to the increased costs of health, etc. This has also impacted costs in transportation, food, and education. As a risk management strategy, a revisiting of FDR’s Economic Bill of Rights is recommended as a policy implementation, specifically in tough economic times. In addition, sustainable development and environmental management strategies are incorporated with the Economic Bill of Rights since environmental concerns go hand-in-hand with economic well-being.

The second article by Edward J. Martin and Ariana C. Martin, “Economic Crisis in the United States: Management Strategies for a Democratic Economy,” identify the primary causes of the economic crisis of 2008.

They reexamine four of the predominant political economy models (classic liberal, modern liberal, conservative, and radical) and provide an alternative democratic economy model that might better serve the fundamental human needs of people as its primary economic goal. Based on this, they argue for a “common pool resource” approach (Elinor Ostrom) to managing an economy based on accountability to the people the economy is meant to serve.

Next, Sergio I. Garcia-Rios and Stephen A. Nuno in “The Politics and Policy of the Economic Determinants of Civic Participation in Latino Communities,” explain how the economic downturn in the United States has adversely impacted the lives of Latinos in the United States. They argue that this impact will either restrain participation or provide a catalyst for activism in the Latino community. The authors recommend a postmodern alternative to public administration where government takes on the role of facilitator in promoting greater self-governance.

The last article, Edward J. Martin and Matthew S. Pimentel in “Incrementalism in Cuba: Democratic-Economic Reforms and Sustainable Management,” examines recent changes taking place in the apparently devastated Cuban economy and how this has initiated developments in democratic governance and economic reform. An assessment is made of Cuba’s economic reforms and the incorporation of sustainable development policies and management as policy responses to Cuba’s economic ruin.

Finally, I would like to thank Joe Cayer, Nick Alozie, Al Mushkatel, and Rich Haesly who provided thoughtful feedback and direction in their assessment of the manuscripts submitted to this symposium. The efforts involved in this task are greatly appreciated and provide a collegial effort in attempting to assess the economic struggles of individuals, communities, and governments, that attempt to facilitate governance and democratic reform.

Buffett, Warren (2011). "Republicans Reject Buffett Tax Argument," *Los Angeles Times*, (Tuesday, August 16), <http://www.latimes.com/>.

Wolff, Richard, D. (2009). *Capitalism Hits the Fan: The Global Economic Meltdown and What to Do About It*. Northampton, MA: Interlink Publishing Group.