

Claremont Graduate University Graduation Speech

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Thank you President Hough for your invitation to speak today and for your kind and generous introduction.

Good morning—graduate degree recipients, parents, family, friends, faculty, staff, and Trustees

Looking out at all of you is deeply inspiring—you are a diverse body of students pursuing many different fields, some of you are already accomplished leaders in your fields who returned to school and will take your new learning back to your work places and communities, some have come from other countries and will return to serve them, some of you have come to Claremont Graduate University directly from college and will now enter the profession for which you have prepared. Congratulations to all of you for your hard work and perseverance; congratulations on your significant accomplishment. It is a moment to relish.

It is especially meaningful for me to be invited to address a graduate university commencement because graduate school was my most formative intellectual experience—I still remember great teachers from elementary school, junior high school (especially junior high), high school, and college, but in graduate school I formed the idea that I could use the tools of economics to analyze the differences between women's and men's life opportunities and as an academic, a researcher, and a policy researcher, I have stuck with that main area of inquiry for more than 30 years. My years in graduate school were very

heady political times, New Haven, Connecticut, saw significant anti-war protests, civil rights events, like the Bobby Seale and Ericka Huggins black panther trial, and the birth and development of the women's liberation movement. That time of political ferment was matched by intellectual ferment as we challenged our professors to provide critiques of the mainstream economics they were teaching us. Those years also gave us a sense of almost limitless possibilities, the understanding that almost anything could be changed, and for many of us, a commitment to use our learning to contribute to solving social problems and to increase opportunity and equality. I think the current time in the United States, and quite possibly in much of the rest of the world, is also one in which much is possible—crises do create opportunities and I'll return to the current economic crisis—its challenges and opportunities-- in a moment.

But first, let's reflect for a moment on the nature of universities. Fundamentally a university is a place where we come together to learn from each other and in the process create new knowledge we can use and pass on to others. We come together because we believe we can do more collectively than we could alone—we could learn by reading a book or surfing the web on our own but we gain from the sharing and exchange of ideas. I started a nonprofit think tank because I felt a critical mass was needed to produce enough research through a gendered lens to make a difference in the policy process for women—I didn't think I would be able to do that working alone. I hope you will go on to have in your future additional collective experiences with others that are as satisfying as university life generally is (despite all its recurring problems, like presidential searches and faculty who go on

leave just when you were about to take their course). Nevertheless, for many of us, our university years remain a highlight of our lives.

I emphasize the **collective** nature of universities because the importance of universities and of supporting them with public dollars is recognized by the citizenry. Even a private university like CGU receives federal student loan dollars, federal research grant dollars, and in many states (but I don't know about California these days), state dollars paid to the schools for each student they graduate. We apparently believe that the benefits of education, starting with public elementary school and now public preschools in many states, accrue to the society at large and not just to the person being educated. Yes, that individual gains in learning new skills that may enable him or her to earn more, but much of the benefit goes to others. In that kind of situation where the gains are public, the free market alone will not produce enough education—we want people to have more education than they are willing to pay for themselves.

The noted economist Edward Denison analyzed the sources of growth in the US economy between 1948 and 1981 and found that only about one third the growth in output was due to growth in labor and capital; he attributed the residual two thirds to education, innovation, scientific advancement and economies of scale. If education and scientific advance and innovation are so responsible for our economic growth, if these are the true wealth of nations, than surely it makes sense to support them with our tax dollars. Moreover, despite the tendency of conservative commentators to rail against government choking off innovation, in fact, nearly all the major technological advances of the industrial era and beyond, including mass production, rubber products,

computers, and many of our miracle drugs, were aided by government investment.

At yesterday afternoon's forum, Professor Tom Willett of CGU, pointed out that the economic recession we have been experiencing was due to a massive failure of the free market, a colossal financial crash—the only failure of govt was that there was not enough of it—it was not that we had too much. In fact our govt regulators were asleep at the switch. It was painful to hear Alan Greenspan, former chairman of our central bank, lament, while testifying in Congress recently, that he was mistaken, almost shocked, to see that markets don't self-correct after all. Duh. I think a lot of average consumers and workers could have told Alan Greenspan that markets don't always self correct!

Of course the current economic situation poses an enormous challenge for the US and most of the rest of the world. While signs are pretty good that we are coming out of that recession the committee of economists who dates the beginnings and endings of business cycles in the US hasn't decided about this one yet. In any case even, if it were officially over, we wouldn't be out of the woods. Unemployment is still at nearly 10 percent. That means that 15 million Americans are looking for work but cannot find a job—more than a million of these are new labor market entrants, and they will be joined by this year's classes graduating from high school, college, and graduate school.

But don't despair because the economy does recover from cycles and we are very likely already recovering now. Moreover, your new graduate degree protects you -- and it offers you life-long protection-- from downturns—the unemployment rate for those with Masters, Professional, or Doctorate degrees is about 3.5 % , compared with 5.4%

for those with BA's and nearly 15% for those who haven't completed high school. In this economy, if you with your graduate degree are looking for a job, you might have to look longer to find an opportunity that is right for you, that uses your talents and skills. So give it time, but don't give up, because you are well equipped to weather this economic storm.

There is no question that being equipped with as much higher education as possible helps one negotiate an advanced economy—higher education is also a beautiful asset because you never lose it, it can never be taken away from you—you always have the benefit of your learning. In this recession, just in the US alone, about 13 trillion dollars in assets were wiped out; people have lost their homes or lost value in their homes and the value of their savings and investments has fallen. So it's great to have an asset whose financial value is more stable. I congratulate you for making this investment in your future.

The importance of education is being increasingly recognized worldwide. Certainly it is education that is most associated with the liberation of women and their increasing opportunity around the globe. When I was asked to reflect recently on what had been the most important factor contributing to women's increased opportunities in the US, I answered education, specifically access to higher education in fields like law and medicine that were for all practical purposes virtually closed to women before the 1970s. Even though I have always studied employment, the labor market, poverty and inequality—essentially income-based measures, I've come to realize that to get a full understanding of people's well-being requires us to look at other outcomes, other measures, such as education and health.

This lesson is also embodied in one of the most important policy innovations of the last century, the Human Development Index, a measure of social progress adopted by the United Nations. The measure postulates that money alone is not a good measure of human development—two countries with the same GDP per capita can have very different health outcomes and levels of educational achievement. The late Dr. Haq, who worked for the World Bank and later as minister of finance in Pakistan, pointed out that both Vietnam and Pakistan had a GDP per capita of about \$2000, but the Vietnamese on average lived 8 years longer than Pakistanis and were twice as likely to be able to read. The Human Development Index combines measures of income, education, and longevity to provide a fuller picture of human possibility than money alone can do. For example, the US ranks 9th in the world in GDP per capita, 18th in the world in education, and 30th in longevity—its overall ranking on the HDI is 13th.

What the HDI tells us, in the United States, is that we are really not the best in the world—other countries are doing better than we are in education and health, and even in economics, but we still have the largest economy and therefore the most overall wealth, something we are inordinately fond of bragging about.

I believe the current economic crisis gives us an opportunity to do something about our lagging performance in education and health in the United States. Looking at recent US history, there have been two major periods when innovation in social programs occurred—the 1930s when we adopted our largest social insurance system, Social Security, that is still working very well to provide adequate income to millions of older Americans, and the 1960s and 70s when we developed equal employment opportunity legislation, Medicare (our largest health

program), the Environmental Protection Agency and so many others. Both of these periods were also marked by social unrest.

I like to think that now in 2010 and for the next decade or so, we have a similar opportunity here to re-invent our social institutions to address current needs. The recently enacted health care reform is a step in the right direction -- but a very small step. I believe by leaving our health care system largely in the private sector, we are missing significant opportunities to provide health care more equitably to our population and to do so more efficiently. We spend twice as much per capita as any other country, and as can be seen from our ranking of 30th, we are simply not delivering the highest quality of health care that we could. Just as with education, the free market will not provide the right amount or quality of health care. Health like education is something that benefits more than the individual involved, and, when that is the case, the market on its own does not allocate resources properly.

I would like to think we in the United States can be motivated to make the necessary dramatic changes without the accompanying social unrest, though that remains to be seen. By all reports, President Obama sees himself as a transformational leader who can bring opposing factions together to tackle our significant problems. However, he didn't say throughout his campaign, "Yes, I can." He said "Yes we can." So I want now to return to the theme of the necessity to work collectively, to work together to transform human possibilities not only in the US but around the world. That collective action, while it can be organized privately, nearly always involves working through our political systems, through government.

John Kenneth Galbraith, an economist noted for his ability to communicate complex economic issues to a popular audience, wrote in 1958 in *The Affluent Society* that the United States was excelling in the private sector but remained poor in the public sector, lacking social and physical infrastructure and perpetuating income disparities—he expanded these ideas in a 1967 work, *The New Industrial State*. No doubt his thinking influenced the leap in social programs and social innovations that occurred during the 1960s and 1970s. But since that time, inequality has increased, and as noted at the outset, the financial markets have had a spectacular collapse. We are clearly in need of another such leap—I believe it is up to you and your generation to make that leap—to develop the government regulations that can harness the power of capitalism and keep it from running amok and to develop the new social programs that will maximize human potential not only here in the US but around the globe.

I want to close by placing a gendered lens on the previous discussion. As it turns out, women work disproportionately in the public and nonprofit sectors in the US—they work disproportionately in education and health care—and surveys show women are more likely to value spending public dollars to improve these areas of our economy. They are more willing to pay higher taxes to ensure that people’s daily needs are met. Because these sectors have so much to do with the reproduction of human life, with the care of individuals, with face to face nurturing and caring activities, they are indeed identified with women, who do the bulk of this work not only in the work place but in homes as well. This half of economic activity, which is coming to be called the “care economy,” has long been overlooked by economists, most of whom have focused on the profit making side of the

economy—only a few, like John Kenneth Galbraith, have recognized the centrality of this half of human life to our overall progress.

As women's opportunities increase, as they take an equal share of leadership positions in society, I believe we will see that this long ignored and overlooked half of human activity will become increasingly recognized and increasingly valued. The public sector will grow to meet our very real needs that can only be met collectively. Ultimately I dare to hope that capitalist economic growth will be tamed. As Alan Greenspan said, markets are not self-correcting—it is up to us to correct them.

So this is the challenge I leave you with, nothing short of achieving equality between women and men, of righting the imbalance in our economy between the private and public sectors, and between the pursuit of self interest and the achievement of collective goals. I believe Claremont Graduate University has equipped you well for this challenge. Good luck and God speed.

