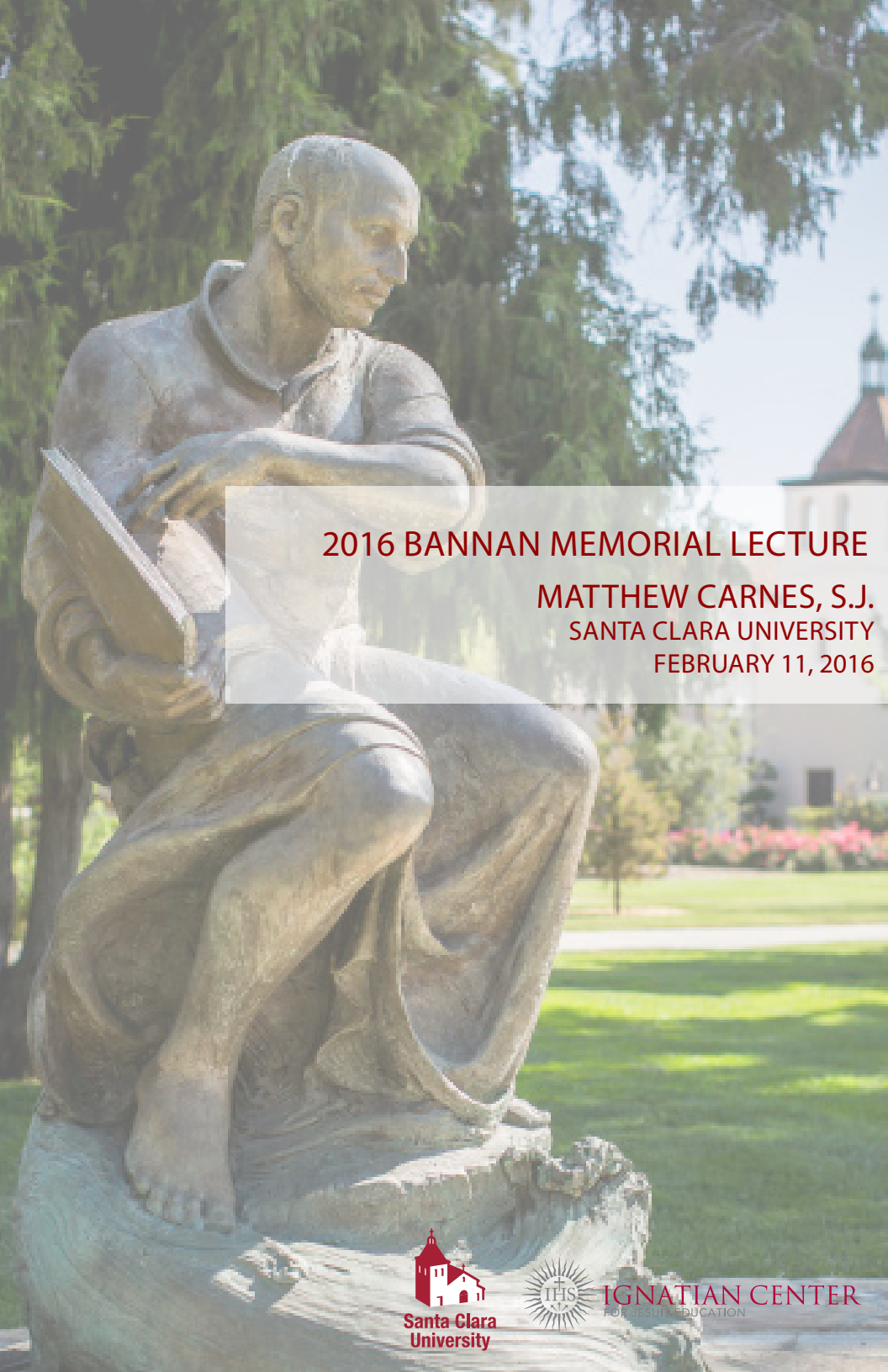

2016 BANNAN MEMORIAL LECTURE

MATTHEW CARNES, S.J.

SANTA CLARA UNIVERSITY

FEBRUARY 11, 2016

Santa Clara University

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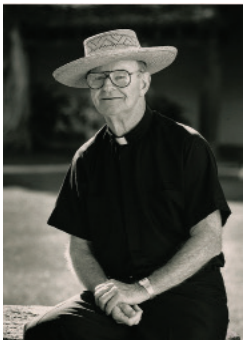

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2016 Bannan Memorial Lecture
Is There a Common Good? Exploring the Politics of Inequality
Matthew Carnes, S.J., Georgetown University
Santa Clara University, February 11, 2016

It is an incredible delight to be with you all today in this spectacular place, on this incredible campus, in this valley that we know has become the envy of so much of the rest of the world. It's a place that I've come to love, having been born here just up the peninsula in San Carlos. I spent really good years here while doing my doctorate as the Jesuit-in-residence over in Unity Hall, right across the way. I look at this as a really privileged place in my past.

Indeed, that's where I want to start our conversation today, recalling that we are in a place of privilege. We're in an extraordinary location, the heart of innovation really for our world. We're living in a sliver of the world that right now is probably enjoying its biggest, most shining moment in human history. Fueled by the ideas that flow here, by the resources of so many dreamers who come to this place, we are at an incredible moment of strength. We share in the kinds of opportunities that few other slivers of our planet share.

So we're in a very special place. Over the next hour, I want to emphasize that being in a special place comes with a special responsibility. Today I want to talk to you about what I think is probably the challenge of our age: growing inequality and the challenge of achieving a common good in the midst of it.

When I call it the challenge of our age, I'm in good company. President Obama has called it this. It's a view that's been echoed by scholars as diverse as the Nobel Prize economists Amartya Sen, Angus Deaton, Joseph Stiglitz, as well as by scholars like Thomas Piketty and Robert Putnam. And it's been repeatedly highlighted by Pope Francis and by his predecessor Pope Emeritus Benedict.

Perhaps never before has our world been more attuned to this question. But what's different this time is that we can actually track inequality with data in a way we never could before. We can measure it. We can understand its dimensions. We can look into it. And that goads us into a kind of action.

My own thinking on this topic has been informed by a couple of really important experiences in my life this past year. The first was serving on a working group at Georgetown on slavery, memory, and reconciliation. Our task has been to examine and reflect on Georgetown University's historical connection to the institution of slavery and the legacy that's had both in our campus and in our world. It's forced me to think about the ways that historical facts can sometimes be seen or not seen, can be remembered or forgotten, and about how important it is that we be people who remember.

The second experience which has really formed my thinking is my participation in an international working group of Jesuits drawn from all over the world. Called together by a couple of the secretariats inside the Jesuits, we were a group of economists, political scientists, philosophers, theologians drawn from Mexico, France, India, the Philippines, United States, Burkina Faso. We were asked to reflect on the economy today—whether it's opportunities, whether it's blessings. What are the challenges we face? We eventually produced a document, in the light of Pope Francis' statements in *Evangelii Gaudium* and in light of our training as economists and political scientists: How should we understand this economy today, and how should we understand the challenges of our shared ownership of this planet?

Happily, the document we produced just came out this week, and I'll give you more references to it later. I'm going to speak to a few of its ideas about poverty, inequality, and the economy today that were drawn from Jesuits around the world. You're the first audience, in some ways, for this.

Now, both of these experiences have been sharpened by my teaching these last few years. I've been teaching courses on the politics of inequality, on social welfare policy, and on comparative political systems. Working with now over 1,000 students—I have big classes—I've come to recognize two baselines, two basic stories that characterize our life today. They're the consensus of the social scientific literature, but they're also something the general population is just starting to understand, and it'll be the backdrop for our story today. We'll see that they both echo and challenge things most of us think we know about the world. One story is extremely positive, and the other is much more ambiguous and even troubling. So let's start with the good news.

The first story—if we want to think about the baseline of our human experience these last 20 or 30 years, one we should be rightly proud of—is that we're in a turning point in human history regarding poverty. After millennia in which that dictum from Jesus, "the poor you will always have with you," seemed like a truism, we now have seen in the last 20 and 30 years an incredibly rapid decline in the proportion of human beings around our globe who suffer from a daily insufficiency of their basic needs.

Strikingly, our world community, through committed social spending, through significant economic growth, achieved the millennium goals of halving the share of the world's population living in poverty, from 44 percent to 22 percent, between 1990 and 2010. That was five years ahead of the original goal, and it stands among the most remarkable accomplishments of our time. This reduced the world population of people living in poverty by approximately 700 million people.

This accomplishment set the stage for an audacious pronouncement World Bank President Jim Yong Kim offered last year. He said that we now have within our capability the possibility to eliminate poverty by 2030. Think about that. Realistically, within many of our lifetimes,

poverty can be eliminated. That profoundly important goal is actually within sight, not just by starry-eyed dreamers or by political functionaries trying to get their name in the lights. We truly stand in a moment when the economists and those who are measuring see this as possible. We truly stand at an inflection point in human history. That's for the good.

Now, it deserves a few caveats. We have to be careful. I'm a political scientist, so I'm always careful about these things. I try to make sure I'm very specific. First of all, it means that those people who formerly had incomes below the international poverty line which the World Bank has established—$1.90 a day is what they've recently updated that to—now have incomes above that poverty line. But in large measure, their incomes were only marginally above that poverty line.

So even as we say that they've escaped from poverty, we know that they're just a slight bit above that. They don't yet have ample opportunities and stable livelihoods. Moving into what might be termed the middle class remains particularly difficult for them. Eighty percent of the world's population lives on less than ten dollars a day.

These escapees often have almost no economic security. The loss of a job—or, more likely, because many are self-employed, one week out of work if something goes wrong such as a storm—could place them right back into that very dire level of poverty, falling below that poverty line again. This isn't merely academic conjecture. It does happen.

Take Brazil, one of the most shining stars in moving people out of poverty. During its sustained growth from the 1990s through 2014, 40 million people were lifted out of poverty. But during its downturn just this last year, 4 million of those people fell back into poverty. So we know this is a tenuous space to be in.

Second, another caveat, the good news is chiefly driven by just a handful of countries, and especially by China. And so this escape from poverty is

driven by an almost-unique case—China—that has historically limited the economic opportunity of its citizens and only recently, through growth and urbanization, seen hundreds of millions start to rise out of poverty.

Worldwide, we still have the dismaying number of 700 million people who live below that World Bank poverty standard. Well over 2 billion people live below $3.25 a day, [a point] where you're getting stable enough that you're less likely to fall below the abject poverty line. So we certainly can't say that poverty has been overcome globally. Rather, we need to emphasize how uneven our gains have been.

Nevertheless, this good story should encourage us. The rapid decline of global poverty and the World Bank's hopeful projections remind us that we have the capacity to ensure that no one faces the kind of life-limiting deprivation that has affected every previous generation of our race. And this is good news indeed.

But we need to balance this good news with a troubling trend. Growth has lifted many boats, but the rise has been highly uneven. So while some very low-income individuals have transitioned marginally out of poverty, most of the growth exploding around the world accrued mainly to a small set of elites. This trend has been particularly apparent in the developed countries, where three distinct trajectories can be discerned.

So first, if we think about the lowest levels of income, there's been only marginal improvement. Take the United States. It saw its poverty line decline from 15 percent to 14.8 percent and then drift back up to 14.9 percent. So the United States, even the middle class—especially the middle class—hasn't seen much gain. The poor haven't seen much gain; the middle class haven't seen much gain. The bottom nine deciles in the United States have more or less seen their incomes frozen over the last two decades. Growth hasn't been shared equitably.

Now, let me give a little caveat on that, though. It doesn't mean that

everyone's income remained fixed. Rather, what we see in the developed economies is a lot more churn and vulnerability for those in the middle part of the income distribution. The probability of a middle-class family facing a major drop in its income—due to a loss of a job, a major illness, some other unforeseen circumstance—has risen dramatically. These are generally not permanent income declines. We don't see people lose their income forever. But it can be enough to wipe out savings accounts or to force people into bankruptcy or taking on debt or to see them lose their homes in which they invested.

You might think this churn could have some positive aspects, some sort of upward social mobility. But contrary to the widespread belief in an American dream, social mobility in the United States is actually lower than almost every country in Europe. The possibilities of pulling oneself up by one's bootstraps—yeah, they exist. But they're hampered tremendously by social, geographic, and political structures that have kept the vast majority of low- and middle-income children in the same social class into which they were born. And they've also kept those upper-income children into the same social class into which they were born.

Let me turn to those top income earners. These elites, generally in the top 10 percent, they've seen massive increases in their incomes. As a result, their wealth has grown tremendously. These increases have been especially concentrated in the richest of the rich. Thus, it really is appropriate to speak of different trajectories between the 10 percent at the top and the remaining 90 percent; or even, more importantly, the richest 1 percent and the other 99 percent; or even the richest one-tenth of 1 percent and the 99 percent. Indeed, last year—you may know; it was widely publicized—the richest 0.1 percent of the world's population came to hold as much wealth as the lowest 90 percent worldwide.

This trend of concentration of high incomes and wealth, which I'm labeling here as ambiguous, somewhat troubling, something we need to look into more deeply, is a trend that seems to be, from our historical

data, the product of just the last few decades, really since roughly the end of the 1970s. It's not unique in human history.

This is where Thomas Piketty, in his book *Capital in the Twenty-First Century*, is extremely helpful. He places the current rise in inequality into the context of two historical eras.

The first is the period from the 1890s through the first two decades of the 20th century, when inequality rose to incredible levels—the Belle Époque, a time of incredible wealth. People who had accumulated assets—the barons of industry, those who owned the means of production—were able to augment their income both by the production of their wealth and by their labor. Those who didn't have access to capital, didn't own wealth, only had the product of their labor income. And we saw wealth replicating itself, as the rich pulled away further and further from the working class. That's the first period.

The second period Piketty delineates is from the Great Depression and the two World Wars until about the 1970s. This era, he argues, was historically anomalous—unlike most of history. The destruction of the wars and the losses of the Great Depression caused the wealth of those richest groups to decline. Factories were destroyed throughout Europe. People lost their assets in the Great Depression. So as they lost this income, inequality—this spread between rich and poor—declined, in part because the rich got poorer. Probably not the best way to diminish inequality, but the way that it happened at that time.

The need to rebuild during the postwar period then led to the rise of manufacturing and the transition of women into the workforce. We started to see family incomes growing significantly and the birth of a burgeoning middle class with more opportunity, more access. And so from below you see a diminishment in inequality as well. The rich have gotten poorer, and the poor have gotten somewhat richer.

Finally, during this period, the government played a decisive role. It

actively fostered inclusive growth, taxing high incomes at rates that today would be considered unthinkable—remember, the highest marginal tax rate during this period was above 90 percent. The government taxed at a high rate to finance things like rebuilding the military, building infrastructure, public-sector employment, and the GI Bill. All of these were means by which the state, through redistribution, diminished inequality. So notice three factors: the rich got poorer, the poor got richer, and the state redistributed.

Now, our era, Piketty says, with its rapid rise in capital accumulation and income and wealth inequality, bears the signs of a century ago—that period from 1890 until the 1920s, not the period from 1940 to, say, 1970.

If Piketty's really right, there's an important lesson for all of us. All of us who grew up in the period between the Second World War and the 1970s came to believe that the world always looks like that: the economy always functions that way, we'll always see economic growth above 3 percent, we'll always see the middle class growing, we'll always see more opportunities open up, we'll always see family incomes improving, we'll always see every child growing up into a better life than their parents. But the evidence suggests that that period may have been something of a parenthesis. There's no reason to think it will naturally occur again, because it was the product of three historically surprising outcomes: the loss from the rich, the poor coming up as we industrialized, and then this redistribution of the state. So if it really is that parenthesis, we can't expect this level of inequality to diminish by itself.

I can say more on these trends when we get to questions-and-answers, but let me highlight two important social and political dimensions. First, the separation between rich and poor—especially between the top 10 percent or top 1 percent and the rest—gets exacerbated in the way we live our lives. Those with more tend to move to locations where they can be with [other] people who have more, where they can work together,

where they can collaborate together, where they can be educated together—places like university campuses, places like Santa Clara University, places like Silicon Valley. Once they become more educated, allowing them access to higher-paying jobs, they even tend to marry each other. And I know how many Santa Clara students marry each other.

Now, notice what this does. We take two upwardly mobile people and have them get married, which means there's not the opportunity for mixing at the level of marriage, right? Before, you had people of different social classes marrying—we don't see that happening very much anymore. Once they've married, people look for communities that look something like them, with the same opportunities they've come to enjoy. They move to these neighborhoods, and housing prices start to rise, and the result is segregated communities. It's not founded on the ill will of anyone but on a demographic change that's all for the good—people who get education do so for their own good. But it ends up with us being further and further apart. As Robert Putnam—who has written this really must-read book, *Our Kids: The American Dream in Crisis*—shows us, the likelihood for ongoing meaningful relationships across socioeconomic lines has radically diminished in our country.

Second, this separation has profound implications for access to political power. Those with more, especially those who have seen their wealth grow dramatically, have the time, education, and resources to seek to influence policies that will be to their benefit. At the same time, those whose wages have remained stagnant during the last 30 years have seen their avenues to political access diminish. Labor unions, that historical avenue which traditionally brought together lower- and middle-income workers, diminished tremendously in its impact, largely because of changes in employment, changes in manufacturing, movement into services, and sometimes due to concentrated political effort, from politicians, from owners. The separation of our era means not only do we live in different worlds, we have different amounts of access.

I've just highlighted two trends—one almost overwhelmingly positive and one that's much more ambiguous. I suggest that this growing separation and all these lines need to be looked at in terms of our vision of the world. What do these trends mean for our generation and for generations that will follow us? It depends a lot on our vision of the world, our sense of what we value and what we have reason to value.

These trends have enormous implication for our understanding of human life, of what human good is, of human prosperity and even flourishing. To frame that discussion, I want to focus on the concept of the common good.

The common good has a rich history in the Christian tradition. The common good comprises both the full flourishing of human beings and the full flourishing of human societies. So it is decidedly anti-utilitarian, not a summing up of the individual goods, or maximum utility for everyone. Rather, it says the good is seen when you look at the united good of communities. It's more than just the fulfillment of each person's opportunity; it's shown in a right and just relationship between peoples so they ultimately constitute a just society. It's realized when people see themselves as one people, a shared body in which all belong with equal dignity, and in which common projects for justice and peace and flourishing can be undertaken. In this way the common good takes the form of what we might think of as a rich fabric, stronger because of how the threads have been woven together than if those threads were added up.

We have our two trends in the common good: escape from poverty, growing separation. The former represents a massive opportunity to better realize this common good. We have now more access to goods and opportunities that will allow more people to flourish. That's all for the good. It's often been picked up by a whole strand of philosophers and theologians, economists, and others. Amartya Sen and Martha Nussbaum, whom you may have read, both say that we're at the point where we could realize the idea of what we call human capabilities, the

full flourishing of all our different given talents—not just our ability to do basic things, but actually to make choices about the kind of world in which we want to live. The growth of recent decades, this great escape from poverty, makes the realization of individual goods all the more attainable.

But the latter trend of growing separation makes the recognition of a common good all the more challenging. And that's for reasons that are political; they're economic, historical, and sociological. Communities have become increasingly fragmented, segregated along socioeconomic and, too often, racial lines. Thus, it's harder for us to see inequality.

Our place in the distribution, wherever we find ourselves, makes it harder for us to see others who are at different places in the distribution. It can leave us with fewer opportunities to rub shoulders, to join civic organizations together, simply to know one another and spend time with one another. The result? Even as the common good has become technologically possible, it's often become harder and more elusive for us to realize. We are, as it were, hampered by the blinders that keep us from recognizing the issues before us.

So is the common good even possible today? Or are the forces of separation so strong that, even as good as achieved, it'll never be common? Is exaltation of individual success only going to triumph until we ultimately turn a blind eye to those that lag behind?

I've come to believe that two concrete steps are increasingly important if we wish to pursue the common good in our world today. They flow directly from the two trends I've highlighted: growth and separation. And they push us to realize that these trends are the product of real-world choices each of us makes and our society makes.

I'll warn you in advance that my suggestions may make you a bit uncomfortable. Indeed, they make *me* a bit uncomfortable, because they force me to face my own privilege and my own responsibility in this

world, and they make real demands of me. And because even though the steps may be clear for me individually, they are far less clear in politics, in the ways societies organize themselves. They may translate into long and convoluted discussions and a very controversial political space. But in my mind, that uncomfortableness makes our shared enterprise all the more important. So let me dive in.

First, the first major step for thinking about the common good begins with owning our common bad. An essential part of moving forward is recognizing that, in a personal way, our responsibility for the situation we find ourselves is real. We are products, truly, but also producers of the context we inhabit, and it has some common bads we can't avert our eyes from.

The idea of owning our common bad has taken on new meaning for me this year. It's come up with regard to the issue of race on my campus and the issue of race more broadly in the United States. All around the country we have been confronted by the significant simmering racial tensions. We see it very much in the treatment of immigrants and refugees, but perhaps most forcefully this year we've seen it in regard to the black community. We've seen vivid situations, interactions with police in our inner cities, where people can rightly ask if their lives really matter as much as those of others. Ironically, during the same year we celebrated the 50th anniversary of the Civil Rights Act, we also saw massive demonstrations because the promises of that act had not been fulfilled in so many places—Ferguson and Baltimore, Staten Island and Charleston and Chicago.

But race had a particular focus for me this year because of my campus. At Georgetown University, we've been grappling with a shameful part of our history. We participated in the slave economy of human beings who were bought and sold, and they were employed against their will on plantations and on our campus.

These issues resurfaced this year because the university renovated one

of its oldest buildings into a residence hall. It bore the name of a Jesuit president of the university at the time the building was constructed, a man named Thomas Mulledy. He came from the first generation of American-born Jesuits. He grew up in a country where slavery was the name of the economy, the law of the land. In his role as president, and later as provincial superior of the Jesuits, he had ministered to the enslaved people owned by Jesuits. These enslaved people worked primarily on nearby plantations that provided the income on which the university could be run. In those days, the Jesuits were not allowed to charge tuition, by our law in Rome. (Clearly we've changed our law.)

When those plantations were not generating enough income, Mulledy and the other Jesuits resolved to sell the enslaved people to pay off significant university debts. So in 1838 they carried out this sale—and in a particularly egregious way. It violated all the provisions their superiors in Rome had given them. They were not supposed to separate families; they did. They were supposed to ensure continual pastoral care so that priests would care for these people when they were taken to other plantations; they did not provide that care. And they were told explicitly that no money from the sale should be used to underwrite debt; it could be used for other Jesuits' works and services. They used the money to pay down debt.

As you could imagine, this history was seriously troubling to many in our university. A lot of people started to recognize that we have this embeddedness in a history that's seen radical separation and radical discrimination. So we as a community have tried to constructively address this issue. University President John J. DeGioia convened a working group on slavery, memory, and reconciliation. I've served on it. Our goal was to investigate the university's slaveholding history and make recommendations about how we might better address issues of race that still linger on our campus.

It's important to note that what I just told you about Georgetown was not some hidden history. The issue had already been well known. It had

been explored over previous generations. In the 1980s, major studies actually tracked the lives of the 272 enslaved people who were sold in 1838. But somehow we had forgotten. Somehow we saw but we'd forgotten. Or maybe, more than forgetting, it was a history that we liked to say was somehow the fault of other people. Many may have felt they could write off complicity in this because it was the sin of a different, less enlightened generation.

I think we may have wanted to write it off as simply the business practice of the day. If everybody was doing it, it really couldn't be that sinful, maybe we think—although that's not a good argument, because in fact even in those days there were Jesuits that contested the sale of the slaves. There were already protests for emancipation in Washington, D.C. This was not some hidden idea that slavery was wrong. Or even, I think, there's a way of telling ourselves that we're somehow just different.

And I remember thinking—and this is where I embarrass myself a bit—that as a California Jesuit, I was less responsible than those Maryland Province Jesuits who had done this. See, it's really easy to think that this history isn't mine. [Whereas] it's mine not just in its solutions but in its problems.

Slavery and its history are one of the common bads of our nation, and of my community in a particular way. They continue to exert an influence even to the present day. My experience this last year has been that I personally need to recognize it. I personally need to shoulder it. And the only way forward for my community is if I own it.

So what have I done? I spent tremendous time reading this history and trying to learn it well so that I can understand it and tell others about it. I've gone out and visited those plantations. I've been thinking about it over and over, day by day. But where it's come forward most clearly for me is this: We now have, and recently put up on our website, a new scan of the original bill of sale of those enslaved people back in 1838. And it

echoes in my mind because these names are so common, and they're distinguished simply by sex and age.

Let me just read you a little bit dated 19th June, 1838: "Articles of agreement between Thomas F. Mulledy, of Georgetown, District of Columbia, of one part, and Jesse Beatty and Henry Johnson, of the state of Louisiana, with the other part. Thomas F. Mulledy sells to Jessie Beatty and Henry Johnson 272 Negroes, to wit: Isaac, a man 65 years of age; Charles, his eldest son, 40 years of age; Nelly his daughter, 38 years of age; Henny, a girl 13 years of age; Julia, a girl 8 years of age; Ruthy, a girl 6 years of age." And on that document goes, young and old, real human beings, 272 of them in that particular sale. It's a history that I have to see and I have to own.

And so on our campus, by reading those documents, by hearing those names, by letting them echo inside us, we're discovering that our own history helps us move forward by precisely recognizing that we share a common bad. We're only taking the first steps now. We've had a whole series of discussions about what we can do. We've taken the name Mulledy off of that hall. We've put on the name, temporarily for this year, "Freedom." And every time we say it's Freedom Hall, we remind ourselves that freedom is what was denied to the people who contributed to building it.

In a way, owning our common bad becomes that thorn in our side that forces us to start to take action. We formed another taskforce. We're now looking at hiring more faculty from the African American community. We're looking at establishing an academic program in African American studies, a research group into African American studies. So we're starting to take the first steps. But it all begins with owning our common bad.

You see, I've come to believe that inequality in our world today is very similar. It's something we can too easily fail to see. It's something we can even actively ignore, and we start to think that we have no part in it.

We can think that the possibilities we take for granted—or, to use the word I used at the very beginning of this talk, the *privileges* we have—are somehow shared evenly. That everybody has opportunity for them. Or we can think that somehow the problems of opportunity and poverty and exclusion are somehow the problems of some other distant country, some other distant place. They're not really ours.

We've certainly done this too often and too long around race. We try to write it off: It's someone else, it's some other place, it's another part of the country. The question for us, of the common good, is: Are our lives really so separate from theirs? We don't need to look just into our Christian tradition for an answer. Even the economist Amartya Sen in his book *Development as Freedom* says, "The terrible occurrences we see around us are quintessentially our problems." He goes on to elaborate "As competent human beings, we cannot shirk the task of judging how things are and what needs to be done. Our sense of responsibility need not relate only to the afflictions that our behavior may have caused, but can also relate more generally to the miseries that we see around us and that lie within our power to remedy." Out of the privilege to see and recognize, to perhaps have the means to offer remedy and change, comes our responsibility. And I think it begins in owning the common bad.

Now, let me say that in another way, with a focus on this idea of inequality. We need to own not just our common solutions. There can be a temptation sometimes to picture ourselves as an enlightened savior, someone who will step in and solve a problem that belongs to others, one we're able to confront and resolve because we have more smarts or more resources or more energy. This view was especially tempting when the problem was poverty. Systematic deprivation—yeah, maybe you can fix that.

But when we start talking about inequality, we can't simply fix it. Because we ourselves, our stretching out further away from others, actually is distancing ourselves from them. We need to think about how

we move down just as they move up. It starts when we start to realize our common humanity, when we start to see that this common bad is both of ours, not just theirs. So our task is to see and remember.

Let me move forward and step to a second set of recommendations for how we find the common good in our world today. I want to suggest it has to do with the kind of economic and political choices that allow us to construct what the 35th General Congregation of the Society of Jesus called communities of solidarity: communities that have a shared sense of ownership for one another. For we know that the inequality we see today didn't happen by chance. It is the product of real-world choices.

In a very real sense, the differences we observe between the United States and Europe or between Latin America and Asia today reflect political choices in each of those regions. In fact, the differences between the last 35 years and the four decades that preceded them are the result of political choices too. This is a truth of our world that Pope Francis has forcefully asked us to recognize. He's forced us to see that inequality is a choice. So what are some of the ways that we can choose to start constructing a different world?

I offer these as suggestions, each of them needing to be more tempered and counseled and nuanced, but just to get at sort of a general idea. First, we start at the local level. Catholic social teaching emphasizes what it calls the principle of subsidiarity: issues are best understood and dealt with at the local level, closest to the problem, because there you can find the needs and opportunities on the ground.

Importantly, a lot of the transformation out of poverty in recent years has happened at the local level. We've seen solutions around the globe with local communities choosing to make concerted efforts to heal their social fabric. And they've done this in places where coming up with a national solution would be too politically hard, but the local level can do this.

So let's consider an example which I've studied in my own research: policies to support families with children. As you may know, the United States has one of the most meager family-leave policies in the world: 12 weeks unpaid leave for mothers at the birth of a child. We're the only developed or middle-income country that does not provide paid leave for mothers when they have children. It puts us on a par with Swaziland, which has the lowest life expectancy in the world.

Nevertheless, in spite of this low provision of family leave in the United States, individual states have chosen to enact more generous policies. We're living in one of them right here. California has chosen to enact a paid family leave—doesn't apply to every job, doesn't apply to every place, but it is light-years ahead of the national policy. And promisingly, other states are beginning to follow suit. They want to attract the best workers. They want to retain the best workers. So as we start to see states and cities experimenting, there may be an opportunity for change at the local level.

Likewise, cities are beginning to experiment with expanded minimum wages, with living wages appropriate to their local conditions. So they may better serve newly arriving immigrant communities, better allow an opportunity to develop at the local level. Businesses are increasingly embracing this idea of a double or a triple bottom line; they start to realize that their goal of realizing return for their shareholders can be balanced by the goals and responsibility to their workers, their local community, even to the environment.

So local-level solutions can make a difference. Local-level solutions matter. The challenge is that most of them are voluntary. Most of them are undertaken largely through the goodwill of local communities. So we also need national and supernational responses.

Some issues can only be addressed at that level. Remember subsidiarity again, which says: solve problems at the lowest possible level, but some can't be done at the local level. Some we need to think about at much

higher levels.

Think for a moment of the financing of public schools in the United States. Public schools receive their largest share of funding from local tax collection. Locally, more prosperous school districts tend to have greater resources, while those that have less prosperous citizens have less prosperous school resources. And so local solutions in this realm will never work. We don't see change across society. We see wealthy districts staying wealthier, and in fact, because the school districts are doing so well, home values go up, then making it harder for us to see social change.

So Catholic social teaching tells us there may be problems that we need to resolve at the national level. In the case of educational financing, the principle of subsidiarity tells us that the state or even the country needs to play a role in an effort to level up, to lift up the opportunities. And now I'm going to use a word that people don't like to use, but it involves a kind of redistribution. It's important to note that both Francis and Pope Benedict, along with Pope St. John Paul II and the entire tradition of Catholic social thought, embraced some element of redistribution. In fact, both Benedict and Francis thought that we need something so radical it would never pass—the idea of a global economic authority to somehow transfer resources from those who have to those that don't. We don't need to go that far today, but we need to think about how redistribution can have effects in mitigating separation and bringing in inclusion for those below.

Let me give you two promising examples, one from the public sector and one from the private sector. First, the private sector: If one of the issues with the lowest income is not having sufficient wealth to start their businesses, well, credit can be transferred to them. You may have heard of microcredit solutions—small loans to very small entrepreneurs such as people who weave in their home and just need a little more cloth, or people who make brooms by hand and could sell a few more brooms if they had an extra person to help. Small loans in these settings

can set off a world of difference. But notice … that's redistribution. It's a transfer of capital from some who have to some who don't. Doesn't involve the state. In fact, repayment of loans means more loans being generated. That's a private-sector solution.

A public-sector solution that's somewhat similar is the idea of conditional cash transfers. You may have heard of these. Brazil and Mexico have been pioneers in saying: We'd like to see our children being educated, but often they can't afford school fees or the bus ride there. We can't afford the forgone work that the children would've done if they were out in the workforce. So let's make a small transfer conditional on attending school. The idea is, let's make up a difference now for the shortage of capital in the family's life to make a difference in their human capital in the future as the child becomes more educated. The same thing can be applied to immunizations: a small payment to reward human capital investment. Two solutions using some level of redistribution to somehow start to alleviate inequality.

Finally, let me point to the one other area where we need to think about some sort of greater sharing of resources in a common good. That's the great common good of our environment—perhaps the part most threatened today. The common good requires us to share resources to preserve for the next generation clean air, clean water, and productive lands. One of the challenges of our age, it comes back to, as Pope Francis reminds us, this intersection of wealth inequality and income inequality and the care of the environment, which highly overlap. Those who suffer the most from environmental degradation are almost always the poorest as well.

So let me conclude by bringing this back to what this university is all about, what this Jesuit vision is all about. Yesterday was Ash Wednesday, the start of Lenten season. A time of spiritual attentiveness, when we try to be more attentive to prayer and to fasting and almsgiving.

Pope Francis put out his annual Lenten message and called for Christians to consider doing something quite unique. I love this phrase. He asked us to "fast from indifference." In the past he has frequently talked about the "globalization of indifference," an inability to see and then act, a ready ability to forget and let go of that are troubling for us, especially the suffering and the need of our world.

Today I've been trying to describe two trends—one that's very promising, one that's extremely challenging—and hopefully to make us a bit uncomfortable, much like fasting. That gnawing in our stomach reminds us how important this is, how much we truly hunger for a kind of justice that includes all. I hope that hunger, that uncomfortableness that's been set off in you, might goad you into action. History teaches us that the level of inequality we see today is not the only possible outcome in our history. History teaches us that real change is possible, but it's a choice.

So may Pope Francis's call, that call to shake us out of indifference, help us to see more sharply, to remember more forcefully, so we can act more committedly and serve this goal of the common good. Thank you.