



## Building a Caring Economy and Society\* Beyond Capitalism, Socialism, and Other Old Isms

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### Abstract

*Old economic approaches are not capable of meeting our economic, environmental, and social challenges. To effectively meet these challenges, we need a perspective that goes beyond the conventional capitalism vs. socialism debate. This paper places economic valuations in their social context from the perspective of two new social categories. It describes building blocks for a new paradigm for economics, focusing on new measurements, policies, and practices that support caring for people, starting in early childhood, as well as caring for our natural environment.*

All around us are signs that old approaches are not capable of adapting to new circumstances. While many people still talk about returning to normal, there is growing recognition that we actually need a whole new way of thinking about economics and society.<sup>1</sup>

But what should our direction be at this time of extreme social, environmental, and economic challenges? What do we need as we shift from the industrial to the post-industrial knowledge/service era? How do we build a more equitable and sustainable world?

This paper addresses these questions. Its point of departure is a key issue for our future: what kind of economic system helps, or prevents, children from developing their full potentials for consciousness, caring, and creativity – the capacities that are essential in the new knowledge-service era; the capacities that make us fully human?

### 1. Where We Are

Today, economic health is still measured by Gross Domestic Product (GDP). This measure pays no attention to poverty, hunger, or environmental degradation. Nor does it give any indication of the human and environmental damage caused by a large portion of the activities GDP includes as “productive” – damage that is still clumped under the quaint rubric of “externalities.”

For example, in the United States, where consumer spending accounts for no less than 70 percent of GDP, much of what is produced and consumed is known to cause disease – even

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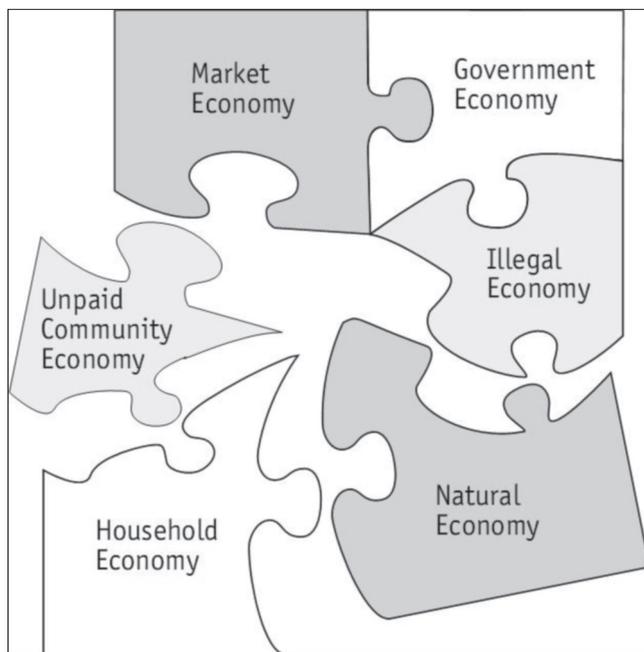
death. Multi-billion dollar industries – ranging from the chemical pesticide and fast food industries to the cigarette, alcohol, and gun industries – lead to enormous medical and funeral costs, all of which, in turn, are also included in GDP.

A growing segment of GDP consists of financial speculations that produce no real value. In the U.S. the financial sector is now almost ten percent of GDP, with its value fluctuating wildly, as when 3.6 trillion dollars of “wealth” disappeared into thin air through the Great Recession.

Not only that, appliances, electronics, and other products deliberately manufactured for planned obsolescence clutter up our landfills. And that is only a small part of the devastating environmental impact of current patterns of production and consumption.

On top of this, automation and robotics are taking over more and more jobs formerly held by people – making it even more doubtful that economies driven by consumer spending are sustainable.

**Figure 1: Old Economic Map**



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Yet other than calls for environmental protection and a more equitable distribution of resources, most discussions about a new economics are still primarily based on the premise that capitalism and socialism are our only alternatives. So, while some prescribe a return to unregulated capitalism, others again argue that socialism is the solution.<sup>2</sup>

This antiquated debate fails to recognize that our mounting global crises and the current technological shift from the industrial to post-industrial era require new thinking: that neither capitalism nor socialism can lead us to a truly new economy.

## 2. The Limitations of Capitalist and Socialist Theory

The theoretical foundations of capitalism and socialism came out of the 18<sup>th</sup> and 19<sup>th</sup> centuries, from early industrial times.<sup>3</sup> While both theories were attempts to improve people's lives,<sup>4</sup> both were constrained by the cultural environments in which they arose.

One of the most harmful limitations of these theories is that neither gives real value to the work of caring for either nature or people. Rather than recognizing environmental limitations, Smith's message was that wealth would grow endlessly thanks to the division of labor, technical advances, and the accumulation of capital governed by the invisible hand of the market powered by self-interest. Marx's scientific socialism gives nearly exclusive importance to the commodification of labor, with hardly any attention to the devastating impact of industrialization on nature – an industrialization that was then vigorously pushed in the former Soviet Union and China.<sup>5</sup>

As for caring for people starting in childhood, Smith and Marx considered this merely “reproductive” labor – not part of their “productive” economic equation. This distinction between “productive” and “reproductive” labor has been at the core of both capitalist and socialist thinking, which hardly ever considers the value of care and caregiving. And this distinction persists – despite its lack of accuracy, despite mounting evidence that not caring for our natural environment is potentially suicidal, and even despite findings from neuroscience that caring for people, starting in early childhood, is key to producing the “high quality human capital” essential for the post-industrial knowledge/service economy.

## 3. Reframing the Domain of Economics

Standard economics, business texts and courses do not teach us to think of economics from the perspective of caring for people or nature. Indeed, they fail to take into account the enormous economic value of the work of care, even though a growing number of studies are showing that companies that care for their employees and their families are actually more successful than those that do not.<sup>6</sup>

When caring for people starting in early childhood and hence human capacity development are the starting point for economic thinking, we can see that a basic problem in both capitalist and socialist theory is that neither is based on a *full-spectrum* economic map.<sup>7</sup>

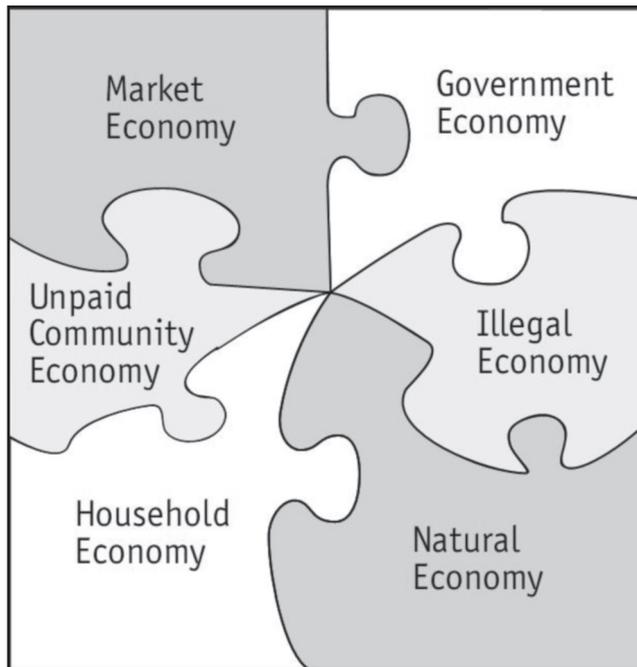
The focus of both capitalist and socialist thinking has been on only three sectors: the market economy, the government economy, and, more recently, the illegal economy.

This old economic map fails to include the real value of the three life-sustaining economic sectors: the household economy, the natural economy, and the volunteer economy. In other words, in accordance with the view that “productive” work is limited to paid work,

the conventional economic map gives no visibility to the largely unpaid work that has been termed “reproductive” work.<sup>8</sup>

An essential step toward a more systemic approach to economics is therefore a new economic map that includes these sectors. Using this systemic perspective, we can begin to design an economic system that effectively addresses the unprecedented social, economic, and environmental challenges we face: one that not only promotes human survival but full human development.

**Figure 2: New Economic Map**



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This does not mean we should discard everything from earlier economic theories. But moving forward requires an economic system that gives real visibility and value to the most essential human work: the work of caring for our natural environment and caring for people, starting in childhood.

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*“Economic systems do not arise in a vacuum. They are influenced by, and in turn influence, the larger social system in which they are embedded.”*

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Moving forward also requires that we recognize that economic systems do not arise in a vacuum. They are influenced by, and in turn influence, the larger social system in which they are embedded.

As Ian Johnson and Garry Jacobs note, “The time is ripe for a new narrative, new metaphors and a new story line for humanity.”<sup>9</sup>

#### 4. The Interconnection of Economics and Society

Answering the fundamental question of what kinds of social systems support or inhibit our human capacities for consciousness, caring, and creativity requires that we move beyond conventional thinking. To paraphrase Einstein, we cannot solve problems with the same thinking that created them.

We are used to classifying societies into categories such as religious vs. secular, rightist vs. leftist, Eastern vs. Western, or industrial vs. pre- or post-industrial. But none of these categories describes the totality of a society’s beliefs, institutions, and relationships, as each focuses on a particular feature of society. Moreover, societies in every one of these categories have been unjust, violent, and destructive of our natural environment.

The new categories of the *partnership system* and the *domination system* reveal the configuration of two very different forms of family, educational, political, and economic structures and relations.<sup>10</sup> Depending on the degree to which a society orients to either side of the domination/partnership continuum (and it is always a matter of degree), these categories also describe two very different systems of values, which in turn directly affect a society’s guiding beliefs and policies.

#### 5. Domination Systems

The configuration of the *domination system* supports relations of top-down rankings: man over man, man over woman, race over race, religion over religion, nation over nation, and man over nature. From the perspective of conventional categories, Hitler’s Germany (a technologically advanced, Western, rightist society), the Taliban of Afghanistan and fundamentalist Iran (two Eastern religious societies), and the would-be regime of the rightist-fundamentalist alliance in the United States seem totally different.

But all have the three mutually supporting core components of the domination system:

- top-down control in both families and states or tribes;
- rigid male dominance — and with this, the devaluation by both men and women of anything stereotypically considered “feminine,” including care and caregiving;
- the acceptance, even idealization, of violence as a means of imposing one’s will on others

If we re-examine the critique of capitalism as unjust and exploitative from this perspective, we see that in reality it is a critique, not of capitalism *per se*, but of the beliefs,

institutions, and relationships inherent in domination systems – be they ancient or modern, Western or Eastern, feudal, monarchic, or totalitarian. We see that long before capitalist billionaires amassed huge fortunes, Egyptian Pharaohs and Chinese emperors hoarded their nations' wealth. Indian potentates demanded tributes of silver and gold while lower castes lived in abject poverty. Middle Eastern warlords pillaged, plundered, and terrorized their people. European feudal lords killed their neighbors and oppressed their subjects. In all these pre-capitalist times and places, the gap between haves and have-nots was huge and the mass of people had little if any chance to improve their lot. In short, they were all rigid domination systems.

So, neo-liberalism can best be understood in terms of the foundational components of domination systems. To begin with, the policies advocated by this recent iteration of unregulated capitalism are designed to reconsolidate wealth and power in the hands of those on top.<sup>11</sup> While neo-liberal rhetoric is about freedom, what this really means is freedom for those on top to do what they wish, free from government regulation.<sup>12</sup> Its “trickledown economics” represents a return to the “traditional” order where those at the bottom are socialized to content themselves with the crumbs dropping from their masters' opulent tables.

The neo-liberal promotion of rushing into a “preemptive war” against Iraq continued the traditional reliance of domination systems on violence. And the neo-liberals' alliance with the so-called religious right reinforces still another core component of domination systems: a “traditional” highly punitive family where children learn that it is very painful to question orders, no matter how unjust, and where the ranking of one half of humanity over the other half is presented as normal and moral – a mental and emotional template for equating *all* differences with either superiority or inferiority, dominating or being dominated.

With this ranking of male over female comes another distinguishing feature of neo-liberalism: its contempt for the “soft” or stereotypically “feminine,” as in the vitriolic attacks on what they call the “nanny state.” Accordingly, a key neo-liberal requirement is that government programs designed to care for people, such as healthcare, childcare, and aid to poor families, be defunded both in the United States and through structural adjustment policies in the “developing” world, with “austerity,” a code name for defunding such programs and instead funneling billions to big banks, insurance companies, and automakers that need “bailouts.”

From the new perspective of the domination/partnership continuum, we can also see that Smith developed capitalist theory at a time when the ranking of “superiors” over “inferiors” was still the general norm – be it of kings over their “subjects,” trading companies over colonized peoples, “superior” races over “inferior” ones, or men over the women and children in the “castles” of their homes. In other words, capitalism was developed in times that still oriented much more to the domination side of the partnership/domination continuum.

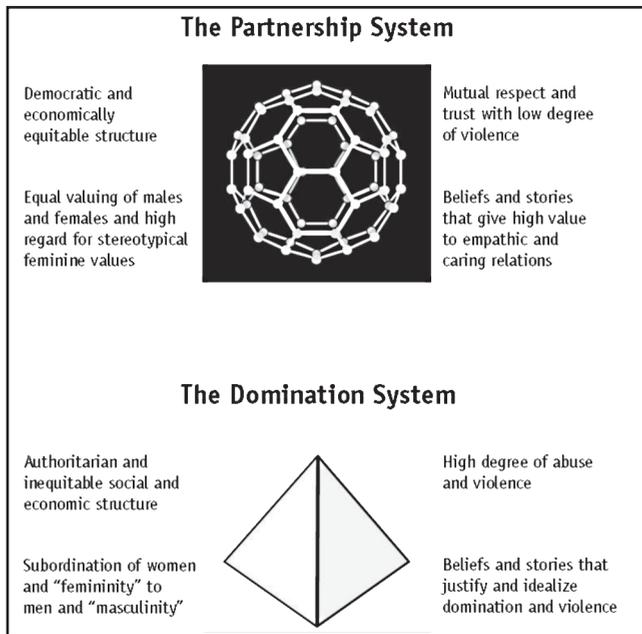
Similarly, while Marx's theories came out of times when there were already organized challenges to these rankings, they too reflected and perpetuated dominator assumptions – including the devaluation of women and anything stereotypically associated with women,

such as care and caregiving. Moreover, when Marx’s goal of a “dictatorship of the proletariat” was realized in the former Soviet Union and China, it was in cultures where a rigid domination system had long been established. So, not surprisingly, authoritarianism, violence, and male dominance still remained the norm.

## 6. Partnership Systems

The partnership system’s configuration supports social and economic relations of mutual respect, accountability, and benefit. This does *not* mean that there is only cooperation in partnership systems; people cooperate all the time in domination systems: monopolies cooperate, terrorists cooperate, criminal gangs cooperate, invading armies cooperate. Moreover, it does *not* mean a completely flat structure. There are also hierarchies in partnership systems. But rather than *hierarchies of domination* where accountability, respect, and benefits only flow from the bottom up, partnership systems have *hierarchies of actualization*, where power is not used to disempower, but to empower others.<sup>13</sup>

Figure 3: The Partnership & Domination Systems



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Societies orienting to the partnership side of the partnership/domination continuum can also be very different in terms of conventional social categories. For example, they can be tribal, such as the Teduray of the Philippines studied by the University of California anth-

ropologist Stuart Schlegel.<sup>14</sup> They can be agrarian as the Minangkabau people of Sumatra, studied by the University of Pennsylvania anthropologist Peggy Reeves Sanday.<sup>15</sup> They can be industrialized, as we see in Scandinavian or Nordic countries.<sup>16</sup>

But these otherwise very different partnership-oriented societies all share the same core configuration:

- a more democratic and egalitarian structure in *both* the family and state or tribe;
- equal partnership between women and men, and with this, a high valuing in women and men as well as in economic policy of traits and activities stereotypically considered feminine such as care and caregiving;
- a low degree of abuse and violence, because they are not needed to maintain rigid rankings of domination.

For example, in nations such as Sweden, Finland, Norway, and Iceland, we find more democracy and equality in both the family and the state; a higher status of women (approximately 40 percent of their national legislators are female); and concerted efforts to leave behind traditions of abuse and violence (they pioneered the first peace studies, enacted the first laws prohibiting physical discipline of children in families, and have a strong men's movement to disentangle "masculinity" from its equation with domination and violence).

These are not ideal societies. But supported by this more partnership-oriented social configuration, these nations enacted economic policies that combine positive elements of socialism and capitalism — but go beyond both by adopting economic inventions that give priority to caring for people and nature. They have government-supported childcare, universal healthcare, stipends to help families care for children, elder care with dignity, and generously paid parental leave.

These more caring policies, in turn, were key in these countries' move from extreme poverty (famines in the early 20<sup>th</sup> century) to regularly ranking high in the United Nations' annual Human Development Reports in measures of quality of life as well as in the World Economic Forum's annual Global Competitiveness reports today.<sup>17</sup>

These nations have a generally good living standard for all. They have low poverty and crime rates and high longevity rates. Because they also provide good family planning and encourage women to enter the paid labor force, their support for raising children has not led to a population explosion.

They pioneered environmentally sound industrial approaches such as the Swedish "Natural Step" and are ahead of most nations in meeting their goal of environmental sustainability. Some of the first experiments in industrial democracy came from Sweden and Norway, as did studies showing that a more participatory structure — where workers play a part in deciding how to organize tasks and what hours to work—can be extremely effective. Moreover, Nordic nations have a long history of business cooperatives, jointly owned and democratically controlled enterprises that have included concern for the community in which they operate as one of their guiding principles.

With the ascendancy of neo-liberalism and the globalization of unregulated capitalism over the last decades, Nordic nations too began to move toward more privatization. Nonetheless, they have been able to maintain most of their caring policies and hence their high rankings in international surveys of quality of life—ranging from environmental and human rights ratings to infant mortality rates, where the U.S. by contrast fell behind every industrialized nation and even poor ones like Cuba.<sup>18</sup>

A basic reason is that these nations continue their investment of resources in caring for people and nature. Indeed, these nations contribute a larger percentage of their gross domestic product than other developed nations to caring for other nations and races: to fund and carry out programs working for fair economic development, environmental protection, and human rights.

It has sometimes been said that Nordic nations have a greater investment in their human and environmental infrastructure because they are relatively small and homogeneous. But their investment in helping people from all world regions contradicts this claim. Moreover, in smaller, even more homogeneous societies such as some oil-rich Middle-Eastern nations where absolute conformity to one religious sect and one tribal or royal head is demanded, we find huge gaps between haves and have-nots along with the rigid subordination of the female half of humanity and a heavy reliance on fear and force to maintain their domination systems.

So, we have to look at other factors to understand why Nordic nations have a more caring and equitable economic system. One of these factors, still ignored in mainstream economic analyses, is greater equality between the male and female halves of humanity, as illustrated by the fact that women can, and do, occupy the highest political offices and comprise a large percentage of national legislatures. And while this was certainly not the only factor, the higher status of Nordic women has had important consequences for the values that guide Nordic policies.

In domination-oriented systems, men are socialized to distance themselves from women and anything stereotypically considered feminine, lest they be tagged with humiliating labels such as “wimp,” “sissy,” or “effeminate.” By contrast, in partnership-oriented cultures, men can give more value to care, caregiving, non-violence, and other traits and activities deemed inappropriate for men in dominator societies because they’re associated with “inferior” femininity. So, along with the higher status of Nordic women, many men and women back more caring policies—policies that give value and visibility to the work of caring for people and nature.<sup>19</sup>

## **7. Economics, Values, and Gender**

We are not used to the idea that the status of women has anything to do with economic success. However, this connection has been empirically verified by international studies.

Already in 1995, a study conducted by the Center for Partnership Studies, “Women, Men, and the Global Quality of Life,” compared statistical measures from 89 nations on the status of women with measures of quality of life such as infant mortality, human rights ratings, and

environmental ratings. It found that in significant respects the status of women can be a better predictor of quality of life than Gross Domestic Product (GDP).<sup>20</sup>

Since then, other studies have verified the relationship between the status of women and a society's general quality of life and economic success. The *World Values Survey* is the largest international survey of how attitudes correlate with economic development and political structure. In 2000, this survey focused attention on attitudes about gender for the first time. Based on data from 65 societies representing 80 percent of the world's population, it found a strong relationship between support for gender equality and a society's level of political rights, civil liberties, and quality of life.<sup>21</sup>

More recently, the World Economic Forum's *Global Gender Gap Reports* show that the nations with the lowest gender gaps (such as Norway, Sweden, and Finland) are also nations that are regularly in the highest ranks of the World Economic Forum's *Global Competitiveness Reports*.<sup>22</sup>

There are many reasons for a correlation of the status of women with national economic success and quality of life for all. One, of course, is that women are half of humanity. But the reasons go much deeper – to the still largely unrecognized interconnected social and economic dynamics inherent in domination or partnership systems.

We have already seen the correlation between the higher status of women and values and policies that support caring for people, starting in early childhood. But there are also a myriad of other factors.

In cultures where women are rigidly subordinated, the distribution of household resources also tends to be skewed in ways that fail to invest in children's well being and development. There is empirical evidence across diverse cultures and income groups that in these domination-oriented cultures women have a higher propensity than men to spend on goods that benefit children and enhance their capacities. In "Intra-Household Resource Allocation," Duncan Thomas found that \$1 in the hands of a Brazilian woman had the same effect on child survival as \$18 in the hands of a man.<sup>23</sup> Similarly, Judith Bruce and Cynthia B. Lloyd found that in Guatemala an additional \$11.40 per month in a mother's hands would achieve the same weight gain in a young child as an additional \$166 earned by the father.<sup>24</sup>

Of course, even in rigidly male-dominated cultures there are men who give primary importance to meeting their families' needs. However, men in such cultures are socialized to believe it's their prerogative to use their wages for non-family purposes, including drinking, smoking, and gambling, and that when women complain, they are nagging and controlling. As Dr. Anugerah Pekerti (chair of World Vision, Indonesia) notes, many fathers seem to have no problem putting their immediate desires above the survival needs of their children.<sup>25</sup>

The effects of the subordination of females to males on intra-household resources distribution go even further. In some world regions, parents (both mothers and fathers) often deny girls access to education, give them less health care, and even feed girls less than boys. These practices obviously have extremely adverse consequences for girls and women. Indeed, they

are horrendous human rights violations. But giving less food to girls and women also adversely impacts the development of boys, as children of malnourished women are often born with poor health and below-par brain development.<sup>26</sup>

So, this gender-based nutritional and healthcare discrimination robs *all* children, male or female, of their potential for optimal development. This in turn affects children's and later adults' abilities to adapt to new conditions, tolerance of frustration, and propensity to use violence—which impede solutions to chronic hunger, poverty, and armed conflict, as well as chances for a more humane, prosperous, and peaceful world for all.

Indeed, there is no realistic way to end cycles of poverty without taking into account another gender-related matter: that women represent a disproportionate percentage of the poor worldwide. According to some estimates, 70 percent of those who live in absolute poverty, which means starvation or near starvation, are female.<sup>27</sup> Even in the rich United States, woman-headed families are the lowest tier of the economic hierarchy. And according to U.S. Census Bureau figures, the poverty rate of women over sixty-five is almost twice that of men over sixty-five.<sup>28</sup> This is not only due to wage discrimination in the market economy; it is largely due to the fact that these women are, or were for much of their lives, either full or part-time caregivers—work that was neither paid nor later rewarded through social security or pensions.

None of this is to say that economic inequities based on gender are more important than those based on class, race, or other factors. These inequities are all inherent in domination systems.

But a basic template for the division of humanity into those to be served and those that serve, which children in dominator families internalize early on, is a male-superior/female inferior model of our species. And this is a template for relations that can then automatically be applied to ranking one race, religion, or ethnic group over a different one. In addition, with the ranking of male over female comes the devaluation of anything stereotypically associated with the “feminine.” So, it is not realistic to expect more caring policies and practices as long as care and caregiving are systemically devalued as “soft” or “feminine.”

I here want to emphasize that what we are dealing with are *stereotypes* of masculinity and femininity based primarily on gender-specific socialization processes, *not* with innate biological differences between women and men. I also want to emphasize that none of this is a matter of blaming men for our problems. Indeed, most women, like most men, have in domination systems not just been passive victims but often active collaborators in maintaining rankings of domination – including the ranking of man over woman – in conformity with religious and secular teachings that such rankings are divinely or genetically ordained.

What we are dealing with are systems dynamics in which the social construction of the roles and relations of the female and male halves of humanity plays a key role in shaping social and economic institutions and the values that guide policies and practices.

## 8. Valuing Nature and Caring for People

Even our environmental crisis is largely a symptom of the distorted values inherent in domination systems. We're often told that the Western scientific-industrial revolution that began to gain momentum along with the Enlightenment in the 18<sup>th</sup> century is to blame for the havoc we're wreaking on our natural life-support systems.<sup>29</sup> But the "conquest of nature" worldview goes back much further.

We inherited an economics based on the premise that man is entitled to control both woman's and nature's life-sustaining activities. In Genesis 1:28, we read that man is to "subdue" the earth and have "dominion . . . over every living thing that moveth upon the earth." In Genesis 3:16 we read that man is to rule over woman, who is to be his subordinate.

However – and this is an important point – this notion of male control over nature and woman is *not* exclusive to the West. And it was *not* introduced in the Bible, but much earlier.

For example, the Babylonian *Enuma Elish* tells us that the war god Marduk created the world by dismembering the body of the Mother Goddess Tiamat. This story, claiming that the violence of a male deity brought forth the world, superseded earlier myths about a Great Mother who created nature and humans as part of nature through her life-giving powers.

Such stories clearly signal the beginning of a period when female deities, along with women and anything associated with them, were subordinated. And they signal a shift to a domination system in which masculinity is equated with domination and conquest – be it of women or of nature.<sup>30</sup>

This ethos of domination has led to enormous suffering and damage for thousands of years. But the plunder of nature, now aided by powerful technologies that cause terrible harm in a matter of years, even months and days, today threatens our planetary life-support systems.<sup>31</sup>

There are other crises that stem from the distorted values we inherited from more rigid domination times. One of these is what we might call the caring crisis.

It is generally agreed that the aging of the world's population requires more attention to their care. In addition, with the move to the post-industrial knowledge/service era, more support for parenting and high quality early childhood education is also urgently needed – especially in light of the findings from neuroscience that the quality of care and education children receive affects nothing less than how their brains develop.<sup>32</sup>

These two crises – the eldercare and childcare crises – require a whole new way of thinking about what is, and is not, productive work. Indeed, a redefinition of productive work is essential given the rapidly changing job landscape.

## 9. Redefining Productive Work

Robotics and other forms of automation have already altered the employment landscape in unprecedented ways, with the continuing loss of manufacturing and white-collar jobs, and

increasingly also of programming and other high-technology jobs. Predictions are that many mid- and high-level jobs will also disappear because of the expansion of automated intelligent systems capable of decision-making, advisory, and analytical functions. While these artificial intelligence systems are not likely to replace humans altogether, they will markedly reduce the number of people needed to support business and government activities.

As we move further into the post-industrial economy, the industrial job base will shrink as radically as the agricultural job base shrank earlier, from employing a majority of workers to less than 5 percent. But unlike industrialization, automation does not offer large numbers of replacement jobs, especially in the nonprofessional occupations that until now provided mass employment.

To meet the challenges of the post-industrial world we need policies and practices that support and reward activities that machines and high-technology devices, no matter how sophisticated, cannot perform. It requires educating and remunerating people for caregiving.

Doing this will not only help close the caring gap – the worldwide lack of care for children, the elderly, the disabled, and the sick and infirm. It will also eventually lead to a redefinition of “productivity” that gives visibility and value to what really makes us healthy and happy – and in the bargain leads to economic prosperity and ecological sustainability.

But this requires fundamental changes in economic thinking. It requires getting past the old distinction between “reproductive” and “productive” work. It also requires new ways of measuring economic productivity.

## 10. New Economic Measures

As noted earlier, conventional indicators of economic health such as GDP (gross domestic product) place activities that *harm* life on the plus side. At the same time, they give absolutely no value to the life-sustaining activities of the household economy, the volunteer economy, and the natural economy. So, an old stand of trees is only included in GDP when it’s cut down – whereas the fact that we need trees to breathe is ignored. Similarly, economists often speak of parents who do not hold outside jobs as “economically inactive”—even though they often work from dawn to midnight.

Thanks to the activism of organizations worldwide, many nations now have “satellite” accounts that quantify the value of the work of caring for people and keeping healthy home environments. For example, a 2004 Swiss government report showed that if the unpaid “caring” household work still primarily performed by women were included, it would comprise 40 percent of the reported Swiss GDP.<sup>33</sup>

Nonetheless, even most indicators currently being developed as alternatives or supplements to GDP still fail to include this kind of information. A recent survey by the Urban Institute of a cross-section of such indicators, *The State of Society: Measuring Economic Success and Human Well-Being*, found that most of these “alternative” indicators still fail to give adequate visibility and value to the work of caring for people or the contributions of women.<sup>34</sup>

As a follow up to this report, in 2012 a meeting was convened by the Urban Institute and the Center for Partnership Studies in Washington DC to pave the way for the development of *Social Wealth Indicators* as a step toward more accurate and inclusive measures of human well-being and economic success as the basis for more appropriate government and business policies. Twenty economists, including experts on the value of care work in both the paid and unpaid economic sectors and scholars specializing in the return on investment from high quality early childhood education, discussed the development of Social Wealth indicators and their inclusion in the new U.S. Key National Indicators System authorized by Congress as well as in other national accounts.<sup>35</sup> These are all steps toward a new way of thinking about business and economics that can help us meet the unprecedented challenges our world faces today.

## 11. Conclusion

As Jakob von Uexkull noted, “we need to build a new story re-connecting us with our common future.”<sup>36</sup> In our environmentally threatened and inextricably interconnected world, fundamental changes in how we think about economics are essential.

We can no longer tolerate indiscriminate consumption, the continuing devastation of our natural environment, and chronic hunger and poverty. Neither can we afford to ignore the fact that, especially in the post-industrial knowledge/service era, we must invest in our human infrastructure – in caring for people, starting in childhood.

We already saw how caring policies in Nordic nations played a major role in their move from dire poverty to economic success and a high quality of life for all. Other examples abound, like the enormous financial benefits from investing in parenting education and assistance, as shown by the Healthy Babies, Healthy Children Canadian program,<sup>37</sup> and investing in high quality early childhood education, as shown by follow up studies of the U.S. Abecedarian Project.<sup>38</sup>

There are many ways of funding investments in our world’s human infrastructure – investments that should be amortized over a period of years, as is done for investments in material infrastructure, such as machines and buildings. One source is by shifting funding from the massive, often unnecessary and wasteful, investment in weapons and wars characteristic of domination systems. Another is through savings on the immense costs of *not* investing in care and caregiving: the huge expenditures of taxpayer money on crime, courts, prisons, lost human potential, and environmental damage. Taxes on financial speculation and harmful activities such as making and selling junk food can also fund investment in caring for people and our natural habitat.

These investments are essential for business and economic success today. Good care for children will ensure we have the flexible, innovative, and caring people needed for the post-industrial workforce.<sup>39</sup> As shown by psychology and neuroscience, whether or not these capacities develop largely hinges on the quality of care children receive. Indeed, neuroscience shows that the quality of care and education children receive affects nothing less than the neural structures of the brain.<sup>40</sup>

Even many of those who are privileged are today re-examining what makes for a good life. They recognize that after a certain level of material need has been met acquiring more possessions does not make for happiness – something also verified by social research.<sup>41</sup> They recognize that what really matters is the quality of our relationships, the opportunity to do meaningful work, and a healthy natural environment.

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*“Through new ways of thinking and new economic inventions we can pave the way for a future where all children have the opportunity to realize their potentials for consciousness, empathy, caring, and creativity – the capacities that make us fully human.”*

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Especially in our time, when “high quality human capital” – flexible, creative people who can work in teams and think in long-term not only short-term ways – is essential for economic success, it can be argued that the caring activities still generally categorized as “reproductive work” are actually the most productive of all work. Similarly, caring for our natural environment is today a prerequisite not only for sustainability but for humanity’s future survival. And a major contribution to the necessary shift in economic and business priorities can be made by scholars reframing the economic and policy conversation – and moving beyond the idea that our only alternatives are either capitalism or socialism.

All this takes us back to the need for policies and practices that are good for children – today and for generations to come. If this goal guided government and business policies, continuing to use advanced technologies to pollute and destroy our natural habitat would be inconceivable. Also inconceivable would be the financial drain of chronic wars, corruption, and greed, and the unnecessary deaths of millions of children every year, not to speak of slashing government investment in childcare, health, and education.

Through new ways of thinking and new economic inventions we can pave the way for a future where all children have the opportunity to realize their potentials for consciousness, empathy, caring, and creativity – the capacities that make us fully human. But this will only happen if we leave behind old ways of thinking, and take into account key matters that until now have been left out, or at best marginalized, in both popular and scholarly discourse.

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#### **Notes**

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