

***The Real Wealth of Nations:
Creating an Economics of Partnership***
Presentation by Riane Eisler
**Panel on “Ways to Promote a Holistic Approach to Sustainable Development
in Harmony with Nature”**
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It is a pleasure and honor to be with you today, with so many wonderful people both on this panel and in the audience, dedicated to building a better future – an enterprise I am passionately committed to, not only through my research, writing, and advocacy work, but as a mother and grandmother deeply concerned, as so many of us are, about what kind of world our children will inherit.

As the other panelists have noted, we cannot just tack on harmony with nature to present systems: what we need are fundamental changes. This is what I will be speaking about briefly today from the perspective of the research we have been conducting at the Center for Partnership Studies, which focuses on the dynamics of transformative change, or systems transformation. Because, as signaled by important proposals such as the proposal to recognize the rights of Nature by the plurinational State of Bolivia and the report of the UN Secretary General, the issue of harmony with nature goes much deeper and further than matters of production and consumption. And I am going to suggest to you that it also goes much deeper than the tension between capitalism and socialism.

I am going to propose to you a much broader conceptual framework that places what we are discussing in a larger context. I am going to ask you to join me in something that we hear a great deal about today, so much so that it’s become something of a cliché: thinking outside the box. Specifically, I am asking you to join me in thinking outside the box of conventional social and economic categories like capitalist and socialist, religious and secular, Eastern and Western, right and left, and so forth. Because, as Einstein said, we can’t solve problems with the same thinking that created them.

And I am going to suggest to you that our global challenges – not only global warming and other environmental disasters, but much of the suffering, hunger, poverty, violence that afflicts our world – are all symptoms of an underlying dysfunction; that the melting of the ice caps and the meltdown of our financial system signal that we are reaching the end of the present

paradigm; that we have to go much deeper to understand that these are not disconnected but rather symptoms of what our multidisciplinary, cross-cultural, historical research has identified as the configuration of a Domination system. This is the kind of system we have been trying to leave behind, be it man over man, man over woman, race over race, religion over religion, and yes, man over nature. It is a system is not sustainable. So we need a major cultural shift to the beliefs and institutions characteristic of a Partnership system rather than a Domination system.

One of the most basic of institutions is economics, and because changing economic policies and practices is so essential for this shift, I will in the short time we have together focus on five steps in this direction, because our dialogue is designed to lead to concrete proposals.

1. The first step is using this time of dislocation and regression as an opportunity to reframe the conversation about economics.

The underlying problem is an economics of Domination that can be ancient or modern.¹ It goes way back to before the Enlightenment, which some people blame for our current problems, and can be found in tribal times, feudal times, and mercantilist times. It is an old economics based on the exploitation of people and nature. But at our level of technological development, an economics of Domination is simply not sustainable.

If we look at neoclassical capitalism, at neoliberalism, from this perspective, we see something very interesting. We see that neoliberalism is an economics of Domination where those on top are supposed to have control. For example, “trickledown economics” goes way back, to times when the general belief was that those on the bottom should content themselves with the scraps dropping from the opulent tables of those on top, whether it was a tribal chief, whether it was royalty or so-called nobles. And in this system, freedom, when used by those in control means freedom for them to do what they want – including the destruction of our natural environment, as we see all around us.

If you look at the two large-scale applications of socialism, the former Soviet Union and China, from this larger perspective, you see that they too had horrendous environmental and other problem. And they too turned into top-down systems, largely because the underlying culture did not shift sufficiently from Domination to Partnership.

¹ I want to clarify that not all economic systems are based on domination and exploitation. And by no means do all economists embrace the domination values of exploitation of others and of nature. Indeed, many economists challenge these values and are exploring approaches that do not emphasize competition, domination, and unlimited

So here too we see that economic systems do not just spring up in a vacuum – that they are very different depending on the degree to which the underlying culture orients to either side of the Partnership/Domination continuum. So the underlying problem is that any economic system contextualized in a system of Domination rather than Partnership will in one permutation or another be dysfunctional.²

Indeed, if you look at both capitalist and socialist theory historically, you see that both came out of times that oriented even more to the Domination system: times when the norm was still a configuration of top-down rule in both the family and the state; more rigid rankings, including the rigid ranking of the male half of humanity over the female half, and the use and idealization of conquest and domination, be it of people or nature, as manly and heroic.

So for both Adam Smith and Karl Marx, nature was there to be exploited. As for the life-sustaining work of households – and yes, there is a deep connection between the devaluation of nature’s life support systems and the devaluation of the “women’s work” of caring for children, for people’s health, for keeping a clean and healthy home environment -- for them, that was just “reproductive work” not “productive work.” And this kind of old-fashioned language, still being used by economists and others today, keeps us stuck in old thinking that fails to recognize that this work is extremely productive. It actually creates enormous value by not only ensuring human survival but by fostering the human capacity development essential for a productive economy.

2. Which takes us to the second step: building foundations for a new *full-spectrum* caring economics.

Of course, as the old saying goes, we don’t want to throw out the baby with the bathwater. We want to retain the sound elements of both centrally planned and market economics. But for fundamental change, we have to move beyond them to economic systems that recognize something that once articulated sounds perfectly self-evident. This is that the real wealth of nations, of our world, is not financial (and we certainly saw that in the melting into thin air of all those credit swaps and derivatives), that our real wealth consists of the contributions of people and of nature. So we need what we have not had: we need economic systems that give

growth as core values, but rather incorporate the caring values appropriate for partnership rather than domination systems.

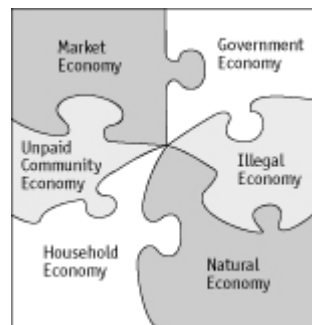
² For comparisons of the Partnership and Domination systems and how they affect economics, see Riane Eisler, *The Real Wealth of Nations: Creating a Caring Economics* (San Francisco: Berrett-Koehler, 2007)

visibility and real value to the most essential human work -- the work of caring for people, starting in early childhood, and caring for our Mother Earth.³

Now I know people often do a double take just hearing caring and economics in the same sentence. But I ask you, isn't that a terrible comment on the uncaring values we've learned to accept as driving economics?

In reality, caring is at the base of who we are as a species and as a culture in search of transformation. As the Chilean biologist Humberto Maturana notes, caring and love were central to the process that resulted in us being humans: it transformed our brains and enabled language, living together, and care for our offspring and others in community. So caring was the substance of our making, and can be recreated at the center of our future. Being the essence of what makes us human, it must be part of the framework for a new economy and society.

So how do we accomplish this? First of all, as I said, we need a *full spectrum economic map*. This more holistic, and accurate, full spectrum economic map takes into account the *life-sustaining* economic sectors without which none of us would be here, without which there would be no economy, no workforce, nothing. It includes not only the market, the government, and the illegal economic sectors (the sectors included in conventional economic theory), but it also includes *the household economic sector, the natural economic sector, and the volunteer community economic sector*.



Full-Spectrum Economic Map:

Reprinted from Riane Eisler, *The Real Wealth of Nations* (San Francisco, Berrett-Koehler, 2007)

Adding these additional three sectors is not only more realistic but, as shown in my book *The Real Wealth of Nations*, it is the basis for fundamental economic changes, including changes in how we measure economic health.

³ *Ibid.*

3. This leads to a third step: developing new economic measures that give visibility and real value to the work of caring for people and caring for nature.

We are now measuring many of the wrong things. Consider GDP and GNP. These measures would actually be funny if the consequences weren't so serious. These measures of "economic health" actually include activities that *harm* and take life (like making cigarettes, the medical bills, the funeral bills). In the same way, the results of oil spills are great for GDP (the cleanup costs, the lawsuits, etc. are all added to GDP and GNP).

But not only do these conventional economic measures put negatives on the plus side; they fail to include the economic value of the life-sustaining activities of the household economy, the volunteer community economy, and the natural economy. Yet these are the fundamental and direct preconditions for survival and development.

So we cannot move forward as long as we still only think of economics in terms of markets. Just changing pricing will not make fundamental changes. We need a new way of thinking about economics that gives visibility and value to caring for Nature and caring for people.

And here I want to recognize the important contribution of the Plurinational State of Bolivia, which has organized this session on Harmony with Nature, and which, in Article 338 of its 2009 Constitution explicitly recognizes the economic value of the "women's work" of caregiving in households. Now Bolivia is also proposing that Nature, our ecological system, must have rights: that the life-sustaining activities of our Mother Earth, our Pachamama, as they call her, must be recognized and respected. And when they talk about Pachamama, as I show in books such as *The Chalice and the Blade*, they are really talking about very ancient traditions that go back millennia to prehistoric times, to more partnership-oriented societies that imaged Nature in female form, as a Great Mother, to be venerated and respected rather than abused and exploited. So they are connecting the dots, and going beyond the old polarities of capitalism and socialism to fundamental changes in how we view the world and live in it.

Now some people will say: but we can't quantify the value of these life sustaining activities. The reality is that it not only can it be, but it *is* being quantified in so-called national "satellite" accounts. For instance, a Swiss government report showed that if the unpaid "caring" household work were included, it would amount to 70 percent of the reported Swiss GDP! Other national reports show this would contribute an added 30-60 percent to GDP!

This is huge. Yet even in many alternative economic measures now being developed, the economic value of this essential work of caring for people is still not included or at best marginalized. This is why the Center for Partnership Studies, the organization I represent, last year commissioned a report from the Urban Institute in Washington DC, noted for its work on metrics. This report, *The State of Society: Measuring Economic Success and Human Well-Being*,⁴ makes three essential recommendations, to which I urge you to give close attention. First, that the emerging new measures must focus on the enormous economic value of the work of caring for people and nature – in *both* the market and non-market economic sectors. Second, that they pay much more attention to still marginalized populations: women (we may be the majority, but we are still marginalized), children, and groups defined by race, ethnicity, sexual orientation, disability, and so forth. And third, that they take into account the enormous predictive value of the status of women and the related status of children for both quality of life and long term economic success.

4. This takes us to a fourth essential step: empowering women worldwide.

This may come as a surprise to some, because the relationship between the status of women and both quality of life and economic success is not yet part of the conventional economic discourse. But I can quickly give you empirical evidence of it. In our study *Women, Men, and the Global Quality of Life*, the Center for Partnership Studies 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. And we found that in significant respects the status of women can be a better predictor of quality of life than GDP.⁵ Other studies have since shown the same, from the World Values Surveys to the World Economic Forum's Global Gender Gap reports.⁶

These are not coincidental correlations. They reflect the social and economic configuration of societies that orient more to the Partnership System, in which caring caregiving is no longer devalued – be it in women or men, be it in business or social policy.

⁴ Erwin De Leon and Elizabeth T. Boris, *The State of Society: Measuring Economic Success and Human Well-Being*, (Washington DC: The Urban Institute, 2010) posted at www.partnershipway.org.

⁵ Riane Eisler, David Loye, and Kari Norgaard, *Women, Men, and the Global Quality of Life*, Pacific Grove: California: Center for Partnership Studies, 1995.

⁶ See e.g., World Economic Forum's *Global Gender Gap Report 2010* at <http://www.weforum.org/issues/global-gender-gap>

I want to emphasize that we are not dealing with anything inherent in women or men, but with dominator gender stereotypes, as we see, for example, with how many men are now doing fathering in the more hands on, caregiving way once associated only with mothering. But it is only as the status of women rises that men no longer find it such a threat to their status, to their “masculinity,” to embrace “soft,” more stereotypically feminine, priorities.

5. I want to close with a final intervention: showing the enormous economic return on investment from caring for people and nature.

We can talk, and we can preach. But to effectuate real change, we have to start with where many of the people who still have governance are. Because still today many people, including politicians, think it’s okay to have big government deficits to fund prisons, weapons, and wars – all stereotypically associated with men and “real masculinity” in Domination systems. But when it comes to funding caring for people – for child care, health care, early childhood education, and other such “soft” expenditures – we’re told there’s not enough money.

One of their major rationales is that “soft” caring policies are not economically effective. In reality, the opposite is true – which is why the Center for Partnership Studies has proposed a new set of indicators to the State of the USA, the new Congressionally approved system to develop new metrics for the United States that go beyond GDP: what we call *Social Wealth Indicators*. And a key goal of these Social Wealth indicators is to document the enormous return on investment, not only in human and environmental terms, but in purely financial terms, of investing in caring for people, starting in early childhood, and in caring for nature.⁷

Leaders representing 30 million people have already signed on to our **Caring Economics Campaign**, and I want to invite you to also do so, which you can at www.partnershipway.org. I also want to urge you to consider Social Wealth indicators for international development and use through the United Nations (Please see Appendix I).

We have to go deeper than surface changes. We have to change the language, we have to change our metrics, we have to change our conceptual framework. This is the time for fresh thinking that goes beyond the old social and economic categories, which one of my colleagues aptly calls “weapons of mass distraction” because they distract us from the underlying dynamics we must understand – and change.

⁷ For a brief description of Social Wealth Indicators, see Appendix I.

There is much more I would like to tell you,⁸ but I want to close by again saying that we can all play a part in the shift from Domination systems to Partnership systems worldwide, starting with a new way of structuring economics to give visibility and value to what really matters: caring for people and for our Mother Earth. So let's join together to build the foundations for that better future we so want and need – for ourselves, for our children, and for generations to come. I thank you.

Riane Eisler is internationally known for her work as a systems scientist and for influential books such as *The Chalice and the Blade: Our History, Our Future* (now in 24 foreign editions) and *The Real Wealth of Nations: Creating a Caring Economics* (hailed by Archbishop Tutu as “a template for the better world we have been so urgently seeking”). She is president of the Center for Partnership Studies, www.partnershipway.org; sits on many Boards and Councils, including the World Future Council; keynotes conferences worldwide, with venues including invitations by Rita Suessmuth, former President of the German Parliament, and Vaclav Havel, former President of the Czech Republic); and has received many honors, including honorary Ph.D. degrees and the Nuclear Age Peace Foundation's 2009 Distinguished Peace Leadership Award. She can be contacted at center@partnershipway.org.

⁸ For brief closing remarks, including reference to ancient traditions venerating Mother Earth, see Appendix II.