

**"Building our Economy: Moving Past Rhetoric to a Just and Sustainable Future"**

**Riane Eisler Keynote**

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It is a pleasure to be with you at this exciting and important conference, actually a special pleasure not only because I am sharing this session with Nancy Folbre, whom I so value as a colleague and friend and whose work is so important, but also because this is a gathering of women and men who **truly care about our world and are dedicated to building a more sustainable and equitable future** – an enterprise that, as those of you familiar with my work know, I too am passionately committed to, not only as a scholar, writer, and advocate, but as a mother and grandmother deeply concerned, as so many of us are, about what kind of future our children and their children will inherit.

What I have been asked to do in the short time we have together is to tell you a little about my research on the relationship between economic and social systems, because economic systems do not arise in a vacuum, they are profoundly influenced by, and in turn influence the larger social system in which they are embedded, **something we need to recognize to more effectively address the unprecedented environmental, economic, and social challenges we face.**

So I want to invite you to join me in looking at these issues from a perspective that goes beyond the old cultural and economic categories we are all so used to, such as right vs. left, religious vs. secular, Eastern vs. Western, capitalist vs. socialist, and so on – categories that a colleague of mine has called “weapons of mass **distraction**” because they keep us trapped in old ways of thinking at a time when, as Einstein observed, we have to recognize that we can’t solve problems with the same thinking that created them.

So what we will be doing in the brief time we have together is to look at economics and society through the analytical lenses of two new categories that shed new light on where we are and what is needed to move forward -- the partnership system and the domination system -- two underlying social configurations that I will briefly describe, and then, we will look at some of the

building blocks detailed in my most recent book, *The Real Wealth of Nations*, for a new way of thinking about and structuring economic systems -- and how we can help construct these.

II. So we will be covering a great deal of information, but I thought I would start on a personal note, because people always want to know what led to what are now four decades of trans-disciplinary, cross-cultural, historical research. My passion for this work, and I do have a great deal of passion for it, is rooted in my early life experiences...I was born in Europe at a time of massive regression to the domination side of the partnership/domination continuum – and it's always a matter of degree. This was the rise of the Nazis, first in Germany and then in my native Austria. So from one day to the next, my parents and I became hunted, hunted with license to kill. I was a little girl and I watched with horror as a gang of Gestapo men broke into our home and dragged my father away, and it was only by a miracle that my mother obtained my father's release and we were able to escape. We escaped to Cuba, where I grew up in the industrial slums of Havana, because the Nazis confiscated everything my parents owned, and it was also there that I learned that most of my family, aunts, uncles, cousins, grandparents were murdered by the Nazis – as would have happened to my parents and me had we not by hair's breadth escaped.

These traumatic experiences had a profound effect on me. They led me to questions most of us have asked at some time in our lives: Does it have to be this way? Does there have to be so much cruelty, violence, insensitivity, destructiveness? Is this, as we're often told, inevitable, just human nature, or are there alternatives? And if so, what are they?

These questions eventually led to my research.

III. I found very early I could not answer these questions from the perspective of the old categories of right vs. left, religious vs. secular, Eastern vs. Western, Northern vs. Southern, capitalist vs. socialist, etc. Because, for one thing, if you really think about it, societies in all these categories have been repressive, violent, and caused enormous damage to our natural life support systems. Moreover, all these categories fail to describe entire social systems, just certain aspects of them.

**So I drew from a much larger data base than most studies, both cross-culturally and historically. And using the new method of inquiry of the study of relational dynamics that**

**takes into account dynamics examined by chaos, systems, and self-organizing theories as well as non-linear dynamics, I began to see patterns:** social configurations that kept repeating themselves cross-culturally, historically. There were no names for them, so I called one the domination system and the other the partnership system.

IV. All my books draw from this research. The first was *The Chalice and The Blade: Our History, Our Future* – now in 25 foreign editions – which introduced the new social categories of the partnership and domination systems to a general readership, as well as my cultural transformation theory, proposing that evidence from archeology and myth indicates that the earliest centers of culture oriented more to the partnership side, until during a period of great disequilibrium there was a shift toward the domination side. And by way, when *The Chalice and The Blade* was published by the Chinese Academy of Social Sciences in Beijing, which publishes all my books in China, scholars at the Academy tested this theory in Asian history, and found the same prehistoric shift from partnership to domination, which they then described in their book, *The Chalice and The Blade in Chinese Culture*, which came out in 1995 in both English and Chinese.

**Most importantly, this research also shed new light on our present and future. Because if you look at modern history through this new lens of the partnership domination continuum, we can see that over the last centuries we have been moving to the partnership side again, at least in some world regions -- albeit against enormous resistance and periodic regressions, and yes, we are in the midst of such a regression right now worldwide.**

You begin to see connections in what otherwise seems random and disconnected. You see that all the progressive modern social movements have challenged traditions of domination. The Enlightenment Rights of Man movement challenged the “divinely ordained right” of kings to rule over their “subjects”; the feminist movement challenged the “divinely ordained right” of men to rule over the women and children in the “castles” of their homes; the abolitionist, civil rights, anti- colonial movements, challenged the, again, “divinely ordained right” of one race to rule over another; the movements for economic justice challenged traditions of top down economic rule, the antiviolence movements, both the peace movement and the movement more recently to end traditions of intimate violence, that pandemic of violence against women and

children in homes globally, challenges the use of violence to impose one's will on others -- which is inherent in domination systems, as violence is ultimately needed to maintain rankings of domination. And the environmental movement challenges yet another tradition of domination: man's once hallowed Conquest of Nature, which at our level of technological development is about to do us in.

So what we see if we look at the European Middle Ages is that there have been major changes in consciousness, as well as major changes in institutions, even though we are still plagued by our heritage from earlier more domination oriented times, when rigid rankings of domination, be it man over man, man over woman, religion over religion, race over race, and so on were considered normal and desirable, as when St. Augustine famously preached that for anyone to even think of changing their station in life would be like a nose trying to be an eye -- something that goes against the natural, divinely ordained order. But while there has been movement away from traditions of domination, it has not been a linear movement, but rather a spiral upward movement with dips, with regressions, and as I said, we are in such a regressive period at this time -- which is all the more reason we need to leave behind old ways of thinking.

All this takes us back to the theme of this conference, to the issue of what is needed **to more effectively** address the unprecedented socio-ecological problems we face -- and to how economic systems are very different depending on the degree to which a time and place orients to the domination or partnership side of the continuum.

V. But before I do this, I want to clarify something important: by partnership I do *not* mean a completely flat organization -- there are hierarchies, there must be, we need parents, teachers, managers, leaders -- but in domination systems we see *hierarchies of domination*, rigid top down rankings where someone on top gives orders that must be obeyed without question, -- whereas in partnership systems there are *hierarchies of actualization* where power is used to empower rather than disempower -- and the use of these new words in today's management and leadership literature is again a sign of forward movement.

I also want to clarify that the term partnership system does not just describe cooperation. We are sometimes told that if people would just cooperate all would be well, but people cooperate all the time in domination systems: monopolies, terrorists, invading armies, criminal

cartels, they all cooperate.

What we are talking about here are two very different configurations of beliefs and social institutions, as I will briefly touch upon, as we now turn to economics.

VI. And I am going to suggest to you that the problem today is not just unregulated capitalism, as we are often told. Yes, that is a problem, but what we're really dealing with is domination economics. Because consider that neoliberalism and its "trickle down economics" is just a continuation of traditions of domination, where those on the bottom are supposed to content themselves with the scraps dropping from the opulent tables of those on top; where 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 around us.

This is an ancient economics of domination, whether it's ancient or modern, Eastern (as in the old Chinese empire or the Indian caste system or Middle Eastern chiefdoms) or Western (as in earlier feudal or mercantilist times) -- with today's mega-corporations the new fiefdoms on a much larger global scale.

As for the two large-scale applications of socialism, the former Soviet Union and China, they turned into domination systems, repressive, violent, with horrendous environmental problems, because the underlying social system did not shift sufficiently from domination to partnership. Indeed, the whole notion of dictatorship of the proletariat is a domination concept.

So a **first building block for** a new economic system that makes it possible to **Implement Solutions for Sustainability** is moving beyond the old argument about capitalism vs socialism and vice versa. This does not mean we should so to speak toss out the baby with the bath water. We certainly want to retain and strengthen the partnership elements in both the market and government economies and leave the domination elements behind -- **but we need to go further to a new economic system that recognizes that the real wealth of nations, the real wealth of our word, is not financial (as we saw when all those derivatives and credit swaps melted into thin air); that a nation's real wealth consists of the contributions of people and of nature, and that therefore we need what we have not had: economic systems that give visibility and real value to the most important human work -- the work of caring for people, starting in early childhood, and caring for our Mother Earth**

Of course, people will do a double take, as I am sure some of you did, just hearing caring and economics in the same sentence. But isn't that a terrible comment on the uncaring **values** we have learned to accept as driving economic systems?

**VII. This issue of what is or is not valued is central to what kind of economics, and what kind of world, we have – and it points to the limitations of both capitalist and socialist theories.**

Consider that both capitalist and socialist economic theory not only came out of industrial times, and on that count alone would be antiquated in our postindustrial age, but more importantly, both came out of times that oriented more closely to the domination system, which is why both these theories failed to take into account the economic VALUE of caring for people and for nature.

Both these theories were, of course, attempts to make things better. But for both Adam Smith and Karl Marx, nature was there to be exploited. Smith envisioned unlimited economic growth guided by this invisible hand of the market and pure self-interest, and Marx envisioned unlimited industrial expansion controlled by worker, with no attention to damage to our natural life support systems.

As for the life-sustaining work in households -- the “women’s work” of caring for children, for people’s health, for keeping a healthy home environment -- for both Smith and Marx, that was just “reproductive work” and not productive work – a distinction that we need to leave behind, as I have written in several recent articles, including a recent piece in the journal *Challenge*, if we are to move forward.

VIII. But to go on with the limitations of capitalist and socialist theory, both Smith and Marx focused on the market – Smith to extol it, Marx to excoriate it – when in reality, as you know, there is much more to economics than markets. So **the second building block for** an economic system that can effectively help us address our mounting social and environmental crises is what I have called **a full spectrum economic map that** takes into account the life sustaining economic sectors without which there would be no economy, no workforce, nothing. This full spectrum economic map includes not only the market, the government, and the illegal economic

sectors, as conventional economic theory does, but also the household, the natural, and the volunteer community economic sectors.

It therefore provides the missing **basis for fundamental change, including urgently needed changes in how we measure economic health** – which is **the third building block for** a more humane and sustainable economic system.

IX. If you look at GDP, the measure most used by policy makers to make decisions, it actually places activities that *harm* and take life (like selling cigarettes and empty calorie unhealthy fast foods, as well as the resulting medical and funeral bills) on the plus side. In the same way, oil spills are great for GDP (the cleanup costs, the lawsuits, appeals, etc).

But not only does GDP put negatives in as positives; it gives 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, the caring and caregiving work in households, which also is essential if we are to survive and develop, is given no value whatsoever.

Some people will say: but we can't quantify the value of this care work. Well, you can't quantify all of its value. But actually it is being quantified. For instance, a Swiss government report satellite showed that if the unpaid "caring" household work that has traditionally been considered "women's work" (whether done by a woman or man) were included, it would comprise 40 percent of the reported Swiss GDP. A recent Australian report using a combination of replacement value and lost opportunity value concluded that the unpaid care work, still primarily still performed by women, would constitute 50 percent of the reported Australian GDP.

**This is huge. Yet none of this information is included in conventional economic treatises or most economic schools – so it's up to you to see it is -- because what is not counted is not valued – something I will return to in closing when I tell you a little about the Social Wealth indicators project we are working on at the Center for Partnership Studies – a project in which Nancy Folbre has been playing a key role..**

X. .But here I want to continue with the **4<sup>th</sup> building block for a new economics: showing the**

**economic value not only of the work of care that is unpaid in households as well low paid in the market, but of caring economic policies. Because some people will immediately say, wait a minute, business and government policies that support caring for people, for nature are economically inefficient. So it is up to us to use the growing body of evidence that in fact caring policies are very economically effective.**

I will give you just 2 quick examples out of many in *The Real Wealth of Nations*:

1. First, by now hundreds of studies show the cost-effectiveness of supporting and rewarding caring in the market economy. Just one illustration, companies that regularly appear on the *Working Mothers* or Fortune 500 lists of the best companies to work for – **companies with good healthcare, childcare, flex time, parental leave, and other caring policies** – have a substantially higher return to investors.

2. **The second example is from social policy, showing how investing in caring for people, starting in early childhood, and caring for nature, are extremely cost-effective.**

XI. **To begin with, as we move from the industrial to the post industrial knowledge/information economy, as we're often told, the most important capital is "high quality human capital." And we know from study after study that if we are to have these flexible, innovative, people who can solve problems, who can work in teams, who are creative needed for the postindustrial era we have to invest in good care and education for children starting early on. Indeed, we know this today from neuroscience, that whether or not these capacities develop or not largely hinges on the quality of care and education children receive.**

**And the efficacy of public policies that invest in caring for people, starting in childhood, is illustrated by Nordic nations such as Sweden, Norway, Finland, and Iceland, which were able to move from extreme poverty (famines in the early 20<sup>th</sup> century) to societies that today not only rank high in the United Nations annual Human Development Reports but also in the World Economic Forum's Global Competitiveness reports. And a major reason for this dramatic shift was that these nations invested heavily in caring policies. They have government-supported childcare, universal healthcare, stipends to help families care for children, elder care with dignity, generous paid parental leave.**



Now they're not ideal societies, but they have succeeded in providing a generally good living standard for all: low poverty and crime rates and high longevity rates. **They pioneered environmentally sound industrial approaches such as the Swedish "Natural Step," they are ahead of most nations in the use of solar energy and other clean power sources.**

But this did not happen in a vacuum. **And here is where I will quickly sketch for you the domination and partnership configurations.** Because these are the contemporary societies that have moved most closely to the partnership side of the partnership-domination continuum.

First, in contrast to rigid domination systems where there is authoritarian rule in both the family and state or tribe, they have more democracy and equality in *both* the family and the state. Second, in contrast to domination systems where rigid rankings are ultimately backed up by fear or force, these nations have been in the forefront of trying to leave behind traditions of violence (they pioneered the first peace studies, 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. And third, rather than the rigid ranking of the male half of humanity over the female half characteristic of domination systems, they have a much more equal partnership between women and men in both the family and the state (for example, approximately 40 percent of their national legislators are female).

**Now this is very important, as it illustrates the dynamics of domination and partnership systems and how they affect what is or is not valued.** As the status of women rises, men no longer find it such a threat to their status, to their "masculinity" to also embrace more stereotypically feminine traits, activities, and policies. So men too voted for more caring policies in these nations that sometimes call themselves "caring societies."

XII. All this takes us to a **5th basic building block for a more caring and effective economics: paying attention to the status of women and how it relates to a gendered system of values.**

**Of course we have not been taught to think that the status of women has any relevance to economic policies. But that it is in fact very relevant has actually been demonstrated by empirical studies.**

For example, the study "Women, Men, and the Global Quality of Life" conducted by 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, environmental ratings. What we found is that in significant respects the status of women can be a better predictor of gen quality of life than GDP.

Other studies, such as the World Values Surveys, which look at values in nations representing over 80 percent of the world's people, and the World Economic Forum's Global Gender Gap reports, these too now also verify this relationship between the status of women and a nations' quality of life – not only in economic terms but in terms of democracy, human rights, and environmental protection.

There are many reasons for this correlation. One is that women are half of humanity. So if women are economically disadvantaged, which they are worldwide, this will have a very negative effect on a nation's quality of life. And indeed, globally the mass of the world's poor and the poorest of the poor are women and their children, so poverty will remain intractable unless much more attention is given to these so-called women's issues.

But the reasons for the connection between the status of women and a nation's general quality of life go much deeper, to the still largely **undiscussed dynamics of domination and partnership systems -- and their effect on what is or is not economically valued.**

Of course, classical economists will say that this is just a matter of supply and demand -- and that is part of it. But much more important are the underlying cultural values – **and the problem is that present economic and social systems still retain an underlying system of gendered values we inherited from times that still oriented much more to the domination side of the continuum..**

We see this in the market economy, where professions that do not involve **care work** (such as plumbing and engineering) are paid far more than those that do (like childcare and elementary school teaching, **professions that, in contrast to plumbing and engineering, are primarily composed of women**). So in the United States, people think nothing of paying plumbers, the people to whom we entrust our pipes, \$50 to \$100 per hour. But childcare workers, the people to whom we entrust our children, according to the U.S. Department of Labor get an average of \$10 an hour, with no benefits. And we demand that plumbers have some training, but not that all childcare workers have training.

This is not logical. It's pathological. **And it does not have to be this way. For example, when I was in Montreal giving a keynote at an All-Academy session of the Academy of Management's annual conference, I learned that in Montreal childcare workers get excellent pay, are highly trained, unionized -- and yet high quality childcare costs only \$7 per day because it is publically supported – as an investment in a public good, in human capacity building.**

XI. The point here is that, as I said we have inherited a distorted and imbalanced **gendered system of values in which anything stereotypically associated with women or the “soft” or feminine is devalued.** So many people, including politicians, think it's okay to have big government deficits to fund prisons, weapons, wars – all stereotypically associated with men and “real masculinity” in domination systems. But when it comes to funding caring for people – child care, health care, early childhood education, and other such “soft” expenditures – they just can't seem to find any money.

And this gendered system of valuations is still extremely resistant to change – so much so that when men embrace traits considered “soft” or “feminine” they all too often are tarred with derisive terms like “effeminate” and “sissy.” Of course, the good news is that more men are doing this “women's work of diapering and feeding babies, which is part of the movement toward the partnership system.

**But the point is that the devaluation of women and the stereotypically soft or feminine is a major obstacle to real change, because as long as women are subordinated and devalued, so also will stereotypically feminine traits and activities such as caring, caregiving, nonviolence be devalued – whether in women or men, whether in business or social policy.**

XV. **As I pointed out last year when I spoke at the UN General Assembly session on harmony with nature, we cannot simply graft on sound environmental policies to a fundamentally imbalanced system. What is needed is a systemic approach.**

And you have a unique opportunity through your publications and teaching, to bring this new systemic perspective on economics and society into the discourse – and equally important,

to your students, to the next generation.

**So I want to invite you and your students to join me in the Center for Partnership Studies' Caring Economy Campaign. As I mentioned, one of the centerpieces of the campaign is the development of new Social Wealth indicators that demonstrate the enormous return on investing in caring for people, starting in early childhood, and caring for our natural environment. And by the way, caring for both nature and people is also included in the Genuine Progress Index recently adopted by the Vermont legislature.**

**So more and more of us are working to build foundations for a caring economy. I will return to this critical matter in my very brief closing, but first, let's look at a 3 minute video about the Caring Economy Campaign.**

**Show video**

**I hope your organizations will join our Caring Economy Coalition, which already has organization representing 14 million people, it's free and quick online on our website, [www.caringeconomy.org](http://www.caringeconomy.org), which also has many resources, including information about our webinars, about which there are also some flyers here -- and I look forward to seeing some of you there online, as I teach in these leadership and learning programs.**

**As you know, economic systems are human creations. They have changed and they will change as we move further into the postindustrial age. But the direction of the change largely hinges on whether or not we take into account matters that have *not* been conventionally considered – matters such as I have been discussing with you. Because only if we do will we have the missing foundations for a caring economy and with this, for that more sustainable, equitable, and caring future we so want and need.**

**I thank you.**