


an excerpt from

The Real Wealth of Nations
Creating a Caring Economics
by Riane Eisler

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I N T R O D U C T I O N

Reasons to Care

 Much of my life has been a quest. This quest started in my childhood, when my parents and I fled my native Vienna from the Nazis. It continued in the slums of Havana, where we found refuge, and later in the United States, where I grew up. It was a quest for answers to a basic question: Why, when we humans have such a great capacity for caring, consciousness, and creativity, has our world seen so much cruelty, insensitivity, and destructiveness?

In the course of my quest I looked for answers in many areas, from psychology, history, and anthropology to education, economics, and politics. And again and again I came back to economics because I saw that we have to change present economic systems if we, our children, and future generations are to survive and thrive.

As time went on, and I had children and then grandchildren, the passion animating my quest intensified. So also did my focus on economics.

As I looked at my grandchildren, I couldn't help thinking of the millions of children in our world, all born with a hunger for life, love, and joy, condemned to untimely deaths or lives of unnecessary suffering. As I reflected on the pristine beauty of our oceans and the grandeur of the coastal cities where so many of us live, I thought of the threats from climate changes caused by current economic rules and practices. As I took in the reality around me every day, I saw the stress of families vainly trying to find time for one another, and the pain of people displaced by new technologies that should have been used to improve our lives instead. And again I came back to economics.

I saw that in our inextricably interconnected world none of us has a secure future so long as hunger, extreme poverty, and violence continue unabated. I saw that present economic systems are despoiling and depleting our beautiful Earth. I saw that there is something fundamentally wrong with economic rules and practices that fail to adequately value the most essential human work: the work of caring for ourselves, others, and our Mother Earth.

Gradually, I began to explore economics from a new perspective. I saw the need for an economics that, while preserving the best elements of current economic models, takes us beyond them to a way of living, and making a living, that truly meets human needs. I also saw that we need a much broader approach to economics: one that takes into account its larger social and natural context.

I invite you to join me in exploring this new perspective on economics. I ask that you leave behind assumptions that have constricted our view, because what we will look at goes beyond what is usually considered the domain of economics. I also ask that, as you read on, you keep in mind what you most value and want in your own life.

In the pages that follow, we will look at economics through a wider lens that reveals the exciting possibilities of what I call *caring economics*. I realize that even putting economics and caring in the same sentence is alien to conventional thought. But this is no time for conventional thought. As expressed in popular clichés such as “thinking outside the box,” it is a time that urgently calls for *unconventional* thought.

With the accelerating speed of economic globalization—when corporations that control international financial and technological flows still play by uncaring rules—the need for a caring economics is more urgent than ever before. This book offers a new vision of what economics is and can be. It provides a starting point from which to rebuild economic structures, practices, and policies in ways that maximize our positive potentials and minimize our negative ones.

I have called this book *The Real Wealth of Nations* because it shows that our most important economic assets are not financial—that the real wealth of nations consists of the contributions of people and our natural environment. In my choice of this title, I don’t mean to imply that I have set out to write a technical treatise on economics such as Adam Smith’s classic *The Wealth of Nations*. To address the needs of our world today, we have to bring together knowledge from many

areas. I therefore draw from many fields in addition to economics, including advances in both the social and natural sciences. I also propose practical steps for moving both economic and social systems in a positive direction.

The new perspective on economics I am introducing in this book grows out of my research over the past thirty years applying evolutionary systems science to social systems. During this time, I became involved with pioneers in chaos and complexity theory,¹ and contributed to many books applying these revolutionary new approaches to the real-world problems of our time.² In my own books, beginning with *The Chalice and The Blade: Our History, Our Future*, I introduced a new lens for understanding social systems and determining how we can build foundations for a more equitable and sustainable world.

This lens is the analytical framework running through all my books and journal papers: the *partnership* or mutual respect system and the *domination* or top-down control system. These social categories are integral to the cultural transformation theory I introduced in earlier books.³ They are also integral to understanding, and changing, dysfunctional economic structures, rules, and practices—which is the focus of this book.

When Adam Smith wrote *The Wealth of Nations*, his focus was on the market, or as he put it, on “the invisible hand of the market” as the best mechanism for producing and distributing the necessities of life.⁴ This book goes beyond the market to reexamine economics from a larger perspective that includes the life-supporting activities of households, communities, and nature.

Moreover, and this is one of its central themes, this book shows that to construct an economic system that can help us meet the enormous challenges we face, we must give visibility and value to the socially and economically essential work of caring for people and nature. Indeed, if we really think about it, it’s unrealistic to expect changes in uncaring economic policies and practices unless caring and caregiving are given greater value.

In the chapters that follow, we will see that moving to a more equitable and sustainable economic system requires attention to the interaction of economic and social systems. We will also see that for this movement to succeed we have to broaden the scope of what has traditionally been considered the domain of economics.

We start from the basic premise that economic systems should promote human welfare and human happiness, a premise that seems to have been forgotten in much of today's economic discourse. Drawing from the work of advanced thinkers in economics and many other fields, we then explore exciting new frontiers for work, values, and life.

Chapter 1 takes us beyond the narrow band of economic relations taken into account by conventional models—whether capitalist, socialist, communist, or anarchist. It introduces the first of five foundations for a caring economics: a full-spectrum economic map that includes the life-supporting activities of households, communities, and nature.

Chapter 2 widens the lens through which we look at economics to include its larger cultural context. It takes us to the second foundation for a caring economics: cultural beliefs and institutions that value caring and caregiving. This chapter introduces the socio-economic categories of the partnership system and the domination system, revealing connections not previously considered. It proposes new standards and rules for what is or is not economically valuable. And it shows how all this directly affects our lives and the future of our children and our planet.

The next three chapters introduce three more foundations for a caring economic system: caring economic rules, policies, and practices; inclusive and accurate economic indicators; and economic and social structures that support partnership rather than domination.

These chapters continue to connect the dots between our daily lives, economics, and cultural values and norms. They show how problem-solving, creativity, and entrepreneurship are supported by caring policies and practices, and how this greatly benefits business, people, and our natural environment. They provide a redefinition of productive work appropriate for the postindustrial economy, where the most important capital is what economists like to call human capital. They describe new measurements of productivity that take into account the life-sustaining activities of both households and nature. And they propose ways to protect what economists today call natural capital.

These chapters also take us on a journey into our past. They reassess unhealthy myths and values we inherited. They expose the hidden gender double standard that is our heritage from earlier, more

unjust and economically inefficient times. They show that this has led to an economic double standard that lies behind unsustainable ways of living and working. And they explore how we can develop healthier alternatives.

Then, in chapter 6, we see the enormous personal, social, financial, and environmental costs of old economic and political systems and their inability to adapt to the challenges we face. In chapter 7, we look at how we can develop a caring economics. This chapter briefly traces the development of modern economic theories in the context of the times out of which they came, and proposes basic principles for the construction of a new conceptual framework that includes the best elements of both capitalism and socialism but goes beyond both.

Chapter 8 looks at postmodern technological breakthroughs such as robotics, biotechnology, and nanotechnology and how they affect both work and life. It introduces a new way of looking at technology that no longer throws everything, from can openers to nuclear bombs, into the same technological basket. It shows that rapid technological change makes a caring economics even more essential in the epochal transition to the postindustrial age.

Chapter 9 then takes us to where we are and where we can go from here. Drawing from arresting new findings from neuroscience, it shows that a caring economics supports the capacities that in the course of evolution made us uniquely human. Finally, chapter 10 proposes practical steps each of us can take to accelerate the move to a more humane, environmentally sustainable, and economically effective future.

I have written this book to invite discussion and action. It is a book for everyone who wants a better life and a better world, and is looking for practical tools to realize these goals. I am confident that together we can build a new economic system that promotes creativity and generosity rather than greed and destructiveness. Indeed, I am convinced that this is the only viable option at this critical juncture in our cultural and planetary evolution.

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