

Roadmap to a New Economics: Beyond Capitalism and Socialism

by Riane Eisler

When thinking of a new economics, let's not think of stocks, bonds, derivatives, or other financial instruments. Let's think of children. Let's ask what kind of economic policies and practices are good for children. Let's ask what's needed so all children are healthy, get a good education, and are prepared to live good lives. More fundamentally, let's ask what kind of economic system helps, or prevents, children from realizing their great potentials for consciousness, empathy, caring, and creativity—the capacities that make us fully human.

Once we address these questions, we can start designing the road map to the economic system we want and need: one that not only promotes human survival but also full human development.

We must design such a system, not only because it is the right thing to do, but because it is the economically sensible thing to do, particularly as we move into the postindustrial knowledge-information era where the most important capital is what some economists call “high-quality human capital.” Indeed, Nobel Prize-winning economist Amartya Sen concurs that the aim of sound economic policy must be human capacity development.

This I agree with. But I want to add that for a truly new economic system, we need a broader definition of human capacity development than a purely economic one. Which brings us back to the children and to our human capacities for caring, empathy, consciousness, and creativity.

When children are the starting point for a new economic paradigm, the first step is to go beyond the tired debate of capitalism versus socialism and all the other old isms. Both capitalist and socialist theory ignore a fundamental truth: the real wealth of nations—and the world—consists of the contributions of people and nature.

Adam Smith and Karl Marx ignored the vital importance of nature's life-sustaining activities. For them, nature exists to be exploited, period. As for the life-sustaining activities of caring for people starting in childhood, they considered this merely “reproductive” labor, and not part of their “productive” economic equation.

In other words, their focus was on the market—for Smith to extol it and for Marx to excoriate it. Neither included in his economic model the life-sustaining sectors, without which there would be no market economy: the household economy, the natural economy, and the volunteer economy.

The first step toward building a truly new economics is a *full-spectrum* economic model that includes these sectors and gives real visibility and value to the most essential human work: the work of caring for people and for our natural environment.

The move to this comprehensive economic model in turn requires understanding something else ignored in conventional economic discussions. This is that economic systems don't arise in a vacuum: they are influenced by, and in turn influence, the larger cultural system in which they are embedded.

The Failures of Capitalism and Socialism

In the wake of the global economic meltdown that began in 2008 has come an outcry against capitalism, especially against its latest stage of “neoliberalism” with its massive deregulation of powerful moneyed interests. Critics point not only to the havoc wreaked by deregulating banks and other financial institutions but also to the gargantuan size and power of multinational corporations, the widening gap between haves and have-nots both between and within nations caused by the globalization of “free markets,” and the decimation of our natural environment by irresponsible business practices. Some argue that capitalism must be replaced with socialism because historically capitalism has been unjust, violent, and exploitive of both people and nature.

But this argument reflects yet another old way of thinking that we must re-examine and transcend: classifying societies in terms of conventional categories such as socialist vs. capitalist, religious vs. secular, rightist vs. leftist, Eastern vs. Western, industrial vs. postindustrial, and so forth. None of these categories describes the totality of a society’s beliefs and institutions—from the family, education, and religion, to politics and economics. Since these old categories only focus on particular aspects of a society, they are useless for understanding what a more equitable, sustainable, and caring system really looks like.

The social categories of *partnership system* and *domination system* reveal the core configurations of societies that support two very different kinds of relations. 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. The partnership system supports the relations we want and urgently need at this critical juncture of history: relations of mutual respect, accountability, and benefit.

If from this perspective we re-examine the critique of capitalism as unjust, violent, and exploitive, we see that it is in reality a critique of the structures, relationships, and values inherent in domination systems—be they ancient or modern, Western or Eastern, feudal, monarchic, or totalitarian. 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.

A domination system of top-down rankings has also characterized the two large-scale modern applications of socialism: the former Soviet Union and China. Both turned out to be authoritarian and violent. And while they alleviated some economic disparities, they were hardly egalitarian.

In 1984, I visited the Soviet Union as one of two U.S. delegates with Nordic Women for Peace, which marched on both Washington, D.C., and Moscow to enlist support for nuclear disarmament. While ordinary Russians lived in overcrowded quarters, often with two families crammed into a small flat, we were put up in a luxury hotel’s royal suite with gilded furniture and a grand piano in its foyer. And while most Russians lacked even the most basic consumer goods, we and the Soviet officials hosting us drank champagne and ate caviar and other delicacies.

Nor did these regimes protect our environment any more than capitalist nations did. In fact, their record is just as abysmal—as evidenced by disasters such as Chernobyl and Lake Baikal in the USSR and the strip mining, air pollution, and other environmental calamities of China.

In short, the historic records of neither capitalism nor socialism hold real promise for a new, more sustainable and equitable economic system. Since capitalism has gained ascendancy, its failures are more evident. And it is true that at this point, we need to leave the destructive aspects of capitalism behind.

This does not mean we should discard everything from capitalism and socialism. We need both markets and central planning. But to effectively address our problems, we have to go much deeper, to matters that conventional economic analyses and theories ignore.

To construct a more equitable and sustainable economic system, we have to take into account the larger social contexts out of which economics derive—specifically, the degree to which these orient to either a partnership system or a domination system.

Economics, Societies, and Values

Economics is above all about *values*. So to change economics, we must also look at cultural beliefs about what is valuable or not valuable. And one of the distinctions between partnership and domination systems is what is and is not considered of economic value.

In both the Soviet Union and China, socialism was imposed in cultures that oriented closely to the configuration of the domination system. The core configuration of this system consists of top-down rankings in the family and state or tribe maintained by physical, psychological, and economic control; the ranking of the male half of humanity over the female half, and with this, the devaluation by both men and women of anything stereotypically considered feminine; and a high degree of culturally accepted abuse and violence—from child- and wife-beating to pogroms, terrorism, and chronic warfare.

A close orientation to this configuration can be found in societies that have little in common when looked at through the lenses of conventional social and economic categories such as communist or capitalist, Eastern or Western, secular or religious, and so forth. For example, viewed 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 same basic dominator configuration.

Neoliberalism, for example, was part of a regression to a domination system. It can best be understood as a means of maintaining top-down control. Although neoliberal rhetoric is about freedom, what this really means is freedom for those in control to do what they wish, free from government regulation. Neoliberal policies were designed to reconsolidate wealth and power in the hands of those on top, and its mantra of “trickle-down economics” conditioned people to accept the “traditional” order, under which those on the bottom have to content themselves with the crumbs dropping from their masters' opulent tables. The neoliberal promotion of “pre-emptive war” against Iraq also continued the traditional reliance on violence by dominant groups to impose their control.

And the neoliberals' alliance with the so-called religious Right reinforced still another core component of domination systems: a "traditional" male-headed family where the ranking of one half of humanity over the other half is presented as normal and moral, and children learn early that it's very painful to question orders no matter how unjust.

Moreover, with this ranking of male over female came another distinguishing feature of neoliberalism: its contempt for the "soft" or stereotypically "feminine," as in their vitriolic attacks on what they called the "nanny state." Accordingly, a key neoliberal requirement was that government programs designed to care for people, such as health care, child care, and aid to poor families, be defunded both in the United States and through "structural adjustment policies" in the "developing" world. In short, neoliberalism was really dominator economics.

The partnership system has a very different configuration. Its core elements are a democratic and egalitarian structure in both the family and state or tribe; equal partnership between women and men; and a low degree of violence because it's not needed to maintain rigid rankings of domination.

No society is either a pure partnership or domination system. But the degree to which it affects everything: from the society's guiding system of values to the construction of all its institutions—from the family, education, and religion to politics and economics.

Economics and Caring

Nordic nations such as Sweden, Norway, and Finland are the contemporary countries that have moved most closely to the partnership side of the partnership-domination continuum. They have more 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 violence (they pioneered the first peace studies and 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).

Supported by their more partnership-oriented social configuration, these nations developed economic policies that combine positive elements of socialism and capitalism—but go beyond both to an economics in which caring for people and nature is a top priority. These nations have government-supported child care, universal health care, stipends to help families care for children, elder care with dignity, and generous paid parental leave.

These more caring policies, in turn, made it possible for these nations to move from extreme poverty (famines in the early twentieth century) to societies with a generally high standard of living for all. Today these nations not only rank high in the United Nations annual Human Development Reports in measures of quality of life; they are also in the top tiers of the World Economic Forum's annual global competitiveness reports.

Nordic countries don't have the huge gaps between haves and have-nots characteristic of dominator-oriented nations. While they're not ideal societies, they have succeeded in providing a generally good living standard for all. They have low poverty and crime rates and high longevity rates. Their children score high on international tests. And studies

show that workers in these nations are more satisfied and happier than people in countries such as the United States where the gross national product is higher.

Nordic nations also pioneered environmentally sound industrial approaches such as the Swedish “Natural Step.” And 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 such basic matters as 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 as one of their guiding principles concern for the community in which they operate. Their cooperatives have also been heavily involved in renewable energy projects. For example, many Swedish housing cooperatives are switching to alternative energy sources to help meet Sweden’s goal of oil independence by 2015.

The Nordic nations’ success has sometimes been attributed to their relatively small and homogeneous populations. But 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 large gaps between haves and have-nots and other inequities characteristic of the domination system.

So we have to look at other factors to understand why the Nordic nations moved out of poverty to develop a prosperous, more caring and equitable economic system in a relatively short time. Once we do, we see that what made these nations successful was their move toward the partnership configuration, which made it possible for them to become what they sometimes call themselves: “caring societies.”

The core components of this configuration are mutually supporting and reinforcing. And one of its core components, in contrast to the domination system, is equality between the male and female halves of humanity. So women can, and do, occupy the highest political offices in the Nordic world. And this 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. But in partnership-oriented cultures, men can give more value to caring, caregiving, nonviolence, 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.

With the ascendancy of neoliberalism and the globalization of unregulated capitalism, over the last decades of the twentieth century Nordic nations too began to move somewhat 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 infant mortality rates (where the United States by contrast fell behind every industrialized nation and even behind poor ones like Cuba) to human rights and environmental ratings.

The basic reason is that these nations continue their massive 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 international programs: programs working for fair economic development, environmental protection, and human rights.

Making the Invisible Visible

All this takes us back to where we started: the need to restructure economic systems in ways that go beyond the old capitalism vs. socialism debate. To effectively address our growing economic, social, and environmental problems, we need a new economics. We need a system that leaves behind the dominator elements of capitalism and socialism, preserves their partnership elements, and is governed by economic structures, policies, and practices that give visibility and real value to caring for ourselves, others, and our Mother Earth.

A first step is recognizing that the exclusion of caring and caregiving from mainstream economic theory and practice has caused enormous, and unnecessary, human suffering. Indeed, the systemic devaluation of the activities that contribute the most to human welfare and development lies behind a kind of economic insanity that is reflected in, and perpetuated by, conventional indicators of productivity such as GDP (gross domestic product) and GNP (gross national product).

These measures of “economic health” actually place activities that *harm* life (like selling cigarettes) and the profits derived from those activities (like the medical and funeral costs that result from smoking-related illnesses and deaths) on the plus side. Yet they give absolutely no value to the life-sustaining activities of both the household 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 performed in households is given no value whatsoever, and economists speak of parents who do not hold outside jobs as “economically inactive”—even though they often work from dawn to late at night.

Some people will say that this household work—without which there would be no workforce—cannot be quantified. But the reality is that it is already being quantified. Thanks to the activism of women’s organizations worldwide, many nations now have “satellite” accounts that quantify the value of the work of caring for people and keeping healthy home environments that has traditionally been considered “women’s work.” For instance, a Swiss government report shows that if the unpaid “caring” household work were included, it would make up 70 percent of the reported Swiss GDP! Yet none of this information is found in conventional economic treatises—be they capitalist or socialist.

The devaluation of this work is further reflected in the fact that, in the market economy, professions that involve caregiving are paid far less than those that do not.

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 child care workers, the people to whom we entrust our children, according to the U.S. Department of Labor are paid an average of \$10 an hour, with no benefits. And we demand that plumbers have some training, but not that all child care workers have training.

This is not logical. It's pathological. But to understand, and change, this distorted system of values—and to effectively address seemingly intractable problems such as poverty and hunger—we again have to look at matters that are only visible once we recognize the configurations of the partnership system and the domination system.

Economic Policy, Poverty, and the Hidden System of Gendered Values

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.” But when it comes to funding caring for people—for child care, health care, early childhood education, and other such expenditures—they say there's not enough money.

If we look back just a few hundred years, we see this devaluation of the “feminine” in stark relief. At that time, Western culture still looked like some of the most repressive societies do today. The norm was an authoritarian structure in both the family and the state. Wars and religious persecutions were chronic. And women and anything associated with them were so devalued that some theologians seriously doubted that women have immortal souls.

There has obviously since then been movement toward the partnership system—albeit against enormous resistance and periodic regressions. But the gendered system of valuations we inherited is still extremely resistant to change—so much so that when men embrace traits considered “soft” or “feminine” they are tarred with derisive terms such as “effeminate” and “sissy.” Another symptom of this devaluation of women and anything associated with them is that discrimination against the female half of humanity is still generally seen as “just a women's issue”—to be addressed after more important problems are solved.

So while politicians often say their goal is ending, or at least decreasing, poverty and hunger, they hardly ever mention a staggering statistic: women represent 70 percent of those in our world who live in absolute poverty, which means starvation or near starvation. Also ignored in conventional discussions of poverty is that globally, women earn an average of two-thirds to three-fourths as much as men for the same work in the market economy and that most of the work women do in families—including child care, health and elder care, housekeeping, cooking, collecting firewood, drawing and carrying water, and subsistence farming—is not remunerated.

This is by no means to say that only women suffer economically from our domination heritage. Men also suffer, and this is particularly true of the men at the bottom of the domination pyramid. Yet women are still the most oppressed, the “slaves of the slaves,” as John Lennon wrote.

Even in the rich United States, woman-headed families are the lowest tier of the economic hierarchy. In addition, according to the U.S. Census Bureau, the poverty rate of women over sixty-five is almost twice that of men over sixty-five.

The fact that worldwide poverty and hunger disproportionately affect women is neither accidental nor inevitable. It is the direct result of political and economic systems that still have a strong dominator stamp. For example, the fact that older women are so much more likely to live in poverty than older men, even in an affluent nation like the United States,

is not only due to wage discrimination in the market economy; it is also largely due to the fact that these women are, or were for much of their lives, caregivers—and this work is neither paid nor later rewarded through social security or pensions.

Again, this is not to say that economic inequities based on gender are more important than those based on class, race, or other factors. These inequalities are all inherent in domination systems. But a basic template for the division of humanity into “superiors” and “inferiors” that children in dominator families internalize early on is a male-superior/female-inferior model of our species. And this template can then be applied to ranking race over race, religion over religion, and so forth.

Economics through a New Lens

When societies move toward the partnership side of the partnership-domination continuum (and it’s always a matter of degree), women and the “feminine” are not devalued. And this benefits not only women but also men and children of both genders.

We have empirical evidence of this—although once again it is ignored in conventional economic and social analyses.

The study “Women, Men, and the Global Quality of Life,” conducted by the Center for Partnership Studies, compared statistical measures from eighty-nine nations on the status of women with measures of quality of life such as infant mortality, human rights ratings, and environmental ratings. We found that in significant respects the status of women can be a better predictor of quality of life than gross domestic product.

Other studies also verify this relationship between the status of women and a society’s general quality of life. The World Values Survey is the largest international survey of attitudes and how they correlate with economic development and political structure. For the first time, in 2000 this survey focused attention on attitudes about gender. 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.

There are many reasons for a correlation of the status of women with a higher or lower quality of life for all. One, of course, is that women make up half of any population. But the reasons go much deeper, to the still largely unrecognized and undiscussed dynamics of domination systems. Here are just two examples:

Dominator Male Preference:

In some world regions, the ranking of males over females is so ingrained that parents (both mothers and fathers) not only deny girls access to education and give them less health care but also often feed girls less than boys. These practices obviously have extremely adverse consequences for girls and women. But giving less food to girls and women also adversely impacts the development of boys.

It is well known that children of malnourished women are often born with poor health and below-par brain development. So this gender-based nutritional and health care discrimination robs *all* children, male or female, of their birthright: 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 in their

turn impede solutions to chronic hunger, poverty, and armed conflict, and with this, chances for a more humane, prosperous, and peaceful world for all.

Dominator Intra-Household Resource Allocation:

The above is just one consequence of something else left out of conventional economic analyses: the patterns of intra-household resource allocation characteristic of domination systems.

There is empirical evidence across diverse cultures and income groups that women have a higher propensity than men to spend on goods that benefit children and enhance their capacities. How much higher this propensity is was shown by Duncan Thomas in his report “Intra-Household Resource Allocation.” He found that in Brazil, \$1 in the hands of a Brazilian woman has the same effect on child survival as \$18 in the hands of a man. 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.

Of course, there are men even in rigidly male-dominated cultures who give primary importance to meeting their families’ needs. Typically, however, men in these 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.

Yet traditional economic theories, capitalist and socialist, are based on the assumption that the male head of household will expend the resources he controls for the benefit of all family members. Not only that, development aid programs still allocate enormous funds to large-scale projects in which women have little or no say—and from which poor women and children derive few if any benefits. Even microlending or “village loan” programs that largely target women generally provide only minimal amounts—often at exorbitant interest rates. And the bulk of large bank loans go to businesses owned by male elites or to male “heads of household.”

Indeed, it is well known that much of the humanitarian government aid from developed to developing nations winds up in the hands of elites who deposit it in Swiss banks, build mansions, and otherwise line their pockets with it. Even when funds go directly to the poor, these too often end up in the pockets of men who use them for themselves rather than for their families. The effect of this on the general quality of life is not hard to see.

I want again to emphasize that what I’m reporting is not intended to blame men for our world’s economic ills. We’re dealing with a system in which both women and men are socialized to accept the notion that one half of our species is put on earth to be served and the other half to serve, and that mothers, but not fathers, must subordinate their needs and desires to those of their families.

This economic double standard, and with it the subordination of the stereotypically feminine to the stereotypically masculine, not only hurts women, it hurts us all. It hurts men in a myriad ways—from the psychological pain of having to disassociate themselves

from the “feminine,” including their own mothers, to the economic and political consequences of devaluing and subordinating women and anything associated with them.

Domination, Our Environment, and Technology

Even our environmental crisis is largely a symptom of the distorted values inherent in domination systems. We’re often told that the scientific-industrial revolution that began to gain momentum in the eighteenth century is to blame for the havoc we’re wreaking on our natural life-support systems. But the “conquest of nature” worldview goes back much further.

We’ve 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.

I want to emphasize that this notion of male control over nature and woman was *not* introduced in the Bible. We already find it millennia 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 myth superceded earlier myths about a Great Mother who created nature and humans as part of nature through her life-giving powers with a story where the violence of a male deity brings forth the world. It not only signals the beginning of a period when female deities, along with women and anything associated with them, were subordinated; it also signals a shift to a domination system in which masculinity is equated with domination and conquest—be it of women or of nature.

Domination systems have always despoiled nature. This goes way back to a time of massive climate change when prehistoric herders created scarcities that, in turn, fostered relations based on domination.

Using a large computerized database correlating information on climate change over thousands of years with archaeological data, geographer James DeMeo mapped these changes in the great desert belt he calls Saharasia (extending roughly from North Africa through the Middle East into central Asia). He found that what was once a garden of plenty gradually became a barren, cruel land. But climate change was only part of the story. When the land grew drier, farming became impossible so herding became the primary technology. And, as vegetation became ever sparser, human agency itself became a cause of desertification.

Trees were felled to open up more grazing land. As trees and plants disappeared, there was even less rain, as happens when forests are decimated to our day. As herds overgrazed more pastures, soils became even more barren.

In this ever harsher environment, habits of domination and exploitation became routine. Some groups began to fight others for access to grassland and water, and as men increasingly relied on brute force for a livelihood, women lost status and power. Gradually, raiding and killing spread from deserts to more fertile areas. The nomadic tribes of the wastelands began to encroach on the more fertile areas, first in occasional incursions and later as conquerors who imposed their rule.

As cultural historian Brian Griffiths notes, everything was now geared to conquest and control—of women, “inferior” men, and the land. And this conquest mentality—of nature, women, and other men—continues to this day.

At our level of technological development, this ethos of domination threatens not just one region but our entire ecosystem. Already in 2005, the U.N.-sponsored *Millennium Ecosystems Assessment* reported that over the past 50 years human activity has depleted 60 percent of the world’s grasslands, forests, farmlands, rivers, and lakes. Emissions from cars and power plants are responsible for higher temperatures that are melting polar ice so fast that glaciers on Greenland are slipping into the ocean twice as fast as they were just five years ago. Polar bears are drowning. And scientists warn that rising seas may engulf coastal cities in just a few decades.

Almost every day another study details the insanity of our present course. But the plunder of nature, now aided by powerful technologies that cause terrible harm in a matter of years, or even months and days, continues unabated.

Yet none of this is inevitable. It can be changed.

Endings and Beginnings

The mix of high technology and an ethos of domination is not sustainable. Therein lies the danger. But the upheavals and dislocations of our time also offer an opportunity for a fundamental social and economic shift.

It’s not only that the old economic models—both capitalist and socialist—came out of the industrial era and we’re rapidly moving into the postindustrial era. The current economic meltdown and the meltdown of the ice caps are not isolated events: both are symptoms of the domination system reaching its logical end.

We must build economic structures, rules, policies, and practices that support caring for ourselves, others, and nature in *both* the market and nonmarket economic sectors. At the same time, we must accelerate the shift to partnership cultures and structures worldwide so that anything stereotypically considered “soft” or “feminine”—such as caring and caregiving—is no longer devalued.

Market rules—both locally and globally—must be changed to reward caring business practices and penalize uncaring ones. To make these changes we must show that this benefits not only people and nature but also business.

Hundreds of studies show the cost-effectiveness of supporting and rewarding caring in the market economy. To give just one example, companies that regularly appear on the *Working Mothers* or Fortune 500 lists of the best companies to work for—that is, companies with good health care, child care, flextime, parental leave, and other caring policies—have a higher return to investors.

On the national policy level, we already saw how in Nordic nations caring policies played a major role in their move from dire poverty to a high quality of life for all. Other examples abound, such as reports of the enormous financial benefits that have come from investing in parenting education and assistance (as shown by the Canadian Healthy Babies, Healthy Children program) and investing in high-quality early childhood education (as shown by follow-up studies of the U.S. Abecedarian Project).

There are many ways of funding this investment in our world's human infrastructure—which should be amortized over a period of years, as is done for investments in material infrastructure, such as machines and buildings. One way is to shift funding from the heavy investment in weapons and wars characteristic of domination systems. Another is through the savings a society gains when it no longer has to pay the immense costs of *not* investing in caring and caregiving: the huge expenditures of taxpayer money on crime, courts, prisons, lost human potential, and environmental damage. Taxes on financial speculation and other harmful activities, such as making and selling junk food, can also fund investment in caring for people and our natural habitat.

Good care for children will ensure we have the flexible, innovative, and caring people needed for the postindustrial workforce. Both psychology and neuroscience show that whether these capacities develop largely hinges on the quality of care children receive.

Educating and remunerating people for caregiving will help close the “caring gap”—the worldwide lack of care for children, the elderly, and the sick and infirm. And it will 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.

Economic systems are human creations. They can be changed. We must build a political movement to pressure policymakers to make these changes—or change the policymakers. We must see to it that our world's governments make a massive investment in parenting education, paid parental leave, and innovative measures such as tax credits for caregivers and social security credit for the first years of caring for a child (as is already done in Norway).

We can all be leaders in building a social and economic system that really meets human needs—not only our material ones but also our emotional and spiritual ones. The sidebar next to this article describes the six foundations needed for a truly new economic system. If we join together, we can build these foundations and create a future in which all children can realize their great potentials for consciousness, empathy, caring, and creativity—the capacities that make us fully human.

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