

have some quibbles. I liked the extensive range of positive examples that show good business that does work. James O'Toole (chapter 9) provided many good and bad examples of how (not) to create a sustaining corporate culture. Hutton and Cox's chapter on value creation (chapter 11) surveys the literature on whether ethically oriented businesses do better. The good news is that, on balance, the evidence seems to support the case. Although one might posit that intelligence could be the mediating variable in ethical conduct (chapter 5) and successful business, the wisdom literature (see, e.g., Staudinger & Glück, 2011; Sternberg, 2003) shows that virtue is also required. Bob Vanourek's (chapter 15) contribution on values-based leadership also lent much credibility to the case for ethical leadership. He drew on his extensive experience as a business leader to make the point that unethical leadership is often the result of confusing the ethical and legal, intense pressure, addictions, toxic organizations, and excessive ego.

I quibble with the absence of sophisticated political economy. For example, although Seawell in chapter 1 referred to Etzioni's communitarian philosophy, there was no mention of its antithesis, the radical libertarianism of Hayek, Buchanan, or Tullock, for example, which underlies much conservative business theory. Thus there seemed to be no real sense of political dialecticalism throughout the book. Paul Olk (chapter 6) does provide a potted history of United States capitalism since 1776 (in four stages—merchant, industrial, managerial, and network capitalism), but ends, I believe, a little tamely by concluding that changes in technological and global market conditions are changing the nature of organizations. While useful that the book included a chapter on public policy, John Holcomb's chapter (chapter 12) provided another instance of timidity about engaging the overtly political. For instance, Holcomb usefully points out that government intervention usually increases at times of crisis. However, although mentioning Teddy Roosevelt's administration as such an example, there was no mention of the Robber Barons, such as Rockefeller, Vanderbilt, Mellon, Morgan, Carnegie, Harriman, Astor, Frick, and Gould during the Gilded Age period that preceded Roosevelt's presidency. Capitalism's tendency to monopoly and its capacity for outrageously corrupting government and exploiting workers reached its peak in this era and needed to be reined in. One might add as an aside that China's industrial capitalism transformation at the moment looks very similar if one overlooks the communist form of government. If one were to delve a

little further into United States history, one would note the necessary intervention by another Roosevelt after the laissez-faire Republican presidencies of the 1920s and the link to contemporary (finance) capitalism's near collapse, partly abetted by the repeal of the 1933 Glass-Steagall Act in 1999. I find this lack of political-historical context throughout the book a little disconcerting.

Last, this book's uncertainty about its genre is probably the result of having faculty members as contributors, as each approached the task in different ways. Where some chapters are expository, others are propositional. Thus I wasn't sure whether the book is meant to be an informational textbook or a scholarly monograph. Despite this, those seeking to develop a more ethically based business school curriculum could learn a lot. Alternatively, other chapters could be useful as business course content. Those of us concerned with developing a more responsible business curriculum should be pleased that Daniels College has shared some of its ideas.

## REFERENCES

- Conry, E. J., & Nelson, D. R. 1989. Business law and moral growth. *American Business Law Journal*, 27: 1-39.
- Staudinger, U. M., & Glück, J. 2011. Psychological wisdom research: Commonalities and differences in a growing field. *Annual Review of Psychology*, 62: 215-241.
- Sternberg, R. J. 2003. *Wisdom, intelligence and creativity synthesized*. Cambridge, UK: Cambridge University Press.

***The Real Wealth of Nations: Creating a Caring Economics***, by Riane Eisler, San Francisco, CA: Berrett-Koehler Publishers, Inc., 2007. 318 pages, hard cover.

Reviewed by **Thomas F. Hawk**, Emeritus Professor of Management, Frostburg State University.

Riane Eisler, in her groundbreaking book, *The Real Wealth of Nations: Creating a Caring Economics*, calls for nothing less than a global caring revolution across all societies and the planet's natural environment. That revolution encompasses a transformational overhaul of the economic indicators that form the basis for monitoring the well-being of each nation, a full emancipation of and central focus on the worth and dignity of women across the globe and the caring work done by both women and men, and a profound shift away from the artificial hierarchies of domination and control to hierarchies of actualization expressed through

democratic systems of partnership and collaboration.

Eisler proposes that a radical reformulation of economics is needed for us not only to survive, but to thrive. The failure to give visibility and value to "soft" values such as care and care-giving, largely relegated to women, in mainstream economic theory and practice has had terrible effects on people's quality of life, on our natural life-support systems, and on economic productivity, innovation, and adaptability to new conditions. She proposes that the two most important capitals today, in a postindustrial society, are the human capital of people and the environmental capital that sustains life. The inclusion of the human and environmental capital in economic theory as well as beneficial practices and policies for them will require new views, theories, and models of economics. The breadth and depth of personal, economic, and global development challenges in the world today require entirely new paradigms in economics, education, organizational arrangements, and organizational leadership if they are to be effectively addressed.

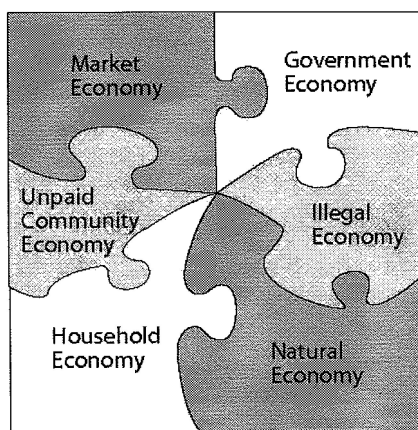
In a clearly written, accessible, and engaging style, Eisler makes a strong and decidedly well-supported case for what she calls a "full-spectrum economic map" (Figure 1) that recognizes the fundamental importance that the household, community volunteer, and natural environment economies provide for a nation's well-being. Her central point here is that unless we take care of our human and environmental capital, there will not be healthy, informed, and intelligent citizens, employees, and employers to have a healthy society for all. She rounds out her six-sector full-spectrum economic map in Figure 1 by adding the informal/illegal economy to the market and governmental

economies and discusses the interplay among the six. This book is loaded with facts and evidence that support her sound logic and arguments. It is a great catalyst for conversations, further research, and fundamental changes in corporate and governmental policy and programs.

Eisler has organized her book into 10 chapters with an introduction. The introduction concisely lays out the main theme of each chapter. Chapter 1 focuses on describing the household, unpaid community volunteer, natural, market, governmental and illegal/informal economies that comprise Eisler's full-spectrum economy. Chapter 2 discusses the cultural beliefs and institutions that value caring and care-giving. In chapter 3, Eisler identifies caring economic rules, policies, and practices. Creating inclusive and accurate economic indicators is the topic of chapter 4. Chapter 5 addresses the economic and social structures that support partnership rather than domination. In chapter 6, Eisler looks at the enormous personal, social, financial, and environmental costs of old economic and political systems and their inability to adapt to the challenges we face today. Chapter 7 explores how we can develop a caring economics. The focus of chapter 8 is on postmodern technological breakthroughs and how they affect both work and life. Chapter 9 examines where we are and where we could go from that point. And in chapter 10, Eisler proposes practical steps each of us can take to accelerate the move to a more human, environmentally sustainable, and economically effective future. Eisler's prose clearly invites open discussion and concrete, doable action to address the issues and challenges she introduces.

The first major lens through which she asks the reader to view the world is the claim that the national macroeconomic indicators of national well-being that emerged during WWII, gross national product (GNP) and gross domestic product (GDP), are based solely and narrowly on the activities in the market and governmental economies, as measured exclusively by officially recorded monetary transactions in those economies. Even the accuracy and completeness of the measures in those two economies is suspect, because of behind-the-scenes trade arrangements not reflected in the actual publicly reported figures. Furthermore, no consideration is given to the valence sign, plus or minus, of the various elements that contribute to those monetized measures; that is, there is no indication that the measured elements contribute constructively (+), negatively (-), or in some combination to the nation's well-being.

Her second claim using this lens, and the source of the title of her book, is that the real wealth of a



**FIGURE 1**  
Six-Sector, Full-Spectrum Economy

nation, as found in the on-going development and well-being of its citizens and the careful stewardship and repair of the natural environment, is missing from this macroeconomic view of national well-being. Those indicators are largely found in the unmeasured caring activities that take place in what Eisler calls the household and the community volunteer economies and the natural economy. The critical components of all six economies—the household, the community volunteer, the natural, the market, the governmental, and the informal/illegal—and their interrelationships need to be described, monitored, and measured appropriately and as comprehensively as possible to get a fair read on the long-term economic success and well-being of a nation, its citizens, and its natural environment. Furthermore, changes in policies and the institutional contexts at both the governmental and corporate levels can shift activities from one of the economies to another.

Eisler's second principle lens asks the reader to view and interpret society through what she calls hierarchies of domination and hierarchies of actualization, a theme that is first found in her 1987 book, *The Chalice and the Blade*. In domination hierarchies, parties to relationships are either dominating or being dominated. Economic policies, programs, and practices are intentionally designed to benefit those who dominate at the expense of those dominated. They are based on control and exclusion. In actualization hierarchies, which form what Eisler calls the partnership system, relationships reflect mutual respect and caring for the well-being of all those in the relationship, including one's self, as well as the natural environment. Actualization hierarchies are based on partnering, democratic processes, and caring for our most important assets—people and the environment.

Eisler identifies five critical assumptions that underlie dominator economics (34).

- The motivations for work are fear of pain and scarcity.
- People cannot be trusted.
- Soft qualities and activities are inappropriate for social/economic governance.
- Caring and care giving are impediments to productivity and irrelevant to economics.
- Selfishness will lead to the greater good of all.

She critiques each assumption and repeatedly returns to the issue of corporate externalized costs that are shifted to the citizens of a nation and to the environment, thus distorting the full cost, and price, of products and services in the marketplace. Eisler also points to important connections that are still generally ignored, especially the connection

between how gender roles and relations are structured and a society's guiding system of values, pointing, for example, to empirical studies that the status of women can in significant respects be a better predictor of a society's general quality of life than GDP. The early and quality care for and investment in children through caring policies pays substantial dividends in costs avoided and additional income, both personally and for society, in adulthood for the individual, organizations, and governments.

Eisler goes on to propose seven steps to a caring economics (43).

- Recognize how the cultural devaluation of gendered caring and care giving has negatively affected the well-being of people and the environment through economic theories, policies, and practices.
- Support the shift from dominator to partnership cultural values and economic and social structures.
- Change economic indicators to give value to caring and care giving.
- Create economic interventions that support and reward caring and care giving.
- Expand the economic vocabulary to include caring, teach caring economics in business and economic schools, and conduct gender-specific economic research.
- Educate children and adults about the importance of caring and care giving.
- Show government and business leaders the benefits of policies that support caring and care giving, and work for their adoption.

It is her belief, and she backs it up with detailed evidence, that caring business and governmental policies and programs, such as fully paid parental leave for childbirth and childcare during the first seven months, flexible work scheduling, telecommuting, day-care support, wellness centers, and fully funded and mobile pension plans sharply reduce employee turnover and increase employee productivity. For all, she offers evidence that the financial returns to both corporations and to governments are very generous.

Eisler does not stop with general ideas for what needs to be done. Below are some of her specific recommendations for action.

- Include the word "caring" in more conversations to give it visibility and value.
- Make presentations about caring economics at meetings and conferences.
- Do research for publication on caring and ways to monitor and measure caring economics.
- Buy from companies that have caring personnel, consumer, and environmental policies and programs.
- Vote for political candidates who sponsor bills to support caring economics and programs.

- Teach caring skills and competencies to boys and girls in the home and in the schools.
- Support organizations that work for women's rights and children's rights.
- Show that companies implementing caring policies and programs are highly successful.

Throughout the entire book, Eisler offers many examples of specific corporate and governmental policies, programs, and practices that embody caring and caring economics.

For Eisler, the central point is that without the developmental and sustaining caring that takes place in the home, in schools, in the communities, and throughout life in the household and volunteer economies, there would be no effective and critically inquiring citizenry and workforce to run the nation, hence a major shift from a welfare perspective to a well-being perspective. Additionally, we critically need to monitor human activities that enhance or degrade the natural environment that sustains not only the human species but all other species on the planet.

As well-supported, well-argued, and profoundly insightful as this book is, Eisler could go even further in strengthening her arguments and providing other highly congruent resources for her readers. First, since the central focus is on a caring, she could strengthen the ties to an ethic of care by discussing more recent developments in the literature that demonstrate the evolution of an ethic of care over the last 30 years such as found in the in-depth review by Held (2006). Second, the fundamental orientation to corporate and governmental policy gives Eisler the opportunity to draw on critiques of bureaucracy and hierarchy (Ferguson, 1984; Mackinnon, 1989; Thayer, 1981) that are rooted in hierarchies of domination and exclude or limit the emergence of actualization hierarchies and caring social and economic policies. There are also a number of in-depth examinations and proposals for caring social policies at the corporate and governmental levels (Caputo, 2002; Hankivsky, 2004; Henderson, 2006; Sevenhuijsen, 1998, 2003; Young, 1997) that appeared before the publication of Eisler's book that she could have cited and constructively drawn from, and several that have appeared since (Delios, 2010; Engster, 2007; Machold, Ahmed, & Farquhar, 2007; Smith, 2008) that are highly resonant with her major platforms. And third, although the term "nation" appears so prominently in the title of the book and is the locus of the measures of societal well-being that are central to the book, there is virtually no attention devoted to the concept of "a nation" and nation forming and building. This is particularly important for this book when it comes to the historical and cur-

rently on-going processes of border drawing and border maintaining that have been the near sole purview of the major colonial, economic, and military powers of Europe and the United States to serve their own interests. Just a few examples include conflict-generating borders found in most of colonial Africa, the Middle East after WWI, and the break-up of the Ottoman Empire, the Muslim south of the Soviet Union, and South Asia after WWII.

This book should be required reading for all faculty and students in all undergraduate and graduate programs in economics, business management, public sector and nonprofit administration and policy, and political science. In economics programs, it should be used to critique the assumptions that underlie received micro- and macroeconomic models and support a greater emphasis on institutional economic models, transform the economic models that are used today, and expand the conversations to include externalized costs. In business management, public administration, and nonprofit organization management programs, it should be used across the curricula to generate discussion of the critical importance of caring policies and programs and the impact they have on developing a healthy, creative, and committed citizenry. It is also integral to any discussion of ethics given the virtual absence of a consideration of an ethic of care in business ethics and corporate social responsibility texts and the amoral character of much of the leadership literature. Human resource management specialists should be particularly interested in the caring policy perspectives offered by this book. Strategic management could benefit, particularly through the stakeholder perspective and its relational resonance with an ethic of care as well as through the more recent renewed interest in institutional approaches to strategy and strategic contexts. In strategic cost-analysis courses, it also can be the catalyst for developing ways to responsibly factor in costs that, until now, have been largely unacknowledged and externalized. And in political science programs, it can be the spark for discussions on what a caring government and caring policies might look like. Across all of these academic areas, there is the opportunity for serious caring economics research. Those interested in useful course material and resources should visit the Web site for the Center for Partnership Studies ([www.partnershipway.org](http://www.partnershipway.org)).

Riane Eisler should be applauded for having the courage, integrity, insight, creativity, and the supportive evidence for her arguments to challenge our entrenched patterns for how we characterize and measure the well-being of our society. The impact of this book should carry far and wide for a

long time to come. We should all read it and carefully consider its message.

## REFERENCES

- Caputo, R. K. 2002. Social justice, the ethics of care, and market economies. *Families in Society: The Journal of Contemporary Human Services*, 83: 355–364.
- Delios, A. 2010. How can organizations be competitive but dare to care? *Academy of Management Perspectives*, 24: 25–36.
- Engster, D. 2007. *The heart of justice: Care ethics and political theory*. New York: Oxford University Press.
- Ferguson, K. E. 1984. *The feminist case against bureaucracy*. Philadelphia, PA: Temple University Press.
- Hankivsky, O. 2004. *Social policy and the ethic of care*. Vancouver, BC, Canada: University of British Columbia Press.
- Held, V. 2006. *Ethics of care: Personal, political, and global*. London, UK: Oxford University Press.
- Henderson, H. 2006. *Ethical markets: Growing the green economy*. White River Junction, VT: Chelsea Green Publishing.
- Machold, S., Ahmed, P. K., & Farquhar, S. S. 2007. Corporate governance and ethics: A feminist perspective. *Journal of Business Ethics*, 81: 665–678.
- Mackinnon, C. A. 1989. *Toward a feminist theory of the state*. Cambridge, MA: Harvard University Press.
- Sevenhuijsen, S. 1998. *Citizenship and the ethics of care: Feminist considerations on justice, morality, and politics*. New York: Routledge.
- Sevenhuijsen, S. 2003. The place of care: The relevance of the feminist ethic of care for social policy. *Feminist Theory*, 4: 179–197.
- Smith, A. M. 2008. Neoliberalism, welfare policy, and feminist theories of social justice. *Feminist Theory*, 9: 131–144.
- Thayer, F. C. 1981. *An end to hierarchy and competition: Administration in the post-affluent world*. New York: Franklin Watts.
- Young, I. M. 1997. *Intersecting voices: Dilemmas of gender, political philosophy, and policy*. Princeton, NJ: Princeton University Press.

Copyright of Academy of Management Learning & Education is the property of Academy of Management and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.