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Real Economic Change That's Logical, Not Pathological

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Our economic system needs a major overhaul. What we're seeing today is how inefficient unregulated markets really are, just as we've seen that, rather than raining prosperity down on us, "trickle down economics" were a disaster. On the other hand, what's needed is not shifting to socialism. Ironically, the same administration that screamed about creeping socialism at the mere mention of business regulations took over Freddie Mac and Fannie Mac. These huge enterprises are now state owned. If that's not socialism, what is?

This crisis could have been avoided if the rules of the economic game were not slanted to protect uncaring and irresponsible business practices. Beyond the necessary government regulations dismantled by Republicans, who stubbornly refused to apply virtually any controls to granting credit and allowing credit trading by banks, are the basic rules driving our economic system which continue to promote rather than prevent uncaring and irresponsible behaviors. This again is behind the Bush Administration's proposed 700 billion dollar bailout - in still another nationalizing of failing enterprises with taxpayers' funds that should go to promote human welfare and environmental sustainability instead.

Insanity has been defined as continuing to do things that don't make sense, that don't achieve their stated goals, that cause misery and unhappiness.

So where do we go from here? First, let's not let the government use failed economic measures of corporate welfare to put its finger in the bursting economic dike. We must urge Congress to instead enact measures that offer better protection from loss to people's bank accounts, from foreclosures, and shores up small investments.

Then let's forget the old bromides about capitalism vs. socialism, and use this crisis to envision and implement economic systems that really work for people and the planet.

The first step is examining the flawed assumptions behind current economic measurements, practices, and policies. Otherwise, we will continue to generate painful economic crises, and be unable to effectively address our growing social and environmental challenges.

We've been spending billions on weapons, war, and now corporate bailouts, yet we're told there's no money for children's health and education. The way Gross National Product (GNP) is calculated is equally insane. This indicator of economic health puts activities that harm life, such

as making cigarettes along with the medical and funeral costs from smoking, on the plus side as "productive work." But it fails to ascribe any economic value to life-sustaining activities such as the work of parents caring for children - even though the quality of child-care profoundly affects human capacity development, which is critical for the "high quality human capital" necessary for a post-industrial knowledge economy. Just as insane is that we pay plumbers some five times what we pay childcare workers, even though if you ask most people, they'll of course say they value their children more than their pipes.

These economic valuations aren't logical, they're pathological. They reflect a skewed system in which caring is devalued - whether in women or men. And as long as caring is off the economic scale, it's not realistic to expect more caring government and business policies.

Let's overhaul our economic system so it no longer rewards uncaring practices but instead rewards caring for people and our natural habitat. That's what economics should do. After all, the real wealth of a nation consists of the contributions of people and of nature. We need what we have not had: economic indicators, policies, and practices that promote the shift to what I call a "caring economics."

Other nations have moved toward a caring economics - with excellent outcomes. Nations like Sweden, Norway, and Finland were so poor at the beginning of the 20th century that thousands fled famines. Today they're on the top ranks of both the United Nations Human Development Reports and the World Economic Forum's Global Competitiveness Reports. The reason is they changed their policies to invest in high quality human capital through universal health care, high quality child care and early childhood education, generous paid parental leave, good education, and even stipends and social security credit for the first seven years of caring for a child. These are not perfect nations, but they have a high quality of life for all, more egalitarian families, a higher status of women (who are 40 percent of national legislators), low crime rates, kids that score high on international tests, generally sound environmental policies, and successful economies that are a mix of free enterprise and central planning.

These nations don't call themselves socialist - and they are not socialist. The term they often use to describe themselves is "caring societies."

Our nation, on the other hand, has been moving in the opposite direction because of uncaring policies marketed to us as "efficient" and "sound." Our workforce's functional illiteracy rates are disproportionately high; our health care system ranks low in satisfaction comparisons with other industrialized nations, is more costly, and leaves millions without coverage. The gap between rich and poor is widening, the middle class is shrinking, and our child mortality rates are higher than every other industrialized nation, even than much poorer nations, such as Andorra and Cuba.

It's time for real change. Creating a care-based, human-centered economic system means thinking outside the old box of both capitalism and socialism. It requires enlightened leaders like Barack Obama who have the vision and intelligence to understand, as Einstein said, that we can't solve problems with the same thinking that created them.

Surely we in this wonderful nation of ours can muster the will to use our creativity and initiative to create a caring economics, a system that works in the long run, that works for us all, that works for generations still to come.

Riane Eisler is best known for her international bestsellers / *The Real Wealth of Nations: Creating a Caring Economics* / and / *the Chalice and the Blade: Our History, Our Future*/. She is president of the Center for Partnership Studies. For more information, see www.rianeeisler.com

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