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### **“Poverty Alleviation: Including Concerns for Society and Nature in Economics” or “Critique of Economics” *Written by Jytte Nhanenge***

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#### **Abstract:**

This article argues that perceiving development as an economic growth activity that can alleviate poverty in the South is a paradox. Since the underlying values of economics are based on dualist and reductionist perception of prioritizing quantitative, masculine or yang forces, while marginalizing qualitative, feminine or yin energies of the discipline is merely a tool to dominate society and exploit nature. The result is poverty of women, indigenous peoples, and nature, and affluence for the political and economic elites. In order to alleviate poverty and rejuvenate nature, economics must adapt and become a holistic and systemic discipline that is embedded in our social and natural realities. Only then will economics become useful as a tool for poverty alleviation and be helpful in creating a quality of life for people in the South.

#### **Biographical Details:**

Jytte Nhanenge is a Danish woman, who has been working with Third World development in Africa for many years. Being troubled about development’s inability to alleviate poverty, she decided to find out what is wrong with development. She then embarked on a lengthy study period at University of South Africa (UNISA). Her search was for an ethics in development. Using inputs from many insightful authors, Jytte compiled the outcome of her search in a comprehensive dissertation titled, “Ecofeminism: Towards Integrating the Concerns of Women, Poor People, and Nature into Development.” She rewrote the dissertation into book form, and in 2011 it was published by University Press of America. In this article, Jytte shares some of the insight she gained during her long search for limitations in development. Jytte lives in Chimoio, Mozambique.



# Poverty Alleviation: Including Concerns for Society and Nature in Economics

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*“Earth provides enough to satisfy every man’s needs but not for every man’s greed.”*  
Mohandas K. Gandhi (1997, 306.)

## Economic Development: Causing Crises for Society and Nature

### *Introduction*

The Third World development program was from its creation meant to alleviate poverty and bring a good life to people in the South. Nevertheless, after some 60 years of efforts, the *poverty* figures are devastating: Based on 2005 statistics, the World Bank estimated in 2008 that there are 1,345 billion absolute poor people in the world, compared to a 2008 global population of 6.7 billion people. Thus, 1 person out of every 5 is absolute poor. These people live below the international poverty line of 1.25 USD per day. Most are from the least developed countries. According to UNICEF, of the 49 countries in the world classified as least developed, 34 are situated in Africa. In 2007 the population in sub-Saharan Africa was 770 million. Fifty-one percent or 340 million of these people are absolute poor. Their lives are often short. They starve or die from diseases. Regarding *hunger*: FAO’s 2010 figures find that we globally have 925 million hungry people; 578 million of these live in Asia and the Pacific, while 239 million live in sub-Saharan Africa. Presently, we are 7 billion people on Earth. Thus, with an estimated 925 million hungry people, 13.1 percent, or almost 1 in 7 people are hungry. The result of these appalling figures is that 50,000 people die from effects of poverty every day. The area hardest hit is sub-Saharan Africa. (Hunger Notes 2011; Naidoo 2009; UNDP 2008; UNICEF.)

Women and children are worst affected by poverty and hunger in the South. Due to patriarchal cultural values, which manifest socially and politically, gender inequalities are pronounced. The result is that women constitute 70 percent of the world’s absolute poor. Poverty of women is a misery that spills over to their children. Thus, for children, the future looks bleak, and for many, life is hard and short. Death figures differ. One study finds that 7.7 million children below the age of five die each year, while another estimates 10.9 million deaths. UNICEF projected in its 2010 Report that a bit below 9 million children under the age of five die annually in the world. Consequently, every day on planet Earth on average 24,000 children die. This is in Anup Shah’s calculation equivalent to one child dying every 3.6 seconds, 16-17 children dying every minute, and a 2004 Asian Tsunami occurring almost every 10 days. Of these, two million babies die annually on the day they are born. Another two million die in their first month of life. Nearly all of these children live in the South. In total, some 70 million children died between 2000 and 2007. Research reveals that only 1 percent of the deaths among children under five have unknown causes and two thirds of them are entirely preventable. The situation is specifically disturbing in sub-Saharan Africa, which every year loses 4.8 million of its infants, out of 29.9 million births. The region as a whole has shown the least progress since 1990. A number of African countries are even still registering increase in under five mortality rates. In 2006, 49 percent of all death of children under five occurred in sub-Saharan Africa despite the fact that only 22 percent of the world’s children are born there. Thus, Africa has the world’s highest rate of child mortality; on average 1 in every 6 African children dies before the age of five. (Boston.com 2010; Health OMG 2011; Hunger Notes 2011; Rowe 1997; Shah 2009-10b; UNICEF 2007/2008, 2011.)



### ***The Essence of Economic Development***

Many development commentators (Ekins 1992, Shiva 1989, Trainer 1997) find that it is not lack of development that is causing these figures; it is rather development itself, which has brought about such misery due to its economic focus. The theory was that development should focus on increase of national economic growth, assumed necessary to alleviate poverty in the South. The process was that Southern governments direct lands, soils, and waters towards industrialization and production of commercial crops for the market. However, they overlooked that the same natural resources are providing a large number of traditional people with a decent subsistence livelihood. Without their natural resources, these people become destitute. Poor people do also not benefit from the economic growth their natural resources are producing. The reason is that economic profits are distributed unevenly in society. The economic elite get almost all of it, while poor people experience little or no improvement in their living conditions. The economic growth theory assumes that rich people invest their wealth into productive activities, the benefit of which is expected to be distributed in society, and alleviate poverty by the trickle-down effect. However, rich people do not invest their wealth into activities that benefit poor people. Instead, they spend their money on producing luxury goods for the elite, or they import Western consumer goods to improve their own comfortable lifestyle. In this way, economic development benefits Southern elites and Western industries, rather than poor people in the South. Another serious negative effect from economic development is its destruction of the environment. In the economic process natural resources are overused: waters and soils are exhausted and toxified with chemicals, forests are cut-down, and the air is polluted. Thus, the program of economic development treats nature as an income-generating resource, which can be exploited for its commercial value. Such activity causes environmental degradation, which gives serious, negative results for indigenous people. It is especially hard on women who produce between 60 and 80 percent of all food in the South. When nature is degraded, women are forced to grow their food crops on marginalized land. The outcome is less food for local people and unintended increase of natural destruction. Degraded environments also have serious global effects, which manifest as climate change. Increased temperatures, higher sea levels, more droughts, floods, storms, and other natural calamities will have disastrous results for people and nature, especially in the South. However, in spite of the obvious vicious circle that development and its economic growth is causing, Northern and Southern governments, together with the global economic institutions, continue to focus on economic profit-making. Thus, Southern peoples' right to decide upon their own life is ignored; instead they are expected to contain their losses. For many it ends in hunger, malnutrition, poverty, and death. Hence, the program of development has cheated Southern people out of the democracy they were promised after liberating themselves from colonial domination. Instead, a new dominative relationship has been created between people in the South and their governments, based on policies defined by the political and economic elites in the North. This situation tends to create social unrest, crime, violence, human rights abuses, and war. Such social disruption will only escalate the crises of hunger and poverty of women, children, and indigenous people, while further destroying the natural environment.

From the above it follows that economic development devastates wholesome and sustainable lifestyles for women and traditional peoples in the South. It creates scarcity of natural resources, and excludes an increasing number of adults and children from their right to food. Combined, the situation leads to hunger, malnutrition, sickness, poverty, and death. Conclusively, economic development has become a threat to the survival of the great majority in the South. Rather than being a strategy for poverty alleviation, bringing about a good life, development is creating complex crises of poverty and inequality, violence and war, environmental destruction, and human rights abuses. The worst hit is women, children, traditional people, poor people, and nature.



If this is the outcome of economic development, it becomes urgent to analyze its underlying values in order to understand what went wrong and to demand some fundamental changes. The following discussion is consequently a critique of economics and its growth. It is meant to show that its dualist, reductionist, masculine perceptions make economics a dominant and destructive ideology, rather than a system of knowledge. As a result of the limitations in the discipline of economics, economic development cannot alleviate poverty or create a quality of life for people in the South. Economic development conversely creates poverty.

## **Part I**

### **Economics' Dualised and Reductionist Values**

#### ***Introduction***

Like other Newtonian, scientific disciplines, economics is founded on reductionism. It therefore perceives reality as having separate, unrelated parts, rather than as an integrated, interrelated whole, as Einstein taught us. The reductionist world view has led to value dualism, which not only separates opposites, but also rates them. Thus, economics sees everything that is masculine or yang as being separate from but also superior to what is considered feminine or yin.

Hence in economics, parts are prioritized over wholes, quantity over quality, large over small, linear thinking over cyclical thinking, exploitation over conservation, objective over subjective, freedom over security, reason over emotion, the individual over society, self-interest over community-interest, egoism over relations, competition over cooperation, greed over generosity, material acquisition over mental well-being, expansion over contraction, universal over particular, rich over poor, production over re-production, micro over macro, closed over open, short-term over long-term, present over future, abstract over concrete, theory over practice, self-assertion over integration, public domain over domestic domain, capital over labor, money over life, modern over traditional, white over black, humans over nature, man over women.

Since dualism values the masculine, yang forces as being superior, it automatically subordinates the feminine, yin forces. This commonly, but not universally, manifests in modern, rich, mainly white men's (the elite) domination of women, traditional people, people of color, poor people, children, and their exploitation of nature. Without the dynamic tension, which the feminine, yin forces provide, this patriarchal worldview becomes unbalanced and violent, resulting in crises that are destroying society and nature. In the following, the underlying dualized values of economics are discussed. The main focus is on the domination of men over women, rich over poor, humans over nature, and quantity over quality.

#### ***Economics: A Reductionist and Static Paradigm***

Economics perceives reality reductionist. Thus, economists deal with the economy as if it is an independent entity, operating isolated from society and nature. They therefore fail to recognize that the economy is merely one part of a whole interconnected system, which include society and nature. Moreover, its singular focus on quantitative, mathematical models makes economics static, preventing it from embracing changes. In real life, an economy is a continuously changing system, which depends on the ecological and social system in which it is embedded. However, since most social and natural changes are qualitative and happening over time, they cannot be quantified. Thus, economists overlook the dynamic and integrated role of the economy and perceive it as a purely motionless paradigm. This makes economists out of touch with economic reality, and economics therefore becomes a theoretical discipline. One may use economics for accounting purposes; however it cannot produce knowledge about the world, neither can it be a



guide for judgment. Hence, economics' superiority in macro-management and forecasting is based on a fallacy. In reality economics can justify almost any set of policies or priorities, making it a useful profit-making tool in the hands of the economic and political elites. This fact may be the real reason why economics has never been adjusted to our social and environmental reality. (Capra 1982, 194-196; Henderson 1978, 34, 197.)

### ***Economics: A Flawed Price System***

Economics is a price system. Thus, economists believe that their discipline can find the 'right' price for a good or a service by uniting economic analysis and the market forces. The underlying value of this view suggests that prices are absolute and objective. However, in reality, prices are extremely inaccurate. Economists, often sub-consciously, include personal value assumptions in their analysis, hence basing prices on subjective expectations rather than objective facts. The biased issues includes human beings' faulty observations of the world, unrealistic expectations of resource availability, and prejudiced assessment of what is important for other people. Thus, human judgment of value is either arbitrary or flawed. From this it follows that economics 'the primary tool for studying the relative exchange values' must be similarly flawed. That explains why alcohol is expensive, while air is free. If prices would mirror the actual survival values of goods for humans, it would be opposite. (Henderson 1978, 48-49, 67.)

In some situations prices may be potentially useful in resource allocation. That happens when buyers and sellers meet each other with equal power and information on true costs. That is rarely possible since there often is a delay between reports about depleted resources and incorporation of this data in prices. Besides, buyers and sellers are not equal in the market. The idea of 'free' markets has been distorted by institutional power, interest groups, manipulative information, rapid technological change, and by those human needs that the market cannot register, including hunger and poverty. Consequently, free markets have disappeared in reality; they only exist in theory. Prices therefore cannot reflect reality. (Capra 1982, 240-241; Henderson 1978, 34, 49.)

### ***Economics: No Concern for Nature and Society***

A key reason for unrealistic prices is the economic concept of 'externalities.' These include social and environmental costs from economic development's unwanted side-effects. Most economists disregard these costs since they are difficult to quantify and therefore do not fit into their economic theoretical models. As a result, such costs stay outside economics as anomalies. In reality it means that air, water, soils, and other natural resources are seen as commodities, freely available for exploitation. Economists extend a similar treatment to society and its relations that become severely negatively affected by economic activities. By externalizing social and natural realities, economists avoid dealing with global crises like depletion of natural resources, environmental pollution, social deterioration, and increasing poverty, accepting them as given. Instead, economists support that private profit is made at public costs resulting in deterioration of the general quality of life. (Capra 1982, 238; Henderson 1978, 34, 49, 63.)

In the opinion of feminists, the exclusion of social and natural costs in economics comes from patriarchal values. In early societies property was communal. This changed with the Scientific Revolution, where individualism and private property became dominant values. Together with a focus on materialism, these values led to production for profit. Patriarchalism consequently produces men who see themselves as being separate, autonomous, and isolated selves, embedded in liberal politics, capitalist economic ideology, and an individualistic philosophy of mind. They are egos competing with other egos for scarce resources. The idea of a self as an isolated, competitive ego was based on the thoughts of Thomas Hobbes and further reinforced by the evolutionary theory of Charles Darwin. Such values are, however, not facts. They are rather experi-



ences of men raised in a patriarchal culture. Universalizing this value has led to exclusion of social elements in economics. Nevertheless, the definition is false. A patriarchal individual depends on the fact that women at home continuously provide the necessary safety net of social relationships. Without it, men could not carry on their competitive lifestyles. Thus, the masculine individual depends on a feminine community. Excluding social costs assumes women's free services; thus making economics exploitative. It is false concepts like this that makes economics an ideology. (Capra 1982, 202-204; Zimmerman 1987, 30-31.)

This is similar with our natural environment: although its resources are essential for economic profit-making, their costs are not calculated. This value came from John Locke, one of the founders of liberal capitalism. Locke argued that it is human labor that transforms natural things. Thus, natural resources have no value. They only become valuable when mixed with human labor. The argument also influenced Karl Marx. This explains why both capitalism and communism has treated nature as a free object for human exploitation. (Zimmerman 1987, 29.)

If economists want their theory to become relevant, economics must be embedded in society and nature and include their values. Consequently, to make prices more realistic, both social and environmental costs must be correctly reflected. Many externalities can be reasonably estimated, which would give a more accurate value. Such calculations would immensely improve all resource-allocation decisions. (Henderson 1978, 49-50.)

### ***Economic Efficiency: Environmental and Social Destruction***

Nevertheless, political leaders ignore inclusion of social and environmental externalities in economics. The likely reason to keep them out of economics is the private interests. When externalities are not included, individuals can earn profit at the expense of society and nature. This view is based on a value that prioritizes "economic efficiency" over all other actions. When the natural environment is externalized and considered "free goods," profit oriented activities that destroy nature becomes economic and thus efficient. A non-profit oriented activity that protects nature is conversely labeled uneconomic and consequently seen as being inefficient. (Henderson 1978, 49-50; Schumacher 1993, 28-29.)

An example is nuclear power. Governments often present this energy source as being the most efficient. Yet, the view is based on a disregard for its huge social and environmental costs. We are also told that solar energy is inefficient, and cannot compete with other energy sources in the "free" market. This is incorrect. When we add social and environmental costs and subtract government subsidies, solar energy is very competitive. Therefore, priority on nuclear energy is not based on logic; but it gives profit to the political and economic elites. This is similar in the US farming system, which has become the most inefficient in the world, measured in terms of the energy used for a given output of calories. Nevertheless, it gives huge profits to the agribusinesses. In fact, the entire American industrial system "which is using a huge part of the global resources for the benefit of a small percentage of the world's population" "is highly inefficient seen from the point of view of society and nature globally. However, it is profitable for the elites. (Capra 1982, 242-243.)

Excluding social and natural factors therefore makes economists blind to the damage their discipline imposes on other parts of our global system. According to the values in economics, economists merely assume that we will maximize the common good if we all strive to earn a profitable return on the capital employed. This means that only short-term outcomes are important in economics, because, as the economist John Maynard Keynes (1883-1946) puts it, "in the long term we are all dead." Thus, in economics there is no concern for natural or so-



cial facts, neither any consideration for future generations. The only interest is to make profit here and now, at any costs. This kind of value makes economics and the actions of its proponents irresponsible. Their only priority is on individual profit-making. The result is that cost-benefit analyses are made that will promote the profit interests of businesses and their owners, while the negative social and environmental effects are delegated to minority groups in society. These groups include mainly women, children, traditional people, people of color, and poor people. Also those without a voice, like nature and future generations, are forced to pay the price of individual, short-term profit-making. Yet, these effects are hidden behind a statistical veil. The economic figures are averaged per capita, which hides who bears the costs and who reaps the benefits. (Henderson 1978, 49-50; Schumacher 1993, 28-29.)

The concept 'economic efficiency' consequently becomes meaningless unless it is time related and embedded in social and natural reality. We need to know to whom and to what the efficiency relates. We cannot assume that any increase in efficiency will be fairly shared in society. Neither can we trust that the unavoidable costs will burden all equally. The currently used micro-model only includes economic efficiency, but we must also measure efficiency for society and nature, and for future generations. Besides, we need to redefine profit. Rather than winning private profit at the expense of social and natural exploitation, profit must relate to creation of real wealth. When we include relevant externalities in the price, many products will become unprofitable and disappear from the market. (Henderson 1978, 31-32, 46-47.)

The negative environmental and social effects of business activities were documented by K. William Kapp in 1950. In his opinion, the maximization of an individual's income would likely reduce the income of other individuals, and society at large. Thus, when we measure economic performance, we ignore social and environmental costs. This was confirmed by Jay W. Forrester who wrote in his book, 'World Dynamics,' 'In complex, nonlinear systems the optimization of any subsystem will generally conflict with the well-being of the larger system of which it is a part.' This is based on systemic thinking, which is vital for understanding economic problems. Since economics is embedded in and depending on the ecosystem, economists cannot use reductionist thinking. Systemic wisdom informs us that if we do something that is good, more of the same will not necessarily be better. Thus, in a system every part has an optimal size. Maximizing any single variable, will inevitably have negative consequences in other parts and eventually destroy the larger system. One cannot place the cost somewhere else and hope it will disappear, because, as Fritjof Capra says, there is no place as 'somewhere-else' in a system. Whenever something is growing, something else must be declining. Consequently, there is no such thing as profit unless it is taken from somebody else's pocket or gained at the expense of society, nature, and future generations. (Capra 1989, 275-277; Henderson 1978, 66-67.)

According to Fritjof Capra, governments' inability to place economic activities within their social and ecological contexts, prevent them from understanding the major crisis of our time. They cannot solve the increasing deficits, indebtedness, environmental destruction, crime, violence, war, and poverty worldwide. The reason is economics' reductionist and dualized system of thought. Economists use outdated theoretical models of a vanishing reality. In the meantime, people and nature are dying. (Capra 1989, 250.)

### ***Free Market Resource Allocation: Bias, Unjust, and Unsustainable***

When society and nature are excluded from economics, the free market mechanisms of supply and demand become illogical. The industrial sector supply goods, but in their prices they do not include the cost of natural resource scarcity, environmental pollution, corporations' price



control, essential free social services that are not rewarded like cooperation, household production, family care, and labor supply. The demand is neither pure. Much demand is created by the manipulative powers of advertisements, which also promote irrational needs. It conversely excludes poor peoples' real needs, because they cannot pay. In addition, it focuses on material goods while dismissing demands for human self-development. Such values are based on the modern culture, which prioritizes materialism over spiritual well-being. Demand also cannot register the role technology plays in determining use of energy and materials. Consequently, relying on market forces to allocate resources cannot satisfy basic human needs. It rather increases consumption by the affluent. This leads to depletion of natural resources, waste, pollution, and human misery. Due to the need for more resources, more capital, but less labor, environmental destruction will increase, as will prices, unemployment, and poverty. Conclusively, distribution of resources based on the free market is in the long run environmentally and socially unsustainable. (Henderson 1978, 37, 68.)

### ***Private Sector Exploits Public Sector***

When economics ignores the costs its activities give to society and nature, it results in an economy that is founded on past unequal power division, wealth distribution, and class structures. Thus, inequalities are accepted as given. It is seen as being fixed, and since moral issues cannot be quantified, ethics is not included. In reality, social inequality is not an accident. It is built into the structures of the economic system. Maintaining inequalities is in fact necessary for creation of more capital. The business elite expand its wealth by exploiting a country's labor and natural resources. Such activities are legalized by the political elite since the government share in part of the profit. Thus, social and ecological issues are interdependent; both are exploited in order to make private profit. In this way, private profit is legally reaped on public costs. The public is for the biggest part unaware of this. Many believe that wealth is created in the private sector and then via taxes channeled into the public sector, where the state invests it into democratically determined priorities of public goods and services. Yet, this model has become a theory. In reality businesses are reaping profits at the expense of rising public costs. They are also lobbying to persuade governments to use taxpayers' money to fund their risks and investments, which was the main justification for the profit system. Hence, economics is merely politics in disguise. (Capra 1982, 236-238; Capra 1989, 250-251; Henderson 1978, 195, 199.)

To be realistic economic calculations must show the rising cost the private sector produces in the public sector. When the pharmaceutical industry markets thousands of patent medicines, the government is forced to test them. The state must also combat the resulting drug-addiction and crime. Besides, it must clean up chemical spillage the production is causing to soils and waters. Yet, since the private sector can externalize such costs, taxpayers pay for it. In this way, profit becomes artificial, when social and natural costs are excluded. If these costs were added, many "unprofitable" goods would be too expensive and not sell-able at the market. It is dualism, which has distorted profit, due to its division of the private and public sectors. This view conveniently led economists to focus on private profit, while ignoring public costs. The dualized view falsely makes people believe that a capitalist society can afford thousands of brands of patent medicines, but no social services. Tobacco companies need to pay a reasonable part of the medical costs associated with lung and respiratory ailments caused by cigarette smoking. Similarly with the social costs of alcoholism; they must be paid for by those who produce the toxic. If economics should become a respectful science, it must estimate accurately the social and environmental costs of economic activities and direct these to the private sector. (Capra 1989, 243, 258-259; Henderson 1978, 13-15, 22-23, 46-47.)



Market-oriented economies, which are based on the private sector, therefore cannot deal effectively with pressing needs in the public sector. To satisfy basic human needs and the needs of nature, resource distribution becomes necessary. The market cannot do this. However, redistribution is unacceptable in a market economy. Thus, market-oriented states continue to use a capital and resource-intensive production system as its distribution mechanism to society and nature. Since this system fails, it must follow, that satisfying social and natural needs is not the priority of political leaders. (Henderson 1978, 38, 41, 65.)

All economic distribution has a political nature. When the private sector produces wealth, the public system can, by its laws, use this wealth how it pleases. With the high poverty figures, it becomes obvious that capitalist, market-oriented states support owners of capital over poor people. Thus, in the current neo-liberal economic system, wealth will not be distributed more equally. Present day's economics can therefore do nothing to alleviate poverty. The system only results in making the rich and powerful elites, richer and more powerful. In the process social unity and natural health is destroyed. (Henderson 1978, 74; Schumacher 1993, 57.)

### ***Economics: Prioritizing Quantity of Money over Quality of Life***

Economists and their models cannot incorporate any non-quantifiable values. They can only include what can be counted. Quality, which comprises human values and beliefs, cannot be counted, and it is therefore excluded. Economists prefer quantitative calculations because they give economics the appearance of an exact science. This is so even when the outcome of economic analyses is less than precise because essential qualitative issues are excluded. The below discussion shows how economists make cost-benefit analysis, calculate economic growth, and assess a country's Gross National Product, based on pure quantitative measures. (Capra 1982, 196-198; Henderson 1978, 23-24; Schumacher 1993, 33-34.)

### ***Cost-benefit Analysis: Lacking Ethical consideration***

The concept value comes from the Latin word *valore*, which means to be strong or worthy. It is therefore a complex and diverse concept. However, today people relate value to the economic market where it expresses satisfaction of the individual consumer's preference. Thus, economics overlooks all other values. Neo-classical economics and Marxism both downgrade social values, ethical values, art, and consciousness to dependent status. Marxists relates them to the superstructure, while neo-classical economics sees them as being a private issue, which therefore can be ignored. (Henderson 1987, 23-24; Waring 1994, 156.)

The values of a society determine its world-view and its political-economic structure. Thus, the study of values is essential in social sciences. No social science is value-free. Those who deny the underlying values in their theories are busy creating an ideology. Since economics is studying the relative exchange values of goods and services, it is the most value-dependent of all social sciences. Yet, economics does not discuss its underlying values. Instead, economics applies in a technical, complicated language in a specific, theoretical, and static value system and view of human nature. In this way, economics has changed social and moral choices into technical ones and decided upon conflicts that society should have determined politically. Consequently, the study of economics dismisses the qualitative or ecological, social, and psychological dimensions of economic activities. (Capra 1982, 196-198.)

This can be seen in the cost-benefit analysis, which economists are using to choose between alternative courses of action. In order to compare costs and benefits fairly, both are expressed in economic terms. Since only quantities can be included, environmental and social elements must first be quantified. However, reducing certain values into their economic costs is highly



questionable. There are things on which we cannot put a price. How could we for example conduct a cost-benefit analysis on issues like friendship or democracy? Or, should we accept when a cost-benefit analysis gives the outcome that the cost of a human life is not valuable pursuing? Why are cost-benefit analyses anthropocentric (human-centered)? Economists never measure cost and benefit seen from the side of an animal or a plant. When economists avoid these questions they ignore important values. Besides, if a price could be put on fresh air and clean water, this would be done by economists. Thus, the result would not be neutral but depending on the economist's bias opinion. Being committed to his discipline, the economist would measure the price by the willingness of users to pay. This would ignore the well-being of animals, plants, the biosphere, future generations and of course also the people who do not have any money. Consequently, economics dismisses nature and other qualitative elements because they cannot be quantified. (Des Jardins 2001, 54-56.)

The most meaningful part of human lives, our values and beliefs, are also dismissed by the economists. They also cannot be quantified. Conversely, the consumers preferences, even if these are silly, vulgar, dangerous, immoral, and criminal can be satisfied. The market would fill the wants of racists, sadists, pedophiles, and alcoholics, if they can pay for it. Hence, for economics the human being is a passive consumer without beliefs and values. Consequently, economics has created its own democracy based on profit-making. No ethical consideration for society and nature are included. That is a threat to a true democracy where society's value choices are determined by democratic, political processes in which the public argue for their beliefs. Conclusively, economic values, and its focus on satisfying consumers' preferences as a means to allocate resources efficiently, are not ethical. It can only include monetary value, while it is excluding human, social, and environmental values. (Des Jardins 2001, 56-60.)

### ***Increasing Economic Growth: Reducing Human Life***

A fundamental reason for our global crises is the obsession with unlimited economic growth. Practically all economists and politicians accept the model as a dogma. This is so, although it is overwhelmingly clear that unlimited economic growth on a limited globe will bring disaster. The false belief comes from the priority on the masculine, yang values of expansion, self-interest, natural exploitation, profit maximization, and social competition, which unrestricted will lead to greed. It is a linear way of thinking that relates to Isaac Newton's mechanical notion of absolute, infinite space and time. It also relates to the false belief that if something is good, then more of the same will necessarily be better. (Capra 1982, 223-224.)

Economic growth includes anything that passes through the market, and for which cash is exchanged. According to the economists, economic growth is productive. Hence, there is nothing called "bad" growth. Businesses therefore spend vast amounts on advertising their products in order to encourage consumption. This is so even if their good is unnecessary or wasteful, or even harmful to people. The belief is that a market-oriented society is productive when it has huge industries producing pet food, cosmetics, and drugs. At the same time, the government claims that it cannot afford public services. Seen from the side of citizens, it would be more productive to increase consumption of public services like public transport, health care, education, research into green energies, and recycling; but that is not growth. Since economic growth is "neutral," it cannot separate healthy from unhealthy production. As Marilyn Waring says, it is good for growth to smoke lots of cigarettes, have lots of car accidents, and of course, wars are sensational. Economic growth can also not separate a legal activity from an illegal one. Thus, illegal arms deal, illegal human trafficking, and illegal drugs trade are productive. There is consequently no need to worry about the Afghan drug farmers. Production of illegal drugs is a way for many Southern countries to get economic growth.



Consequently, for economics, economic growth and productivity are interconnected and both are only good. (Capra 1982, 226-227; Henderson 1978, 42; Waring 1994, 155.)

One reason economists believe in economic growth is the assumption that wealth will trickle down to the poor; a theory made by John Maynard Keynes. In reality, growth rarely trickles down to poor people. Only when economic growth is combined with re-distributive policies, will it ease urgent social problems. In a free market economy, growth does not benefit the poor. In many countries, high growth rates co-exist with rising unemployment, increasing income inequalities, and deteriorating social conditions. Yet, the theoretical argument was convincing. Holding it, repeating it, and distributing the argument as an absolute truth means that the rich elite is able to justify inequality as being vital to the formation of new capital for investment. Thus, economists and politicians still insist in spite of growing poverty rates that more growth will improve the quality of life for people. What they really mean is the standard of living, which for them is material consumption. However, since only rich people can afford increased consumption, poor people will not achieve a better living standard. Instead they must pay the real price for excessive consumption, which includes degradation of their quality of life, including pure air, clean water, healthy food, uncontaminated environments, and caring social relations. Economists can therefore no longer defend that economic growth is needed to alleviate poverty and to clean up the environment. Just the idea of using the current polluting production system to create resources for cleaning up its own mess sounds like a paradox. (Capra 1982, 225; Capra 1989, 252; Henderson 1978, 36, 42.)

Nonetheless, in spite of evidence to the opposite, economists still repeat the mantra that economic growth is the only way to improve life for poor people. The theory relates specifically to Third World development, so closely that the concept of development has become synonymous with economic growth. However, the argument was undermined already in 1971 by Barry Commoner. He dismissed the trickle-down theory. In his calculation, global natural resources would be exhausted long before economic growth could provide for the millions of poor. In Commoner's opinion, it is excessive consumption by rich nations that forces the South into poverty, and causes the majority of the environmental destruction. The capital and resource intensive production methods in the North are destructive for nature. For example, in order to gain high profits, the North uses polluting technology to synthesize artificial commodities, rather than using naturally produced commodities with low profit margins. Since the South export natural commodities, they lose out in the competitive global market. In this way, the North dominates the Southern economies. The North increased their standard of living and balanced their populations by colonial exploitations of Southern natural resources. However, even after colonization has ended, is the North using its economic power and technological advantage to increase its resource consumption. It is unscrupulous actions like these that have prevented the South from developing stable populations and an improved standard of living. Commoner's conclusion is that ecological sustainability requires social justice. (Henderson 1978, 70-71, 105.)

Other studies also question the trickle-down theory. In spite of economic growth, inequality is increasing. Hence, if the trickle-down effects should alleviate poverty, poor people would wait in the end of the queue forever. Therefore, as long as Third World development is identical with economic growth, development is not helpful for poverty alleviation. Rather than increasing the quantity of economic growth, development should improve the quality of life for poor people. Such development relates to sustainable livelihoods, not to the market economy. (Henderson 1978, 70-71, 105; Waring 1994, 155.)



It has been argued that we need economic growth in order to increase productivity and create employment. Distributing wealth through jobs is the basic issue in the Keynesian growth model. It was institutionalized in all Western countries and exported to the South. The theory holds that all get a part of the money flow in wages, rent, interest, or profit. On the surface, it looks fair. However, in reality the world wealthiest countries, numbering about 1 billion people, have earned 76 percent of the world's income. Thus, the decision to re-invest the wealth into production for the benefit of Southern societies lies in the hands of the Northern elites. Well, that is not a very safe place to put one's hope for income. As we have learned above, their focus is on economic efficiency, self-interest, competition, maximization of wealth, and exploitation of society and nature; hence, this is not at all a safe future for the working person in the South. (Henderson 1978, 72-73; Shah 2009-2010b.)

In reality it is progressively capital and not human labor that produces economic growth. Increased productivity does not necessarily mean increased employment. To cover this, economists analyze increased efficiency related to labor only, and ignore efficiency of capital and energy use in production. It then looks as if labor has become more productive, while more capital was used in labor activities, in the form of machinery or technology. Thus, employment was not increased. Consequently, the private sector continually substitutes capital for labor. This increases natural resource depletion, but it does not give more employment and income for the many. Instead, it gives a surplus of human beings and a shortage of non-renewable natural resources. When we conversely make production labor-intensive, rather than capital-intensive, then natural resources will be conserved and human resources will be used, benefiting both nature and society. It is therefore better for the South to apply labor intensive production. It uses their plentiful human resources and they avoid becoming dependent on foreign capital and the whims of its owners. It also results in conservation of resources and a more nature friendly economy. (Henderson 1978, 35, 74.)

Nevertheless, according to the economists since there is a growing global population and therefore, a growing need for jobs, the wealth must continuously be increased. The results are production of more unnecessary material goods for the private sector, more over-consumption of rich people, and more environmental degradation. The costs of wasteful over-consumption have been profoundly criticized and it is well documented during several decades, but economy growth continues. According to IMF, increase of global economic growth for 2011 is estimated to be 4½ percent. Creation of this wealth is based on the availability of natural resources and energy. Economists, however, seem to doubt this reality. They have a blind faith in the market and an absolute trust in technological wonders. It is false beliefs like these that have caused economists like Robert Solow to argue that, "The ancient concern about the depletion of natural resources no longer rests on any firm theoretical basis." Solow was also awarded the Nobel Prize in Economics for stating that production and growth can completely do away with the notion of exhaustible natural resources. For Solow resource exhaustion is not a problem, "If it is very easy to substitute other factors for natural resources, then there is, in principle, no problem. The world can, in effect, get along without natural resources, so exhaustion is just an event, not a catastrophe." Yet, as Henderson firmly states, the economists are wrong. If we do not have natural resources to manipulate and fashion for our needs, we are not only poor but also dead. If the current patterns of undifferentiated growth will continue, the reserves of metal, food, oxygen, and ozone will soon be exhausted, which will end human life on Earth. Conclusively, we do not need more economic growth. In order to alleviate poverty and regenerate the environment, we need redistribution of wealth. (Capra 1982, 244; Henderson 1978, 72-73, 93; IMF 2011; Rowe 1997, 385; Shiva 1993, 208.)



### ***GNP Values Social Degradation and Natural Depletion***

For more than half a century, the political elite have taken it for granted that the aim of economic policy is to encourage wealth creation. This economic wealth is measured by the Gross National Product (GNP) or the Gross Domestic Product (GDP.) According to economic theories, such calculations are the indicators of how economic successful a country is. Thus, a high GNP is assumed to show that the nation over-all is doing well. *The first* problem with this assumption is that only economic activities associated with monetary values, or quantities, are added to GNP, while all non-monetary features, or qualities, are ignored. Thus, only goods and services traded in the market are measured, while all other valuable production and services done outside of the market are disregarded. The overlooked activities include domestic work, parenting work, volunteer work, and subsistence work; however, also nature's work in producing resources is excluded. *The second* problem is that all goods and services traded at the market are indiscriminately added to GNP as positive contributions to social wealth. Without the concept of quality, which includes ethics, economic calculations cannot differentiate between good or bad growth. The economists seem to assume that all growth is desirable, irrespectively of what has grown and who has benefited. That there can be unhealthy growth is a wicked idea, which is not permitted in economics. Therefore, GNP adds, as being valuable, activities like wars and mediation of conflicts, social costs like control of crime and litigation, health care including treatment of diseases like cancer and stress. If we really want to measure society's wealth these costs should rather be subtracted. Nevertheless, economic reality is, as Ralph Nader expresses it, "Every time there is an automobile accident the GNP goes up." Similarly with the negative social and environmental effects from economic activities; cleaning up of wastes from production and consumption, caring for human casualties of irresponsible technology and drug addiction, are all counted in the GNP as positive production. *The third* problem is that GNP does not include intangibles like literacy and health although both contribute to the wealth of the country. A social service like education is treated as a cost rather than an investment in human resources. As physical resources become even scarcer, increasing the skills, knowledge, and hopefully the wisdom of people is a form of growth, which might be the best chance of human survival. But, it is not included in a nation's wealth. Such exclusion only confirms that people's quality of life is of no importance to the economists, their discipline, and to politicians. (Capra 1982, 242; Capra 1989, 250-251; Henderson 1978, 21-23, 88; Rowe 1997, 186, 426; Schumacher 1993, 33.)

Although the inadequacy of the quantitative methods of accounting is recognized, little effort has been done to redefine GNP/GDP to become an effective measure of production and wealth. The economists and politicians still firmly believe that an increase in the GDP means increase in the country's wealth and in the happiness of its inhabitants. Yet, this assumption is flawed. Ever since the Second World War, the European countries have increased both the GDP and the suicide rates of young people! Thus, one wonder how much richer a country really is. The GDP does not consider what the country has lost. There is no measurement of pollution, natural resource damage, loss due to unemployment or under-employment, etc. If these issues were included, the end result would look differently. To determine values for the loss of social and natural goods and services is not easy. However, the economist Herman Daly tried to adjust the GDP of USA to account for the depletions in natural capital, pollution effects, and income distribution. The results were that there has been no growth in the USA in the 25 years from 1969 to 1994. There has only been running down of inventory and natural capital. The social and natural "running-down" costs must by now be of a tremendous amount because the GDP for USA in 2010 was 14.6 trillion USD. (Capra 1982, 242; CIA The World Factbook 2011; Rowe 1997, 186-187; Waring 1994, 157.)



In spite of the politicians' false belief, the public knows that the equation between social well-being and per capita GDP has broken down. It is for example believed that higher material living standard gives a longer and healthier life. This is not necessarily so. Income differs in the US, the UK, Sri Lanka, and China, but the longevity in these countries is very similar. According to Amartya Sen, professor at Harvard, there is no correlation between social performance, measured by life expectancy, and economic performance, measured by GNP. Life expectancy in Kerala, one of the poorest states in India, is higher than in South Africa; Harlem is worse off than Bangladesh. Similarly with human happiness: a 1978 study showed that the relationship between income and happiness is remarkably small. The main issues that determine happiness has nothing to do with income and consumption. They include satisfaction with family life, work, leisure, and friendships. This result was confirmed by a study done by an international network of sociologists cited in the Dutch magazine *Genoeg* April/May 2004. The conclusion was that the happiest people live in Nigeria, which is among the poorest countries in the World. Relatively poor South America also receives high scores in the World Values Survey. Russia tops the list of unhappiest countries. The obvious conclusion is that the public are right and politicians are wrong. A country may be rich measured in terms of average GDP, but poor in terms of well-being. This was also stated by David Marquand in *The Observer* in June 1996, "Britain's failures are social, not economic; and our failure is the product of politics with which economic success has been pursued. The goal of public policy should be maximum well-being, not maximum growth." (Ekins 1992, 29, 111; *Ode Magazine* September 2004, no 9; Rowe 1997, 426.)

One then need to ask, if a high GNP/GDP does not bring human happiness, health, and well-being, why does it have such a high priority? The above-mentioned 1978 study gives an indication. It showed that the source of money satisfaction in a competitive society is not simply being rich, but about being richer than other people are. In this way, the gain of one individual is automatically making others lose. Thus, the consumer society's wealth accumulation, their destruction of life, community, and of the Earth has resulted in no overall benefit at all. Many believed that solving the problem of production would lead people to turn towards higher spiritual aims in life. They were wrong. Instead, competition, consumption, and materialism have become the principal cultural expressions. (Ekins 1992, 29.)

Consequently, we will not accomplish sustainability, well-being, equality, harmony, or happiness as long as our economic aim is to pursue growth, measured by GNP/GDP. Research shows that well-being in areas like literacy and health relate to how a country's wealth is distributed. The more evenly the wealth is distributed the more literate and healthy the country is. Hence, well-being relates to social justice. Economic activities must therefore be restricted by environmental sustainability limitations. It must be directed towards positive human values like personal development, quality of life, social participation, democracy, and justice. (Ekins 1992, 182; Rowe 1997, 186.)

With these inconsistencies, it becomes clear that we need an alternative way of calculating national wealth. The Japanese government has realized that. They therefore started to modify their GDP into a new indicator, Net National Welfare, which is meant to deduct the negative social and environmental costs. Marilyn Waring (1994, 155) is however unconvinced about the method. She doubts if "environmental economics" is a solution for nature. Environmental economics appeared in the 1970s. It aims to improve neo-classical economics at the micro level, but it is leaving the macro level unchanged. The idea is to give monetary values to the environment and include them in economic calculations. Accordingly, the idea is to improve economics by adding nature. The method has, however, been criticized as being reductionist.



It still holds the value that economic activities exist in a closed and non-related system. It also assumes that environmental elements can be measured, not acknowledging that there are values that cannot be quantified. It cannot address uncertainty; it can neither perceive the problem of irreversible ecological damage. Since environmental degradation is long-term, the short-term horizon of the method is another problem. Consequently, environmental economics is just conventional economics that has expanded its quantitative calculations to include the environment. It is tempting to believe that we can empower nature by quantifying it and giving it monetary value. It is a way of proving that forests and mountains have value. Yet, in reality we have no economic instrument that can give market value to any part of the ecosystem or its functions. Moreover, national income accounting works inside nation-states only, while nature knows of no borders. Hence, one cannot record the export of acid rain; neither the import of polluted rivers. When the Swiss pharmaceutical company Sandoz pours chemicals in the Rhine, the pollution does not stop at the Swiss border; similarly with pollution of air and oceans. The treatment of the environment in national accounts and in public policy repeats the arrogant, patriarchal ideology that only money has value and only the market can give us knowledge. It suggests that life can be packed into such a narrow, unethical, and soulless view. However, anyone who loves nature do not want to see it appearing in the GNP calculations alongside nuclear bombs, nuclear power stations, toxic waste, female sexual slavery, trade in drugs, and everything else. That is what environmental economics offers us, and Waring (1994, 161) finds that we ought to turn it down. (Braidotti et al 1994, 138; Henderson 1978, 23; Waring 1994, 159-161.)

Rather than having a reductionist environmental economics, we need ecological economics. It is a holistic discipline that integrates economics into society and nature. It deals with the macro level, in the long-term. Since ecological economics is integrated in nature, we cannot anymore pursue linear and eternal economic growth. Our economic activities need to be limited by the biological circles. In this way, economic concepts are redefined to include more values than only monetary ones. Including nature means that polluters must pay for environmental degradation, making prevention and recycling profitable. Since ecological economics is placed inside an open and dynamic system, it must also embrace the principle of uncertainty, and recognize unpredictable outcomes. Consequently, ecological economics is a radical change from the framework of neo-classical economics. (Braidotti et al 1994, 138.)

The reductionist approach of economists, their disregard of the economy's evolution, and their preference for theoretical, quantitative models, means there is a huge gap between economic theory and reality. Their solutions have little relevance to social issues. They have left out three elements from their models: leisure, the work of nature, and the work of women. All are feminine, yin forces, and all are excluded from national income accounting. It is therefore no coincidence that modern economics is exploiting nature, dominating women, and thereby increasing poverty of women and environmental degradation. Hence, economics is a domineering, patriarchal, yang tool. (Capra 1982, 198-199; Waring 1994, 159.)

### ***Patriarchal Economics: Prioritizing Masculine over Feminine Energies***

The purpose of classical economics is to achieve maximum satisfaction of individual desires. The best means is assumed to be the free market. This view relates to utilitarian ethics, which has the ultimate goal of maximizing "the greatest good for the greatest number for the longest time." To decide what is good for a person, one must find out what the person wants; this is shown by his willingness to pay for it at the market. Thus, economics sees "market-utilitarianism" as being the most efficient way to bring about maximum happiness, and also the best way ethically. Consequently, the overall good is determined by the willingness of



people to pay for it at the market. Economics is therefore not neutral. It is a utilitarian system, with some underlying assumptions: **The first** is the belief that market utilitarianism is the best to promote individual freedom, preferred to coercive government regulation. Hence, *individualism* reigns almost unquestionably in economics. **Secondly**, it assumes a legal system of private property rights. Only when rights are privately held and easily transferable does the market function. **Thirdly**, it has certain assumptions about human nature. The basic idea about people is that they act due to *self-interest*. In classic utilitarian theory, self-interest is seen as a *rational* action that is maximizing own satisfaction or *utility*. Consequently, since economic theorizing is heavily influenced by certain philosophical and ethical values, economics is not neutral. According to feminists, these values – some of which will be discussed below – are included in all economic frameworks, and they are all based on patriarchal dualism. (Capra 1982, 204; Des Jardins 2001, 51-53; Honderich 1995, 211.)

*Individualism* is the foundation of economics. It is a legacy from John Locke. It focuses on individualistic (yang) needs, while community (yin) needs are marginalized. It endorses a market-oriented society, where competition (yang) is valued, while cooperation (yin) and all the activities that bind society together are relegated to a lower status. Thus, individual freedom (yang) is preferred over community interconnections (yin). The focus on the individual also leads to a priority of private property rights (yang), while rights to public services (yin) are limited. Due to the competitive values, social change becomes a power struggle among individuals or groups aiming to persuade others to adopt their beliefs. Individualism has consequently created pointless conflicts and exacerbated loneliness and alienation; Henderson even talks about *“the curse of individualism.”* The whole idea of separating the social and the individual and prioritize the latter is risky. Personal freedom comes from social cohesion; hence, we can be free only if there exist in society an equivalent field of cooperation. Thus, individualism alone leads to self-destruction. In spite of this, all the cooperative activities – like childcare, voluntary work, subsistence production, and domestic work – that hold society together, and of which women bear the heaviest burden, are underrated and not enumerated. (Birkeland 1995, 67; Henderson 1978, 12, 15, 48.)

The dualized, patriarchal values can easily be seen in the way economics treats *“work.”* In its masculine, yang scheme, high status jobs relate to technology and money. Thus, highly valued work involves linear activities that create something visible, big, and lasting. This may include building of skyscrapers, making of air planes, rockets, nuclear warheads, and other capital intensive, high technology products. All goods are made for profit and relate to privately held rights. Often the products exist eternally, and with impacts that are often extremely harmful to the natural and social environment and to human mental and physical health. (Capra 1982, 244, 246; Capra 1989, 277-278.)

Feminine, yin work has the lowest status. It is inclined to be cyclical work – work that needs to be done repeatedly without lasting impact. The work is often invisible, however essential for daily existence. This work is generally delegated to women and minority groups and enumerated with the lowest pay. Repeated work like housekeeping, cooking, childcare, care for sick family members, voluntary work, subsistence food production, and other home-bound services are unpaid. This kind of work is not counted in economics, in spite of the fact that it is the base of the family, society, and crucial for human survival. In addition, according to Scott Burns in his book *“Home, Inc.”*, the total amount of work done by men and women in the US household would equal in monetary terms the entire amount paid out in wages by every US Corporation. Nonetheless, since the work is feminine, it is ignored. (Capra 1982, 244, 246; Capra 1989, 277-279; Henderson 1978, 32.)



A reason why modern society excludes cyclical work may be because it reminds people of the natural cycles of growth and decay, birth and death. Doing repeated work shows that human beings are an interconnected part of the universe's dynamic order. Cyclical work connects nature, spirituality, and feminine thinking, to biological cycles. It links ecology, feminism, and spirituality, which exactly are those areas science from its early history wanted to control to overcome death. Thus, to survive as a universal and eternal model, scientific economics must exclude women, society, and nature, and in so doing, modern society lost ecological awareness and it will eventually lose itself. (Capra 1982, 244, 246; Capra 1989, 277-279.)

Consequently, the way in which economics treats work clearly shows its bias, dualized character. As a scientific discipline, economics focuses on masculine, yang forces, while marginalizing the feminine, yin forces. This leads to a value system where cooperation, social relations, and natural conservation are subordinate to the dominant values of competition, individualism, and exploitation. This may end in a precarious situation. Since the dominant yang energies tend to become violent without the restraining energies of the subtle yin, unlimited yang forces result in unattractive social tendency like materialism, rivalry, gluttony, arrogance, egoism, thoughtlessness, and just plain greed. Rather than trying to strike a dynamic balance between the yin and yang forces, economists accept the imbalanced set of values, which has come to dominate modern culture and its institutions. The dualist exclusion of yin, will eventually end up in destroying society, nature, and therefore also the individual. (Birkeland 1995, 67; Capra 1989, 251-252; Henderson 1978, 12, 15, 48.)

The individual is defined as being *rational* and *self-interested*. This implies that people can be persuaded by reason and motivated by enlightened self-interest to create an equal and sustainable society. It also suggests that when people destroy nature for their own profit-making, it is misguided self-interest. The belief is that such human greed can be corrected by self-interested or rational motives. Yet, history has shown that rational persuasion does not motivate people. Destructive behavior is rather an irrational pursuit of dominance that relates to suppressed emotional needs. Since people are motivated to act by satisfaction of emotional needs, rather than rational arguments, it is important to understand the emotions that underlie human greed. Economics and politics, however, largely ignore such human psychological reality and base their theories on the rational yang model of man. They consequently exclude yin emotions as the dualized other. Yet, when we deny emotional needs, it gives a sense of emptiness and alienation, which can only be balanced by love, admiration, and acceptance. Since these powerful emotions are considered subordinate, they are repressed, and instead gratification is sought in a drive for greed, power, and other behavioral pathologies. Consequently, without feminine yin feelings, dominative social relationships, exploitation of nature, and abuse of power is reinforced. (Birkeland 1995, 65-67.)

Replacing emotional needs with a drive for power has strongly influenced values and behavior in modern patriarchal society. Patriarchy has manipulated people into finding the rich and powerful attractive, regardless of how they obtained the wealth and power. People consequently learn to disregard emotions, to act irrational and self-interested, and to compete ruthlessly in order to gain profit and power. Hence, denying the emotional self causes much of the destructive behavior in patriarchal society. Appealing to individual rationality will not improve the destructive behavior towards nature, women, and poor people. People will not abandon power and greed because a sustainable society makes sense. Rationalist approaches have so far proven inadequate. We consequently need to focus on the underlying motives for domination and greed, and from that suggest new strategies. (Birkeland 1995, 67.)



In reality people change quickly when they obtain emotional, sensual, or ego gratification. A society can therefore work towards defining and remedy the personal insecurities and unconscious motives that are causing the drive for power and greed. This may dissolve the social conception of masculinity as power. According to Janis Birkeland, we therefore need to end the glorification of the "corporate cowboys" and to work towards reinforcing behavior that is not power seeking. Many men see themselves as failures because they do not measure up to the masculine stereotype. However, from socialization they are afraid of dealing with their feelings and insecurities, which may expose them as being un-masculine. If such people were affirmed by a different concept of masculinity or humanity, then they would be more reluctant to seek glory in power. (Birkeland 1995, 67.)

Birkeland conclusively finds it pointless to spend energy on trying to win power, arguments, or converts to an equal and sustainable society. These strategies only generate opposition. It is the denial of emotional needs that has been socialized into the modern patriarchal culture, which has contributed to an excessive need for profit, greed, and domination. Consequently, attitudes towards a peaceful and sustainable future will only change when people with power learn to embrace their feminine yin feelings and cooperate. (Birkeland 1995, 67.)

### ***Economic Growth: Causing War and Violence***

With its abuse of natural resources and people, economics and its bottomless greed will eventually generate aggression between rich and poor. Hence, while the modern economy creates success for some; it indulges envy in others. According to E. F. Schumacher, when a person is cultivating vices like greed and envy, he loses his intelligence. Greedy man cannot see things in their wholeness. Therefore, he cannot see that his individual success becomes a failure for society and nature. Greedy man can only compete; he cannot cooperate. Without cooperation in society, economic well-being will stop. Societies contaminated with greed may achieve amazing individual things, but lack of cooperation means that they cannot solve their most basic problems of everyday co-existence. The result is that people feel frustrated, alienated, oppressed, and insecure. Without intelligence, people cannot see their own true interest. The social dysfunction of rich societies is therefore not a passing phenomenon that can be eradicated by science and technology. As long as greed is motivating man, the pursuit for growth does not decline when higher living standards are attained. It is precisely rich societies that continuously are pursuing their economic advantage with the greatest ruthlessness. To become rich is therefore not the road to peace. Its reliance on greed and envy destroys intelligence, happiness, serenity, and hence, the peacefulness of man. In addition, rich people are in constant competition for resources leading to conflict and violence. Thus, to be rich and peaceful is a contradiction in terms. (Schumacher 1993, 18-19, 24.)

It is not riches and economic growth that is the basis for a well-functioning society. Family, work, and the relationships established by work are the true foundations of society. If these are unsound, society cannot be sound. And if society is sick, it becomes a danger to peace. It is our unwise way of thinking and living, mainly our cultivation of greed and envy that is causing wars. Hence, only wisdom can liberate us from greed and envy. Wisdom will help us to see the emptiness of materialism, to the neglect of the spiritual, and the ethical. Man's needs are infinite. The infinitude can only be found in the spiritual realm, never in the material. (Schumacher 1993, 23-24.)

Thus for Schumacher, the road to peace is wisdom. When wisdom is applied to economics, it becomes clear that there can be growth only to a limited degree. Nothing makes economic sense unless its long-term continuation is secured. Seen in this way, eternal economic growth



is an antithesis to wisdom and peace. Increased material needs only increase resource conflicts. Consequently, when we reduce needs, we also reduce the tensions of violence and war. Long-term sustainable economics therefore implies that science and technology must incorporate wisdom. Without wisdom, man is driven towards building a monstrous economy, which destroys the world. This is the real cause of war. We cannot create peace without first removing the causes of war. Conclusively, peace cannot be built on an economic foundation. It is a contradiction in terms. Economic pursuit depends on greed and envy, the very forces that drives men into conflict. (Schumacher 1993, 19-20, 25.)

## **Part II**

### **The Program of Economic Development**

#### ***Development: Economic Growth in Disguise***

Development was from its very beginning defined as having three categories: scientific knowledge, modern technology, and economic development. This has manifested in a gigantic and homogeneous model of development, including industrialization, modernization, and economic growth. Progress is measured by quantitative, monetary aggregates based on the discipline of economics. Hence, promoters of the development program decided that the principal social objectives of all countries must be commodity consumption and capital accumulation. The system either seduces people to join consumerism, needing them to generate demand; or it forces people to compete in the market economy, by taking away their natural resources as supply for the market. The result is that natural resources and social structures that gave people security are ruthlessly exploited. This is, however, justified in the name of economic efficiency and wealth creation. As Vandana Shiva says, along the way conserving life was sacrificed to progress. (Ekins 1992, 205; Shiva 1989, xiv.)

Hence, development is part and parcel of economics. Accordingly, Gross National Product (GNP) and/or Gross Domestic Product (GDP) are the main indicators for progress and development. Thus - according to governments in the North and the South and for the various global financial institutions - development is a planned, unidirectional, cumulative, coordinated strategy towards a preset target. Although Einstein's holistic and systemic quantum and relativity theories made reductionist and mechanical physics obsolete, economic laws are still reductionist and mechanical, like all of its concepts. (Carmen 1991, 68.)

#### ***Economic Development: Quantitative Actions, Destroying a Quality of Life***

As already mentioned, economics can only include what can be counted. Therefore, non-quantifiable issues are excluded. These quality resources include social-cohesion, creativity, solidarity, dedication, cooperation, care, and many more. All of these are people-resources, which, opposite natural resources, increase the more they are utilized, but are lost when they are not used. Hence, paradoxically economics exclude what is relevant for people and what should be counted in order to make economic development a good change. Instead, all commodities, including human beings, are measured in terms of money. From this it follows that all social, cultural, economic, and political behavior is based on the economic values of individualism, self-interest, greed, maximization, and competition. This automatically excludes any consideration for social and ethical issues. Thus, individual greed takes over and balance in society can be maintained only by use of control and violence. Consequently, disregard of qualitative issues in the economic system makes economic development reckless, exploitative, and aggressive in its pursuit of production and consumption. In this way, it becomes



clear why economic development has not been successful in alleviating poverty and in creating stable nation-states in the South. (Carmen 1991, 68, 69; Patankar 1995, 28.)

Schumacher agreed. He found that all-important insights are missed if we see development in quantitative terms and in theoretical concepts like terms of trade, foreign investment, etc. These have no relevance to development issues as such. They also did not play the slightest part in the actual development of the rich countries. The common criterion of a success ó the growth of GNP ó is entirely misleading; it is imposed by the North and has resulted in neo-colonialism. This may not have been the intention, which only makes the problem worse. Unintentional neo-colonialism is far more deceitful and difficult to combat than neo-colonialism intentionally pursued. It results in the mere drift of things, supported by the best intentions. Thus, poor countries are forced to adopt production methods and consumption standards, which destroy the possibility for self-reliance and self-help. The results are unintentional neo-colonialism and hopelessness for the poor. (Schumacher 1993, 160, 162.)

With its focus on quantities, development relates to material things: what is visible, what can be planned, counted, and purchased. Thus, development is about physical creation. The ruling philosophy in development has therefore, according to Schumacher been, "What is best for the rich, must be best for the poor." Since the rich often focus on goods, material factors of poverty is the priority. Yet, this view overlooks the preconditions for successful social change, which are invisible. Hence, in real development the material and quantitative aspect is quite secondary to the human and qualitative aspect. Money and material goods do not always do the trick. If the policy is wrong, money will not make it right. Development does not start with goods; it starts with people, their *education, organization, and discipline*. Without these, all material resources remain latent and potential. Thus, to alleviate poverty, lack of adequate human skills must first be removed. That is a gradual process. Development therefore requires a process of evolution rather than creation. Instead of increasing the GNP, the task of development must be to make all three skills the property of society. Introduction of any economic activities that depend on education, organization, and discipline not inherent in the specific society, will not promote healthy development. Such activities are more likely to intensify the difference between rich and poor. Consumer goods and life styles that suit affluent and educated people are not likely to suit poor peasants. It is a misunderstood belief that poor Southern people can adapt to the styles and methods of the sophisticated modern North. People cannot adapt to methods, it is methods that must adapt to people. Thus, development must be a conscious and determined shift from goods to people, from quantity to quality. Without such a shift the results of development will become increasingly destructive. People are the primary and ultimate source of wealth. If they are left out, then nothing can ever yield real fruits. (Schumacher 1993, 136, 138-140, 158-159, 162.)

Hassan Zaoual is also critical about purely quantitative development and its destruction. Development is an imagination, a false problem. It is based on the same belief as economics ó that there is an objective world, outside and unconnected to society and the local population. When development does not relate to a real human world and to people's quality of life, it becomes invasive, leading to alienation. Therefore, any "progress" that does not start from local cultural values will only have negative effects on the community. Thus, planning and transferring of development is fundamentally mistaken and self-defeating. It aims only to reach a preset, objective target of industrialization, modernization, and consumerism, while overlooking people's quality of life. Zaoual consequently finds that any development activity, which is detached from the socio-cultural context, and people's quality of life, will kill. The destructiveness of quantitative, economic development is manifested in dictatorial regimes,



their weaponry, and armies that are waging wars against their own populations. The unifying social myth from societies in the USA and Europe does not exist in the South. Without such unity, a society can only be governed by force. It is issues like these that has motivated Aruna Gnanadasan to call development for "development destruction," while the Chilean economist Manfred Max-Neef speaks of "anti-developing countries." (Carmen 1991, 70, 72.)

When development destroys the quality of life, it also destroys cultures and the psychological structures in society. If there is nothing left for parents to teach their children or children to accept from their parents, family life will collapse. Life, work, happiness in all societies depends on psychological structures. Social cohesion, cooperation, mutual respect, self-respect, and courage in face of adversity ó all disintegrate when the psychological structures are damaged. A person is destroyed if he feels useless. No amount of economic growth can compensate for such losses. And of course no economic growth can take place when people feel useless, because it is people who are the promoters of such. However, the economic theories do not include these issues. They see development failures either due to insufficient aid or deficiencies inherent in the societies and populations. (Schumacher 1993, 159.)

### ***Economic Development: A Rational Activity, Excluding Human Emotions***

Apart from quantitative and material issues development also prioritizes rationality. Thus, economic development overlooks the emotional needs of human beings. A one-sided focus on rationality will automatically block understanding of human needs and motivation. Without the human and emotional element, development policies will not become sustainable. Instead, they will destroy traditional societies, indigenous cultures, and nature in the South. Janis Birkeland believes that ignoring the significance of human emotional needs and personal relationships, and its diversity, is a major reason why the development program has failed. When the personal, emotional dimension is back-grounded, development becomes easy; it only has to deal with provision of physical, tangible needs like food, medicine, clothing, and shelter. In this way, even the most well-intended development activity will deprive people of community, self-reliance, and sustainable lifestyles. Development has caused a loss of connection among individuals and alienated them from community and nature. Instead development displaces villagers into the consumer economy where experts assume their physical needs will be met. Yet, this does not happen. When development has destroyed their community and appropriated their natural resources, indigenous people have become physically and economically destitute. Hence, the result of economic development is marginalization of women, traditional people, and nature. (Birkeland 1995, 68.)

Why development economists can see this as a rational outcome of development planning requires an explanation: development is based on the liberal system, which sees society as a group of individuals. Therefore, distribution of resources is a matter of balancing competing interests, choosing the most pressing ones first. This leads to a decision-making method that is weighing rights and preferences. Based on this, development proposals are balancing costs, benefits, and the relative interests of the parties. This method will necessarily disadvantage the have-nots, the non-humans, and the not-yet-born. In an economic scheme, all of these are seen as having a lower stake in the outcome. Rationally seen, those who have more economic power have more to win or lose, they consequently have a higher stake. Thus, the interests and needs of the poor, other species, and future generations are traded off for the wants and needs of consumers and producers. The interests of the latter are, in liberal theory, seen as being more pressing. In this way, the balancing process does not balance the outcome. The reasoning is simple: when balancing a) the rights of humans against those of other species; b) the rights of the dominant culture against those of indigenous peoples; c) the needs of the liv-



ing against those of future generations; d) the interests in economic development against the needs of nature, the politically weaker part of each pair will be discharged. However green the value of people may be, the rights of nature and its animals will never be balanced equally with the rights of society and its humans. Thus, balancing interests, rights, and needs result in a division that reduces immediate conflicts over resource allocation to the benefit of economic development interests. The losers are women, poor people, indigenous people, nature, and future generations. If we want to make development sustainable we need, at a minimum, to ensure environmental health and promote human fulfillment. These goals cannot be achieved by rational decision making that resolves competing demands for resources according to rights and interests. When we recognize that the masculine, rational, economic model of human beings is not universal, it becomes possible to develop an ethics of selfless care, reciprocity, and responsibility, without having to justify these values in terms of rights. In any case, the norm of balancing rights and preferences is no more rational than the norm of preparing for a safe and secure future. (Birkeland 1995, 69-70.)

Therefore, development is much more than quantitative calculations of economic growth and GNP. Development decisions based on the rational cost-benefit method is also incomplete. The dualized, reductionist approach is in fact completely inadequate if the main function of development is to improve the quality of life for people. Development must as a minimum guarantee people sustainable livelihood. Thus, the roots of development lie outside the rational, quantitative, economic sphere, and inside qualitative issues including education, organization, healthy environments, political independence, democracy, and a social consciousness of self-reliance, integration, and cooperation. Quality of life for people in the South cannot be produced by transfer of Western modern culture, done by foreign technicians or the indigenous elite. It must be based on a broad popular movement that emphasizes on utilizing the drive, enthusiasm, intelligence, and labor power of everyone. Since economic growth in most cases destroys the natural environment and rarely improve well-being for the masses, a different type of policy, which will improve key social and environmental issues, must be found. Hence, to measure development and progress, social and environmental indicators must be used. A real measure of success must be seen in nature, its quality, its extent, and its complexity, including the quality of the bodies and minds of those living in that ecosystem. (Carmen 1991, 68; Schumacher 1993, 170; Zsolnai 1993, 72-74.)

### ***Economic Development: Causing Poverty and Deprivation***

In order to understand why development fails to alleviate poverty, it is important to comprehend what poverty actually is. Vandana Shiva's philosophy and definition of poverty is helpful for this purpose. In sum, it is as follows: development is founded on the principle of the market economy, which aims at maximizing profits and capital accumulation. The intention is to let the market mechanisms manage the needs of nature and people. The method is to bring all natural resource into the market for commodity production. However, by doing that the economists overlooked that these resources are needed by nature for self-renewability and by traditional people for sustaining their livelihoods. Thus, diversion of resources to the market economy is creating scarcity. It is a scarcity, which threatens ecological stability and gives new forms of inequality, especially increasing poverty of women and children. (Mies and Shiva 1993, 71-72; Shiva 1989, 9; Shiva 1990, 196-197.)

In order to understand poverty it is helpful to disconnect the modern idea of poverty, from real poverty since the conception of poverty is culturally bound. In the North poverty is perceived as a material issue. Hence, experts define poverty as lack of commodity-based consumable goods. This means that subsistence economy by definition is an activity done only



by poor, underdeveloped people. However, for indigenous cultures this is not poverty; it is people living from their natural resources. They are not poor, they are only perceived by modern economists as being poor. There are consequently at least two kinds of poverty: Poverty of subsistence and poverty of deprivation. Poverty of deprivation is real poverty. It is created by scarcity, because the market economy is depriving people of their natural resources. (Braidotti et al 1994, 22; Mies and Shiva 1993, 72; Shiva 1989, 10.)

Consequently, development experts define people as being poor when they do not participate fully in the market economy. They are poor because they do not consume commodities distributed through the market. They are poor when they do not buy commercially produced and processed foods. They are poor when they do not live in cement houses. This conception is, however, bias. Subsistence living does not mean a low quality of life. Houses made out of natural material are better adapted to the local climate than cement houses are. The local crops are also nutritionally superior to most processed foods. In spite of this logic, development economists and Northern politicians have decided that subsistence living equals poverty. Their suggestion is therefore to alleviate poverty by economic development, done by increasing the productivity of natural resources. Thus, development must bring self-provisioning people and their natural resources into the market economy. Development therefore diverts natural resources towards inefficient use in the resource intensive commodity production. The lands, soils, and waters of traditional people are consequently used for commercial crop production and industrial food processing. Yet, since traditional people lack both capital and modern educational skills they are marginalized in the economic market system, where competition is tough. Since people's natural resources are diverted towards economic profit-making, they also cannot anymore be self-provisioning. Hence, people become poor in the sense of deprived, and their natural resources become exhausted. Thus, development destroys wholesome and sustainable lifestyles, creates scarcity, and generates real poverty or misery. When production of cash crop takes land and water away from sustenance needs, it excludes an increasing number of people, largely women, from their right to food. Hence, people are deprived from their own food due to the system of profit-making. Industrialization of agriculture is responsible for more hungry people than the whims of nature. Accordingly, economic development is a threat to the survival of the great majority. Rather than alleviating poverty, economic development is creating poverty and environmental destruction. (Mies and Shiva 1993, 72; Shiva 1989, 10; Shiva 1990, 197.)

Consequently, scarcity of water, food, fodder, and fuel created by economic development is the real cause of poverty in the South. When scarce natural resources are used for goods to the export market, poor people go hungry, while corporations profit. Poverty touches women most severely because, together with nature, they are the major food producers in society. Thus, the Western economic development model is creating poverty because scientifically educated, reductionist thinking economists and politicians cannot appreciate the work that women and nature are doing in the South. Economic development is therefore depriving people from satisfying their basic needs, causing new and increased poverty. This new poverty is created by people who only can perceive economic profits. Due to their reductionist perception these people cannot comprehend the negative impact their greed has on ecological stability and social survival. (Shiva 1989, 5, 11; Shiva 1990, 193, 198.)

Moreover, the market economy is wasteful in its resource use. It has long production chains, which require high level of energy and resource inputs. This makes satisfaction of needs expensive limiting it to rich people. Thus, the market economy excludes satisfaction of needs for a large number of people, who cannot buy the products due to lack of money. Since these



people's resources have been used for production, they can also not produce food for themselves. They have become deprived. (Shiva 1989, 12; Shiva 1990, 198.)

Apart from preventing satisfaction of basic needs, the modern market economy also creates artificial needs. The idea is to increase demand for and consumption of industrial goods in order to increase economic growth. Yet, this is a bottomless pit, because increased demand requires increased production, and hence increased use of energy and natural resources. In this way, scarce natural resources are overused for artificial non-essential needs. This leads to exploitation of nature and poverty for those who live from it. Traditional economies may not be advanced but they are sufficient to satisfy basic needs for all, in fact indigenous people are rich. Amazonian tribes have for thousands of years had their needs satisfied by their rich rain forests. Their poverty began by its destruction. (Shiva 1989, 12; Shiva 1990, 199.)

Consequently, the depletion of traditional people's resource base is caused by the market economy's demand for their natural resources. And the market economy is promoted by the economic and political elites. These elites are motivated by economic greed. They are therefore unable to consider social or natural requirements. They also do not have to be concerned since the costs from resource depletion are not paid for by those who consume or produce or profit. Ecological destruction is borne largely by subsistence people. They cannot buy the expensive food and they are deprived from their natural resources. (Shiva 1989, 12.)

In this way, economic development is a paradox. Modern development economists falsely perceive subsistence as poverty. To overcome poverty and satisfy people's basic needs they decide to increase commodity production. Yet, this means using more natural resources, which is unsustainable because it is exactly the scarcity of natural resources that impoverishes people. Hence, natural resources, which supported traditional people's livelihoods, are absorbed into the market economy, from which traditional people are excluded. Conclusively, the market economy, on which development is based, is a system of greed, which is directing profit to the elite, while causing poverty of women, traditional people, and nature. (Mies and Shiva 1993, 73; Shiva 1989, 13.)

### ***Patriarchal Development: Not Counting Women and Nature***

One out of five people in the world live in absolute poverty. Seventy percent of these 1.3 billion absolute poor people are women. Thus, more women than men experience poverty, and poor women are usually worse off than are poor men in the same category. Reasons for poverty of women vary, but it is partly due to the breakdown of the traditional system of social security. This includes availability of land for food production and access to common natural resources. These problems are again caused by the increasing degradation of the environment. Other causes are women's unequal access to productive resources, education, health services, security, and leisure. An additional reason is the unequal traditional and legal role Patriarchy has ascribed to women in society. It is not only unjust, but almost as if men and women live in different worlds. The poverty of women is intensified by the global capitalist economy. Women are affected by change in trade regulations, technological progress, shift in industrial production, the neo-liberal policies, and the powers of the global financial market. These are creating new inequalities because women lack assets, employment, training, and physical and social mobility. (Cornwell 2004, 53; Heyzer 1995, 3, 5; Tatria 1997, 169, 173.)

Linda Cornwell finds that the deteriorating position of women in society can in large parts be blamed on male-dominant theoretical constructs, and development practice informed by such constructs. Gender-neutral development policies are basically non-existing. The majorities of



the past and contemporary development approaches, which have dominated the development discourse, include gender inequalities and have therefore increased women's vulnerability and contributed to feminization of poverty. Impacts from development has failed to reduce the gap between men and women, instead gender inequalities have increased. Thus, development efforts informed by mainstream development paradigms are inherently flawed. (Cornwell 2004, 53.)

Already for many years have feminist scholars exposed masculine development ideologies, which legitimize and sustain the subordination of women. However, the increasing feminization of poverty in the South has intensified the critique of development in theory and praxis. The general critique includes the concepts upon which development is founded, and more specifically, its methods that lead to gathering of male-bias data. When statistics use male-bias data, it results in development activities that benefit men and dominate women. The main problem is development's focus on economic growth. The consequence of this priority is that only quantitative data are included in development while qualitative issues are overlooked. Hence, everything that relates to human beings in cultural, social, community, spiritual, and political relations is excluded from development policies. The consequence is that women's subsistence, domestic, community, and reproductive work is overlooked, while development only considers men's work in the market place. This creates a bias picture of Southern reality and it gives a different effect on men and on women. Recently ecologists and feminists have combined their critiques. They show that development's prejudice not only undervalues women, but all other feminine, yin issues as well. Hence, development also exploits nature. Degradation of the environment has a serious, negative impact on traditional communities, which specifically affect women. Women's problems and those of nature are therefore inter-related; both are marginalized by existing development policies. The outcome is consequently an ecofeminist critique, which argues that development dominates women, poor people, traditional people, and nature. (Bunch and Carillo 1990, 73-76; Heyzer 1995, 9.)

The main gender inequalities relate to the economic indicators of productivity and development. In her 1988 book, *öIf Women Counted: A New Feminist Economicsö* Marilyn Waring is challenging the economic system that undervalues both women's work and natural resources. Her critique is aimed at the United Nations System of National Accounting (UNSNA), which serves as a standard for economic measurements. UNSNA selects which transactions count as production for calculating Gross Domestic Product (GDP) and Gross National Product (GNP,) which are used for evaluating national and international economic performances. The information in UNSNA is therefore guiding future policies. UNSNA was based on Western values and economic standards; yet the UN institutionalized it as a universal economic tool. Consequently, UNSNA has been applied to development performance in the South without adaptation to the diverse cultures and realities. One consequence of this is that traditional subsistence agriculture has been excluded as a factor in economic well-being. Subsistence living was instead labeled as being a backwards activity. The UNSNA system has also excluded the whole area of women's activities from the definition of productivity. Hence, the domestic tasks, which overwhelmingly are performed by women are not only unpaid, they are also ignored by economic analysis. Those who perform those tasks are categorized as being *öeconomically inactiveö*. Thus, fetching of water, collection of firewood, housework, caring for children, sick people, and other dependents, are all systematically excluded from the national accounts. Such omissions are not only flawed, but also deeply discriminatory. It simply undervalues women and all what they do, compared to men. It fails to acknowledge that women and men are social constructs. The two sexes occupy different positions in society, which shapes their roles, and determine their chances in life. This has a direct



impact on their access to resources and services, which defines their relative social, economic, and political power, and the relation between men and women. Since women's work seldom is paid, the system sees their labor as having no monetary value, and thus to be value-less. Women are merely considered being unproductive members of society. This is surprising when statistics show a different reality of women's work: women produce 60-80 percent of the food in the South. Thus, women's productive activities contribute essentially to national food security, household food security, family nutrition, and health. Women's economic input is also overlooked despite the major role they play in the informal economy; a sector that is not acknowledged but from which poor people survive. (Birkeland 1995, 57-58; Braidotti et al 1994, 139; Cornwell 2004, 54; Ekins 1992 et al, 18, 68; Waring 1988.)

Apart from the discrimination this includes, not counting women's work in the UNSNA has also other negative effects. Since the economic system cannot respond to values it does not recognize, it will overlook women's food production and direct its investment towards cash crop production. This creates a bias in favor of large-scale, capital-intensive agricultural projects. The outcome is that cash crop production takes land away from food production. The result is that scientific agricultural methods destroy the precarious local ecology, while people's self-sufficiency in food declines, leading to hunger, malnutrition, and diseases. Low food production nationally, may then result in a need for import of expensive stable food, bought for foreign exchange earned from export of cash crop. Thus, overlooking women's food production ends in a vicious circle, with no positive results for the population, nature, and the state. Moreover, when policies favor cash crops, which traditionally are grown by men, and women lose access to land for growing food crops, it worsens women's situation. Lack of resources to increase productivity weakens women's economic situation and their status in society, including their bargaining position in the household. This reinforces domination of men and makes women's daily lives increasingly unmanageable. Thus, by uncritically accepting the economic system and its purely masculine, quantitative, yang assumptions, development advisers are contributing to feminization of poverty. There is no logical or practical reason sufficient to explain the exclusion of women's work from what is measured and contributing to the GNP. Men's work is equally difficult to measure, but it is included. Only sexism can fully account for this difference. (Birkeland 1995, 57-58; Braidotti et al 1994, 139; Cornwell 2004, 54; Ekins 1992 et al, 18, 68.)

When one understands what is counted and ignored in the UNSNA, one realizes the hidden values in economic growth: it does not measure the valuable production and reproduction done by nature, women, and traditional people. The system only measures the goods and services produced in the monetary economy, regardless of their effects, many of which are not beneficial for society and nature. Hence, UNSNA embraces destructive activities like production of military equipment including arms, missiles, nuclear weapons, and devices for torture. Thus war, violence, and human repression are seen as a contribution to development! Conversely, UNSNA does not give value to peace and harmony. The cleaning up of oil spills from waterways and the rehabilitation of polluted and degraded soils create additional value and contribute to economic growth! On the other hand, there is no price on a clean river or fertile soils. UNSNA has no method of accounting for nature's own production. Nature is only measured when its resources enter the cash economy. Thus the health of the environment does not count as having any value. UNSNA also measures increased costs from crime, human casualties, and growing bureaucracies! But individual and social well-being is not counted as having a value. People's health is also not counted as a valuable asset. Increase in the UNSNA does therefore not mean that social welfare has increased. It rather measures what needs to be corrected because something went wrong. The paradox of the system is that



economists see expenses like pollution control as being benefits, while they do not measure other damages. Among these hidden costs are the new burdens created through ecological destruction. These costs are heavy on women. They include longer walks for water, fuel, and fodder. Thus, for UNSNA it is unproductive when an Indian woman, due of deforestation, must walk for 8 hours in order to fetch adequate firewood for cooking food to her family. However, when her husband cuts down more of the local forests, which will force her to walk even further for firewood, then it is perceived as being productive! Consequently, UNSNA perceives value to be created when mainly men interact with the market. This is yet another method of exploitation. The elite made it legal to externalize the social and natural costs of economic growth to the poor. Accordingly, as GDP rises, one cannot conclude that wealth and welfare has improved proportionally, and certainly not that poverty has been alleviated. In reality, GDP is increasingly becoming a measure of how real wealth ó the wealth of nature, the wealth produced by women for sustaining life ó is rapidly decreasing. The UNSNA is therefore not an innocent statistical method. It perpetuates the reductionist, masculine yang values on which it is based. It is a patriarchal instrument that is producing an economic reality, which contributes to the destruction of nature and the continued subordination of women and society. As a measure of real progress ó improving a quality of life for society and nature ó the accounting system is more or less useless. (Braidotti et al 1994, 140; Gaard 2001, 161; Mies and Shiva 1993, 58-59, 71; Shiva 1989, 7-8; Shiva 1990, 194.)

Although the arguments presented may seem obvious, it will not be easy to change UNSNA. The reason is that the accounting system is suitable for those who profit: the political and economic elites. As long as development is measured by quantitative, economic indicators, its negative qualitative side effects like natural destruction, increased poverty, and creation of various social crises cannot be demonstrated. Thus, clear felling of natural forests will continuously add to economic growth, also when it leaves behind impoverished ecosystems and communities. (Mies and Shiva 1993, 71.)

Vandana Shiva finds that it is the patriarchal dualized perception, which is excluding women and nature from UNSNA. Patriarchy sees production and reproduction as two separate and opposite activities. Production is above and distinct from subordinate reproduction, like man is above women, and culture above nature. Thus, in UNSNA only men's production is considered an economic activity, while the economic system is denying any productive role to women and nature. Excluding women's work and nature's work from accounting means that both conveniently are available as free resources for man's exploitation. Another dualized patriarchal assumption is reinforcing this perception. It sees women and nature as being passive. Thus, patriarchal values deny activity and life to both. The consequence is that traditional societies and their organic method of agriculture are seen as being passive and unproductive. Hence, women, tribal peoples, and peasant societies are unproductive because they produce for need, rather than for economic profit. According to the economic elite it is this passivity that leads to poverty. Patriarchy also sees women and tribal people as being unproductive because they do not use modern technology and partake in commodity production. That is so, even if the modern technology is toxic chemicals that destroy life. Nature is also unproductive. For example, for patriarchy water has no purpose of its own; it is a means for profit-making. Hence, a clean, natural river is unproductive. Only when experts have built dams and the river's force is exploited to create energy and its waters are redirected to irrigate cash crops, then the river has become productive. Only then can man and his modern technology make profit from water. The water that rural women carry from the well or river on their heads to their home has no cash value, while the water carried through pipes has value. Seen in this way, water and women are unproductive; they simply do not count. This is similar



with natural forests. In themselves forests are unproductive. In order to call forests productive, the area must be developed into monoculture plantations of commercial species, which can be used as timber for the market. (Gaard 2001, 161; Shiva 1989, 4-5; Shiva 1990, 191; Shiva 1994a, 5.)

In reality, productivity is not a neutral, universal concept; it means different things according to choice of perspective. However, for modern, capitalist oriented patriarchy, productivity relates to measuring production of commodities and economic profit. From the value of Southern women and peasants, it is a measure of producing life and sustenance. Since the program of development focuses on economic growth, it cannot include the latter kind of productivity, although it is central to survival. This reflects the patriarchal domination over women, poor people, and nature and their preference for quantitative economic categories, which can only perceive profit, while being blinded to a quality of life. Thus, patriarchy has, under the label of Third World development, taken a new and more violent form. For Vandana Shiva it is an anti-life development, which she therefore calls *ōmal-development.ō* It works against nature's ability to renew itself, and women's ability to sustain themselves and their families. Consequently, economic development is against life for society and nature, and for destruction and profit-making. The focus on economic profit-making prevents people from working in harmony with each other. Economic profit-making shatters co-operation and promotes competition leading to inequality, injustice, and violence. Economic profit-making separates men from women and nature placing him above both. Thus, economic development is based on man's domination of and control over nature and women. Both are seen as being passive, unproductive resources available for exploitation. Their role as creators and sustainers of life is undermined. In this way, the program of Third World development has increased gender inequalities. Under subsistence conditions, the separate male and female domains of work were based on diversity rather than inequality. This traditional equality is threatened by the modern economic development model. (Shiva 1989, 4, 6; Shiva 1990, 191-192.)

Economic development and its accounting system, is consequently not gender neutral. It is more correctly gender blind or gender biased. It is therefore not a surprise when the feminist Barbara Holland-Cruz decides that the term *ōmain-stream developmentō* more correctly should be called *ōmale-stream development.ō* Since the system is built on false assumptions about gender relations and what development is all about, there is a need to re-examine its fundamental values. However, Linda Cornwell warns that the focus should not be on women. It would imply that the problem and solution lies with women. Instead, we need to focus on social relations and their interconnections, which position women as a subordinate group in division of resources and responsibilities, capabilities, power, and privileges. (Cornwell 2004, 54-55, 59-60; Kuletz 1992, 74.)

Since the UNSNA is the backbone of the economic growth model, one of the strategies to change the dominant model of development is to work out alternative accounting systems. Solutions proposed by Waring include counting women's work, ecological accounting, distinction between destructive and creative production, and introduction of economic welfare measurements. Nevertheless the most urgent issue for Waring is to change the value system upon which economics is based. (Braidotti et al 1994, 140.)

### ***Economic Development: Producing Violence, Destruction, and Death***

In economic development, money is holy, while life has no value. Thus, exploitation and destruction of nature has become a source of profits. In this way, economic development is deteriorating the well-being of the people in the South. There is less water, less fertile soil, less



genetic wealth, and the indigenous knowledges from which society and nature benefited are disappearing because of the development process. This scarcity has impoverished women, marginalized traditional people, and destroyed ecosystems. Formal markets flourish while women, poor people, and nature perish. Hence, economic development has become a process that replaces life and sustenance with cash and profit. Consequently, a development that focuses on increased production and economic growth will destroy nature and increase poverty and it is therefore a culture of destruction and death. Mexican economist, activist, and post-developmental Gustavo Esteva has called development, ða permanent war waged by its promoters and suffered by its victims.ö Indian environmentalist Claude Alvares names it, ðThe Third World War.ö It is a war waged in peacetime, without comparison, but involving the largest number of deaths, and the largest number of soldiers without uniform. Therefore, any development founded on patriarchal ideologies must be rejected. Alleviation of poverty requires a focus on the sanctity of life. Wealth relates to production of life. Progress must therefore be an activity that is enhancing life. (Shiva 1989, 13, 25; Shiva 1990, 199.)

The collapse of the myth that the South can catch up with the North via development has increased patriarchalism. Women, who are seen as the ðother,ö are the main target. Thus, men must control women, which often include abuse and violence against women. The crumbling of the hope of development has also evolved into increased crime, terrorism, and wars ó often combined with a fundamentalism that increases militarization of men. As Shiva and Mies say, if men cannot catch-up, they can show their male-hood by carrying a machine gun. Hence, the myth of economic development is increasing the crises of poverty and inequality; war and violence; environmental destruction; and human rights abuses. (Mies and Shiva 1993, 64.)

Consequently, economic development is a new world order based on control of society and nature. Its aim is to gain economic profit for the political and economic elites. Due to the patriarchal dualist perspective, the elites perceive the South as being unequal and subordinate to the superior North. Such inequality permits the North to dominate the South, which results in an increasingly unequal global situation. It also permits men to dominate women and nature. Development is therefore built on colonization of women, foreign peoples, their lands, waters, and nature. Instead of alleviating poverty and improve well-being for all, economic development has destroyed ecologically evolved indigenous knowledge systems, devalued the sustenance economy, and created cultural and ethnic crisis. This has led to discrimination between classes and cultures, inequality between men and women, economic crises and ecological disasters. Conclusively, modernization, development, and its ðprogressö are responsible for poverty, violence, and degradation of nature. The current world view is therefore a threat to life on planet Earth. In the long term it will lead to the certain death of women, indigenous peoples, and nature. (Shiva 1989, 26, 44-45; Mies and Shiva 1993, 2.)

## **Part III**

### **An Alternative to Rational, Quantitative Economics**

#### ***The End of Scientific Economics***

In spite of heavy criticism economics is still being taught without awareness of its underlying values. By defining a person as a self-interested, individual maximizer, economics has its focus on materialism, selfishness, competition, gluttony, and greed. This encourages people to pursue unethical goals. In a crowded world this will destroy humanity. It is particularly serious when such traits are institutionalized globally, as in the current neo-liberal capitalism. (Capra 1982, 244; Henderson 1978, 27-28, 90, 317-318, 320; Schumacher 1993, 72.)



Although many economists are aware of the crises caused by their discipline, most still seem to believe that solutions can be found within the existing framework. But the framework is hopelessly outdated and economists must redesign their discipline. Another theory would not do better. The various models of socialism, communism, and welfare capitalism are all too heavily dependent on increasing economic growth at the expense of nature and society. According to Schumacher, the conventional wisdom of present day's economics can do nothing to help poor people. There are only economic policies available, which result in making the rich and powerful, richer and more powerful. In order to ameliorate our social and environmental crises, we need a completely different economic model. In order to become consistent with our realities, we need to change the current static, reductionist economic discipline into a dynamic, holistic paradigm. The underlying value system of economics must be dealt with, and its relation to a specific cultural context must be recognized. Instead of presenting a universal and quantitative system of value, economics must be based on what different people find valuable under changing conditions. When we define wealth within an ecological and social framework, it will change the present focus on materialism, and include broader human enrichment. Such values cannot be measured in quantities; it relates to the quality of life. Hence, economists can no longer exclusively deal with monetary values. A new theory must include ecological data, social and political facts, psychological issues, and cultural values. The change of the economic theories will in fact be so radical that one may ask whether economics itself will survive it. However, it is better to let economics die than life on Earth. Therefore, if economics cannot get beyond its limitation and include human realities of poverty then Schumacher suggests that we scrap economics and start afresh. Utopian capitalism is dead, and we need to look for other traditions to solve social and environmental problems. (Capra 1982, 200, 244, 247; Capra 1989, 230; Des Jardins 2001, 62; Henderson 1978, 27-28, 90, 317-318, 320; Schumacher 1993, 57-58, 72.)

### ***Necessary Conditions for a New Economics***

A new economics must include the well-being of society and nature, rather than focus on money making; a new economics must prioritize quality of life, rather than quantity of consumption; a new economics must promote a materially modest way of life; a new economics must enable people to develop their own unique sustainable livelihoods that can bring them human fulfillment; a new economics must relate to diverse cultural horizons, each of which must define a "good life"; and a new economics must bring psychological, ethical, and spiritual values back into economic life and thought, from which they have been excluded by conventional economics. (Ekins 1992, 5, 8, 12; Schroyer 1992, 369.)

A basic necessity in a new economics includes a dynamic tension between masculine, yang forces and feminine, yin forces. Zsolnai sees it as follows: there are two extreme types of economizing: *the formal*, self-interested, goal-directed mode (yang), and *the substantive*, altruistic, value-oriented mode (yin). The formal mode considers resources and calculates their operations in a utilitarian way, using the actual market prices. It sees resources as being comparable to one another, since market prices eliminate all qualitative differences between them. In the substantive mode of economizing, actors consider resources and calculate their operations with respect to ecological and human values. Responsible economizing requires a balance; created by a dynamic tension between the two modes of economizing. This balance can be achieved if we use the full capacity of the human mind. He refers to the work of Nobel Prize-winner, neurologist Roger Sperry. Sperry discovered a basic asymmetry between the two cerebral hemispheres of the human brain. The left brain is *reductionist*, logical, algebraic, convergent, and rational (yang). The right brain is *holistic*, creative, geometrical, divergent,



and impulsive (yin). The formal mode of economizing relates to the function of the left brain, while the substantive mode relates to the function of the right brain. To attain a healthy and successful life, a human being needs to use both sides of the brain. Similarly, the two modes of economizing should be combined to get good results in real-world situations. Thus, the formal mode (masculine yang) must be less rigorous, while the substantive mode (feminine yin) should exercise more influence. Consequently, combining the two modes would create a healthy balance in economics that could include the well-being of society and nature and thus generate a dynamic tension between yin and yang. (Zsolnai 1993, 71-72.)

### ***An Economics for Poverty Alleviation, Social, and Natural Well-being***

In his book *Transforming Economic Life: A Millennial Challenge*, James Robertson presents his proposal for a sustainable economy embedded in society and nature. Robertson finds that conventional economics is destroying nature and society, transferring wealth from poor to rich, marginalizing people and their cultures, rejecting human psychology and spirituality, and creating dependency, incapacity, and helplessness. For many millions of people the global economic system is violent, chaotic, and destructive. Robertson's aim is therefore to transform economics into a new system, "as if people and the Earth matter". (Robertson 1998, 6-7, 9-10, 15.)

The economic transition cannot be seen on its own; it is one aspect of a larger historical change that includes ending the modern era and moving into a post-modern age, with a new awareness of our common humanity, and our interconnection with the rest of creation. The underlying values include empowerment of people; conservation of nature; decentralized, multi-leveled economic systems; restoration of ethical choice in economics based on respect for qualitative and feminine values. (Robertson 1998, 15.)

The economic system must be designed to secure economic freedom, self-reliance, and democracy for all. Thus, it must be impossible for any single interest group to control the economic system. It must focus on needs, rights, and responsibilities of people. This requires changes away from both a state-centered and a market-centered economic model, towards a people-centered model. It is a systemic change that includes all social levels. Suggestions for creative changes must come from grassroots movements and citizens' groups, rather than from governmental and academic establishments. (Robertson 1998, 16-17, 19, 26.)

The new economics must be integrated in the natural world, and its processes. The idea is that waste from one process provides resources for others and minimizes leftovers. Environmental resources can only be used inside nature's own capacity to reproduce. Also nature's own capacity to absorb waste and pollution must be respected. (Robertson 1998, 22-23.) In the following, some of the specific changes Robertson would like to implement are presented:

*Eco-tax:* The present tax and welfare system encourage over-use of natural resources, under-use of human resources, and it discourages useful, unpaid work like parenting, domestic work, and subsistence farming. It creates poverty, unemployment, and social exclusion. Thus, we need an eco-tax reform, which includes a shift of taxation from employment, income, and savings to natural resource use, environmentally damaging activities, and land site-values. When taxes are placed on use of natural resources and pollution, we have a tax system that internalizes environmental costs. Energy taxes, water taxes, and traffic congestion charges, are other natural resource taxes. The idea with eco-taxes is to make people pay for the benefits they enjoy from using the "commons," meaning resources and values, which are not made by themselves, but created by nature or society. In this way, the system is taxing people on



the value they subtract, rather than on the value they add. Eco-taxes on fossil fuels and nuclear energy will raise the costs of the energy content in all goods and services, which will promote less energy use and thus, reduce pollution. It will hit hardest on those who use much energy, which mainly are the rich. The eco-tax will also motivate a shift from mechanical energy to human energy, and hence, increase human labor. Tax on land will also mainly be a burden born by the rich, who make profit from land-speculation. The American economist Henry George has showed that shifting the burden of taxation from production to the value of land would promote the following changes: it would stimulate employment and the production of wealth; the price of land would fall, land speculation would end, and land monopolization would no longer pay. (Robertson 1998, 41-44.)

*A citizen's income:* Citizen's income is a tax-free, live-able, basic income paid by the state to every woman, man, and child as a right of citizenship. It will be age-related, with more for adults than children, and more for elderly people than working-age adults. There must be supplements for disability and other specific circumstances, but otherwise it will replace all benefits and tax allowances. A person's citizen's income will be unaffected by their income, wealth, work, and marital status. The citizen's income will make people materially equal and prevent social discrimination. The result will be progressive since the same citizen's income will mean relatively more for poor people than for rich people, and because rich people will pay more for the use of resources and land. It is unrealistic to believe that the economy can provide work and livelihoods for everyone, and that may also not be desirable. The citizen's income must be sufficient to provide for basic needs, making people free to improve their capabilities to generate income without being dependent on employers. The modern division between employer-employee will then fade away and people will work for themselves. Citizen's income will improve access to resources like land, means of production, and capital. Thus, people will be encouraged to take greater responsibility for themselves and their society. Citizen's income can also give people the chance to do useful unpaid work. Many essential activities are already unpaid. These include parenting, domestic work, voluntary work, and citizen participation in local communities, and in national and international affairs. Thus, citizens will have the time and opportunity to get politically involved, which will greatly improve democracy. The idea of citizen's income is old. It goes back to Thomas Paine in the 1790s, but was also taken up by John Stuart Mill in the 19th century. Support has currently come from Samuel Brittan and James Meade both respected economists. The support to citizen's income is increasing especially in Britain and Western Europe. Ireland is in the process of considering it. The principal underlying the idea is that "nature and its resources are for the benefit of all." (Robertson 1998, 34, 44-47.)

*Removal of subsidies* is another essential change. Robertson calls the present subsidy system "perverse." It damages the environment, dis-encourages employment, and favors capital and energy-intensive farming, for the benefit of rich farmers, while undermining food security in the South. Subsidies include huge amounts, which are a waste of citizens' money. Moreover, subsidies distort the price structure of the economy in favor of socially and environmentally undesirable activities. Democratic control over the subsidy framework is virtually non-existent. The governments do not even have to inform the public about the social and environmental impacts from perverse subsidies. (Robertson 1998, 30, 48.)

*Food production* in its current industrialized form is highly inefficient. Its focus on profit fails to eliminate hunger, and it prevents people from achieving food security. Its methods damage the health of people and exhaust natural resources. Thus, large-scale, mechanical, and chemical agriculture must give way to small-scale, organic, low-energy-intensive farming methods.



This will increase social and natural health, and raise employment opportunities in agriculture. In order to reduce transport costs and increase food self-reliance, the priority must be on growing local food for local consumption. (Robertson 1998, 29.)

*Energy* is a resource, needed for all economic activities. It is important to reduce the overall demand for energy and replace damaging types of energy supply with benign ones. This means a shift to new, less energy-intensive and transport-intensive patterns of production and consumption, living, and working. It includes a change from large, centralized power stations to decentralized energy sources. Nuclear power is a prime example of a large and centralized technology, which also is potentially disastrous to society and nature. Nuclear power imposes incalculable costs and risks on current and future generations. Alternative and benign energy sources will be encouraged when taxes are shifted to natural resource use and pollution, and subsidies are removed. Resistance to raise cost on energy is of course strong. The energy industries have forcefully lobbied to avoid any change that lowers their profits. Moreover, encouraging decrease in energy consumption is a threat to conventional economic growth thinking. According to feminists it may also threaten the masculine obsession with big new toys. Although change in this area will be difficult, we need to make our energy source benign; otherwise it may have severe consequences for life on Earth. (Robertson 1998, 30, 33-35.)

*Self-reliant and local development* is a key part in the transition towards a people-centered, environmentally sustainable economic life. It means use of local resources to meet local needs. Cyclic patterns of local activities will reduce imports and increase recycling of local materials. Use of local incomes and savings within the local economy will be increased. Local banks should be encouraged, enabling local people to invest in the local economy. Local indicators must be developed to monitor changes in local social, environmental, and economic conditions. (Robertson 1998, 35-37.)

*The financial system:* Today's financial system transfers resources from poor to rich. One reason is the way in which interest payments work. A 1995 German study showed that the effect of interest is that the richest section receives more than it pays, while the poorer sections receive less. The result is a substantial transfer of money from the poor majority to the rich minority. This fact is also reflected in the Third World debt: out of the 1,200 billion USD owed by the South to the North in 1990 only 400 billion USD constituted the original borrowing. The rest was accrued interest and capital liabilities. Thus, financial systems serve capital owners and their profit-making. A solution is immediately to cancel the un-repayable debts of the poor countries. In the longer term, the developing countries should receive annual payments in compensation for the disproportionately large portion the industrial world uses of common world resources. (Robertson 1998, 51-53.)

*New financial institutions* are necessary in order to establish ethical, green, and social banks, local development banks, micro credit banks, and other grass-roots banks. They must provide credit for people and localities unable to get it from conventional financial institutions. In recent years various types of community banks have grown in numbers. They include the South Shore Bank in Chicago, Aston Reinvestment Trust in Birmingham, and Grameen Bank in Bangladesh. These institutions will play a key role in enabling people to generate incomes for themselves in more self-reliant local economies. (Robertson 1998, 58-59.)

*Global economic institutions* must be brought under democratic control. At the moment the World Bank, IMF, and World Trade Organization (WTO) do not represent the majority of the world's people, and do not have their confidence. The bias towards development based on



huge capital investments, industrialization, export-led growth, and free trade, has reinforced the economic vulnerability of many countries in the South and it has resulted in widespread poverty and environmental degradation. There is a rising hostility against WTO's rules, which allows multinational corporations to disregard social and environmental laws. Instead, we need to encourage trade that contributes to self-reliant and sustainable development. Free trade should be transformed towards the fair trading movement, which enables ethical consumers in the North to support small ethical producers in the South. Fair-trading should be the policy priority of all governments and the WTO. (Robertson 1998, 61-64.)

*Global taxation:* Commission on Global Governance suggested in 1995 a need for global taxation. It should be a tax based on the use each nation makes of the global commons. It may include charges for fishing, mining, and use of sea-lanes, flight lanes, outer space, and more. It includes taxing of polluting activities like world trade, which would give incentive to greater national self-reliance. Another idea is to tax military and arms trade. It would also be highly relevant to put a tax on international currency exchange transactions. Part of the revenue could finance some UN costs like international peacekeeping programs. The rest should be distributed to all nations according to the size of their populations. This would transfer funds from the rich North to the poor South, reflecting the South's disproportionate use of the world's resources. It could also liberate developing countries from their present dependency on aid, loans, and the global institutions, the rules of which are dominated by the North. The 1995 Commission on Global Governance also agreed to the following changes: the UN system does not support equitable and sustainable global development. It must therefore develop capacity for such a strategy. A second assembly, representing the peoples of the world, must be set up as a counterweight to the government representatives in the General Assembly. Policies from IMF, the World Bank, and WTO must be organized in harmony and cooperation with the rest of the UN system. The Group of Eight Nations (G-8) and the Group of Twenty Nations (G-20) must be replaced by a more representative World Economic Council. (Robertson 1998, 64-66.)

Robertson believes that the above changes will help creating healthier and unified societies, which would reduce demand for many types of health and security services. With less pollution, healthier food production, elimination of poverty, better social relationships, and greater work satisfaction people are less likely to become violent or sick. Consequently, reducing economic growth is good for people and the Earth. (Robertson 1998, 40.)

A changed economic system as suggested above will empower and encourage people, communities, and nations to take control over their own economic and political destinies, to become self-reliant, and to live in ways that are environmentally and socially benign – conclusively an economic system as proposed by James Robertson would alleviate poverty, and increase the quality of life for society and nature worldwide. (Robertson 1998, 67.)

## Conclusion

The discipline of economics is supporting the profit-making of the global economic and political elites, while dominating society and exploiting nature, causing worldwide crises of poverty and inequality, war and violence, environmental degradation, and human rights abuses. However, when we examine the underlying values of economics and understand its dualized character and its unrestrained application of reductionist, and masculine or yang forces – including only quantities, self-interest, individualism, materialism, competition, maximization, greed, social domination, and natural exploitation – then we can demand change. In order to



alleviate poverty, we need an economic model that can include concern for society and nature. It requires that economics adopt holistic values, which can incorporate all yin or feminine forces. In this way, economics will become embedded in our social and natural realities and focus on improving a quality of life for all. While we are working on these economic changes, it is important we become aware that whenever we support a market oriented economic growth and profit activity, we also ó by systemic default ó deteriorate our common natural environment and intensify the misery of poverty of women, children, traditional people, and poor people. By complex, web-like causes and effects, the outcome is that 50,000 people die every day from poverty on our Earth.

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[http://www.boston.com/news/world/africa/articles/2010/06/23/child\\_death\\_rates\\_rise\\_in\\_6\\_african\\_nations/?camp=pm](http://www.boston.com/news/world/africa/articles/2010/06/23/child_death_rates_rise_in_6_african_nations/?camp=pm) (accessed May 30, 2011)
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Observe: some figures used here have been changed and updated over time; new figures may therefore differ from those stated in this article. However, those stated were the figures at the time of writing this article.