Nancy Folbre, *Valuing Children: Rethinking the Economics of the Family* (Cambridge, M.A.: Harvard University Press, 2010), 235 pages

Reviewed by José Granados, D.C.J.M.

Nancy Folbre, a professor of economics at the University of Massachussets, deals in this book with the need to reform our economic system so as better to take children into account. Joining her voice to recent concerns, increased after the last financial crisis, that our economic paradigm is not a valid one, she attempts to shed new light on the connection between the economy and the family. In fact, given the size of the crisis, it is not enough to "fix" some aspects of the system; what is really required is a change in our whole vision of the relationship between government, market, and society.

Our current economic system is based around the adult, autonomous consumer. Children are not specifically taken into account, nor are parents as such. Parents are considered rational agents prepared to take the most efficient option in terms of cost and benefits. This book highlights the need to develop a new vision of the economy that brings children (the fact of having them or of being one of them) back into the picture.

Having a child is seen by the market as a choice one pays for in order to receive certain measurable rewards. At most, children are an investment towards the future, the rewards being measured in terms of satisfied affections or of protection for the time of retirement. Folbre helps us see some of the problems with this approach. She points out that it is simply not true that most parents see their own children merely in terms of a trade-off between the money and time they put in and the affective reward they take out.

The first part of the book examines the actual costs and time spent in rearing a child – including the costs of "family time." The book shows well what our economic indicators do not measure: the flow of "nonmarket services that are not motivated by immediate self-interest" (p. 4). The study continues by analyzing the costs of bringing up children outside the household (as, for example, in college or custody), while other chapters analyze the money spent by taxpayers and the benefits children receive from public policies.

The book reveals that the costs of children are not well measured by the system, which presumes that they cost much less than they actually do. According to Folbre, this is a system that does not value the time and effort spent at home as something important for society. The conclusion drawn from this different way of measuring the costs is a call for a family policy that takes into account this perspective.

One wonders, in the end, whether Folbre's approach is quite radical enough. It seems to share in the same presuppositions of our present economic system, by seeing children in monetary terms. For example, Folbre makes the point that children are a real investment towards the future. They do not afford immediate satisfaction, but are crucial for the economy of tomorrow. This consideration can certainly improve the way our system looks into the question of children. However, as she implies elsewhere, the desire to get protection regarding the future is not the main reason for having a child. The child is not just a cost or an investment, but a value in itself and because of the relationships it generates. The system has no place for a generous approach to parenthood, in which father and mother do not think of being supported by the child, but simply of being a help for the child as he grows.

Folbre does nevertheless offer a valid insight regarding this question: "Generational reciprocity can be defined in two different ways: paying back and paying forward. We could, as adults, repay the older generation (both parents and nonparents) for what it spent on us. Alternatively, we could repay the gifts made by the older generation, making equivalent gifts to the next generation" (pp. 182-3).

Another example: it is fair to measure "time" devoted to children and count it as a cost in order to help families with children; but in framing the question this way, we risk including the fact of childhood into the prevalent economic prism. Is time money, as Franklin said? Or are the children the ones who, instead of consuming our time, in fact "create" it? For it is true that without children, without generation, society ends up living in the narrow present, unable to look into the future or to preserve the memories of the past: it ends up *having no time*.

The book does contain some reflections along these lines, where Folbre is not afraid of asking questions of a more fundamental nature. The last chapter deals with the question "who should pay for the kids?" as a way of reexamining the social-family contract.

> "The social contract that we rely on, combining market competition with a democratic state, leaves many aspects of family life out of the picture. Children are neither sovereign consumers nor voters, and parents produce an important good to which our economy assigns no market value. The political coalitions shaping our institutional environment have often lacked a clear understanding of the potential gains from collaboration. The terms of intergenerational transfers have never been explicitly discussed – much less publicly debated" (p. 182).
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> These questions are interesting, and Folbre's is a valid, if limited, attempt to answer them. The encyclical *Caritas in Veritate* by Pope Benedict XVI asks for a change of paradigm that could deal with the fundamental issue this book raises. The welfare system is based on a division between market and government. The former, driven by self-interest, produces wealth; the latter, moved by solidarity, distributes it. But this vision presupposes an opposition between self-interest and gift, as if both were mutually exclusive. In order to go beyond this divisive paradigm, it is important to note that gift and interest are not to be opposed, but are intrinsically related. A real gift to a friend is interested, not in an external reward, but in the very relationship that emerges from the gift and that enriches both giver and receiver. From this viewpoint it would be possible to reintroduce the question of the gift into the very core of the economy, as *Caritas in Veritate* boldly proposes. The family, congenial to this covenant between gift and interest, has a potential to help develop this different economic system.

Folbre's book is an important step towards a more balanced vision of the economy. It is a positive study because it shows the importance of developing a different logic, not one entirely centered on individual subjects who make perfect rational choices of payments and satisfactions. The author has perceived the problem with an individualistic system, even if her analysis still shares many of its presuppositions. A more complete answer would take into account the specificity of family relationships (including that between husband and wife, absent from the author's perspective, but crucial for the essence of childhood) and the potential of a relational approach to the economy.

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