

**FROM INEQUALITY TO SOLIDARITY:  
CO-CREATING A NEW ECONOMICS FOR THE 21<sup>ST</sup> CENTURY<sup>1</sup>**

Julie Matthaei, [Professor of Economics](#), Wellesley College  
Co-Founder and Boardmember, [U.S. Solidarity Economy Network](#)

Submitted to the URPE Reader in Radical Political Economics

12/8/15

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<sup>1</sup> I am grateful to Barbara Brandt for editing; to Barbara and my students at Wellesley College for helping me develop this framework; to Hans Han for the drawings; and to Rachel Nagin and Caterina Castellano for research assistance.

The present economic conjuncture is beset by multiple crises, compounded by a lack of vision among dominant, mainstream economics. However, this also presents us with the opportunity and challenge of co-creating a new economics for the twenty-first century, a process already well underway. The core of this process of economic change – a change inspired and powered by the four great social movements - is the shift from inequality to solidarity.

#### SYSTEM CHANGE AND PARADIGM SHIFT

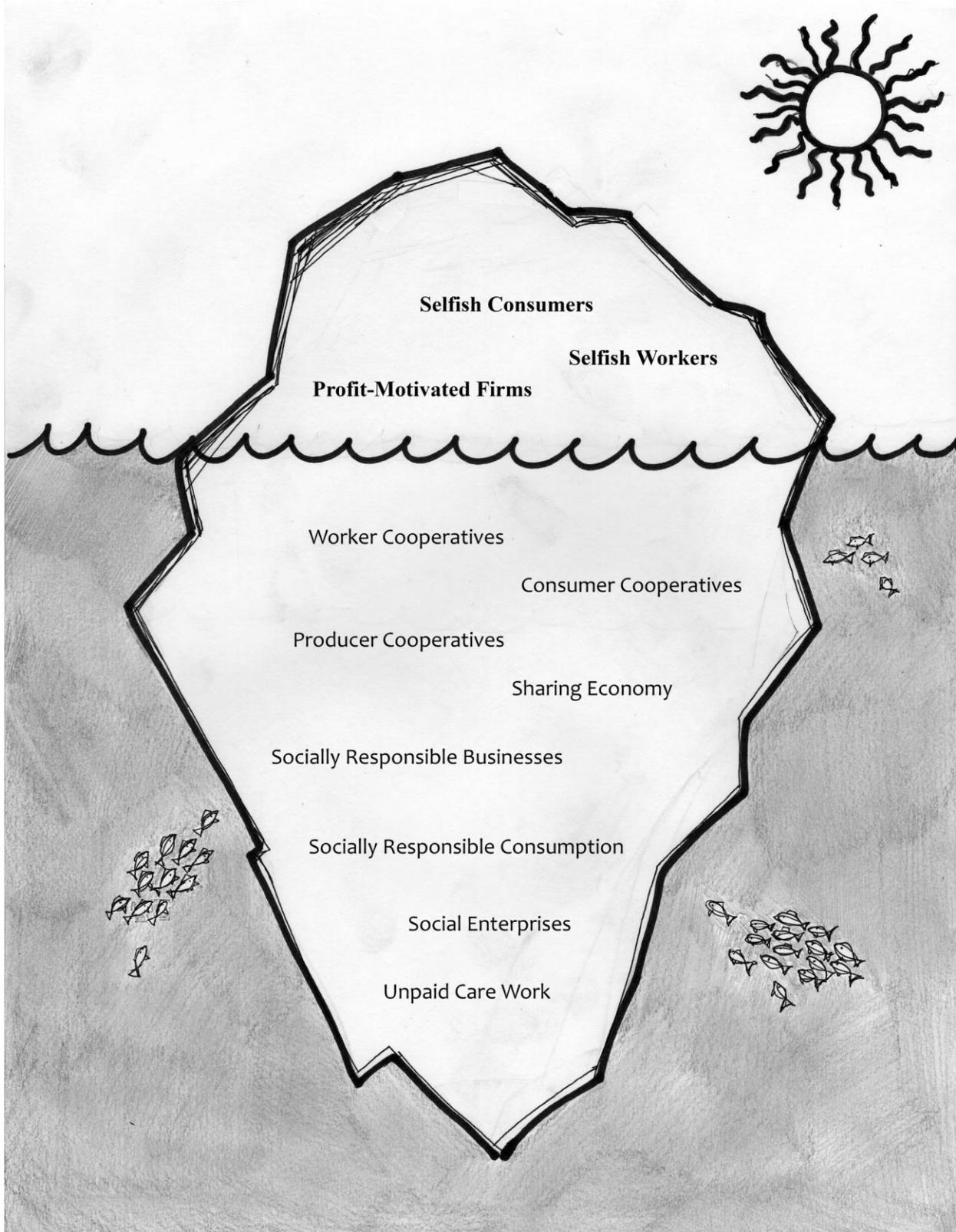
The early twenty-first century has been wracked by endless economically-based crises, including ecological destruction and climate change; ongoing global financial crises; persistent poverty, gender and racial-ethnic inequality amidst abundance; and the corruption of governments and the democratic process by the power of concentrated wealth. Even the economically well-off have difficulty attaining well-being, because of high-pressure time-scarce lifestyles, isolation from others and from nature, a lack of meaning or purpose, a pervasive sense of insecurity, and the breakdown of family and community support systems.

It is truly remarkable that, in the midst of these clear and pressing failures, economics is not bubbling with proposals and debates about new and better economic systems. This failure of imagination can be attributed to the hegemony of mainstream, “neoclassical” economics, which dominates textbooks and economics discourse in the US and Europe. Neoclassical economists claim that a capitalist system – based on individual utility maximization and the profit motive – is the best way to organize an economy because it effectively harnesses the selfishness inherent in human nature for the greater good of all. We need the “invisible hand of the market,” they argue, including economic hierarchy and inequality, to turn Hobbes’ “war of all against all” into a dynamic, productive economy. The market harnesses selfish, competitive human nature to serve the common good. As British Prime Minister Margaret Thatcher famously proclaimed in the 1980s, “There Is No Alternative” (TINA).

Mainstream economics defines heartless, unethical behavior by consumers and firms as “rational” and “efficient,” respectively. It posits as “**perfect** competition” markets where consumers react to a shortage, not by sharing, but by outbidding each other to a purportedly ideal “equilibrium” where “quantity supplied equals quantity demanded.” The fact that those who are forced to drop out of the bidding because of insufficient incomes go without, such that starvation and homelessness can be common at “equilibrium,” is ignored in most textbooks.

The response of radical economics to TINA is, in the words of the Zapatista indigenous resistance movement in Chiapas, Mexico, “TATA”: There Are Thousands of Alternatives. As the Janell Cornwall of the Community Economics Collective has pointed out (Allard et al, 109), the economy is like an iceberg (see Figure 1). What mainstream economics recognizes as the economy – “rational behavior,” i.e. narrowly self-interested, materialistic, competitive consumers and workers and profit-motivated entrepreneurs and firms – is only the tip of the iceberg of economics. Other, healthier, fairer, and more sustainable ways of “doing economics” – based on mixing self-interest and competition with caring about, cooperating, and sharing with others and the planet – already exist within market economics, alongside of and intermingled with capitalist ones. These other economic practices and institutions include cooperatives of all types, the sharing economy, unpaid care work, fair trade consumption, social enterprises and socially responsible for-profit firms, to name a few. These practices remain invisible to most mainstream economists because they do not fit into the mainstream worldview, and clash with its assumptions. However, they are drawing increasing attention from left and progressive economists and social activists around the world, who refer to them as the “solidarity economy,” “new economy,” or “community economy.”

Figure 1: The Economy As An Iceberg



Thus, the process of economic system change – from capitalism to the solidarity economy – is already underway. Solidarity economy values, practices and institutions – which are growing around the world – represent a possible economic way forward. Where are these practices and institutions coming from? How and why are they growing within capitalist-dominated economies? What can we do to support their proliferation? To answer these questions, it is helpful to understand capitalism as an economic system stuck between two paradigms of economic life: the old, inequality paradigm, and the emergent solidarity paradigm. So we will begin our analysis with the key aspects of the inequality paradigm, then show how capitalism, and the social movements it has engendered, have been breaking down and transforming it, and in doing so, creating the emergent solidarity economy that most of us are already participating in.

#### CONSTRUCTING INEQUALITY: THE INEQUALITY PARADIGM

Mainstream economics ignores race, class, and gender. Indeed, one can complete an entire undergraduate major without ever coming across these concepts. This is because mainstream economics' unit of analysis is the freely-choosing individual, who maximizes his/her utility by supplying factors of production and choosing among consumer goods.

In contrast, left/radical/feminist/ecological economics view these inequalities as key aspects – and problems – of capitalist economics. Marxist economics visibilizes class differences, especially the concentration of wealth among a few, which creates an elite owning class that can live off the work of others, and uses its wealth to control government to its benefit. While Marxist economics views class analysis as key to understanding the dynamics and limitations of capitalism, the fields of Women's Studies, Black Studies, and Ethnic Studies have expanded this analysis of inequality in the past 30 years to look at the ways in which differences which society has viewed as “natural” – such as gender and race – are actually constructed and perpetuated by social institutions, including by the economy. Many other, related inequalities exist as well: both between groups of people – sexuality,

trans/cis-gender, religion, ability/disability, age --and even within us -- mind/body, rational/emotional, material/spiritual. While there are many differences in how these different types of inequality are created and perpetuated, they are actually all part of a larger inequality paradigm, and, therefore, both similar and intertwined. By paradigm, I mean the basic way we human beings understand and co-create ourselves and our economic and social practices and institutions.

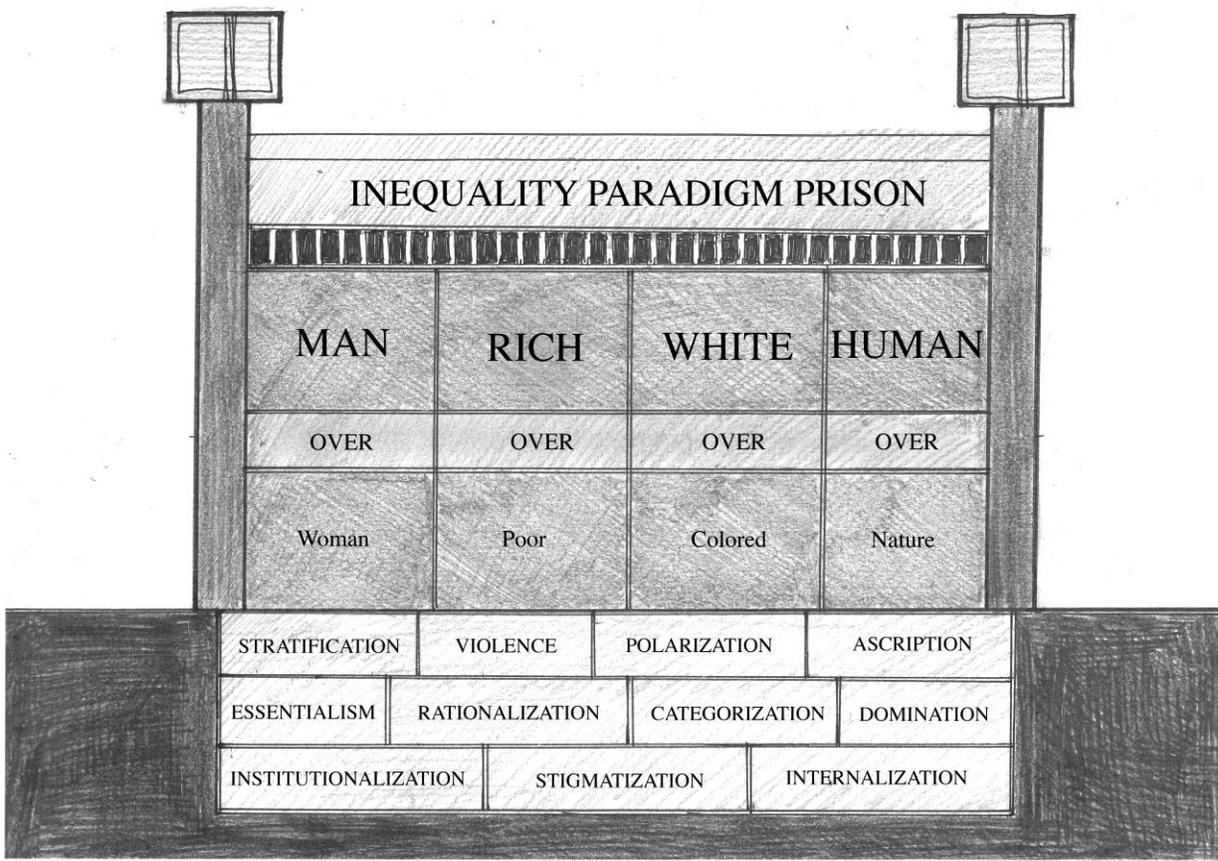
The inequality paradigm differentiates people at birth – a process called ascription – according to the class, race, gender, species, nation – into which they were born. It puts one category – rich, white, man, human, the West/colonizers – above the other. While it claims that these differences are God-given and natural, they are actually constructed through social concepts, practices and institutions. Barbara Brandt and I have identified 11 inequality processes that create and reproduce the various inequalities.

- 1) **Categorization:** Creating mutually exclusive categories of people (or life forms):  
man/woman, white/colored (or white/brown/black/yellow), rich/poor, human/nature, etc.
- 2) **Ascription:** At birth, people (and other life forms) are assigned to one pole of each category, according to their parents' identities (race, class, human/nature) or their apparent sex.
- 3) **Polarization:** Social concepts, practices and institutions differentiate the two opposite poles of each inequality by assigning them different traits, work, and rights.
- 4) **Stratification:** One pole of each inequality is positioned above the other; viewed as better and of more value than the other, in its traits and work; and given more rights, privileges, power, and resources.
- 5) **Essentialism:** All the members in one pole of an inequality are viewed as the same, having the same "essence." This denies the fact that the lived experience of people in any such category -- e.g. a woman's experience of womanhood -- is differentiated by all the other inequalities that divide that category, e.g. class and race.

- 6) **Domination:** Within each inequality, the group deemed superior is given political and economic power over the other group, in terms of citizenship, civil rights, property rights, and pay – while the group deemed inferior is deprived of the same.
- 7) **Violence:** It is socially acceptable, even expected, for the dominant group to use violence, both overt and institutionalized, against the subordinate group. If members of the subordinated group resist, especially if that resistance is violent, the dominant group “puts them down” with more violence.
- 8) **Rationalization:** Each inequality is justified by religious dogma (as “God-given”) and/or by science (as “natural”). As noted above, mainstream economics justifies class/economic inequality as necessary to motivate people to work or invest.
- 9) **Institutionalization:** Each inequality is structured into social practices and institutions, which then reproduce it. The content of “knowledge” and the educational system; laws, including rights, private property, inheritance systems, and corporate charters; and the structure, hierarchy and race/gender segregation of jobs are key areas that institutionalize inequality.
- 10) **Internalization:** Authoritarian parenting, education, and other social institutions cause people to internalize each inequality, i.e. to accept its dictates and expectations about themselves and others. Members of oppressed groups “internalize their oppression,” and restrict and limit themselves and their friends and family members, while well-meaning privileged folks suffer from implicit bias.
- 11) **Stigmatization:** Practices such as teasing, ostracism, and in extreme cases, group violence, punish those who don’t conform to their assigned roles.

Figure 2 depicts the inequality paradigm as a prison for our minds, and our lives. The foundation of the prison is the inequality processes, upon which the four great inequalities – gender, race, class, and humans/nature – are built.

Figure 2: The Inequality Paradigm Prison



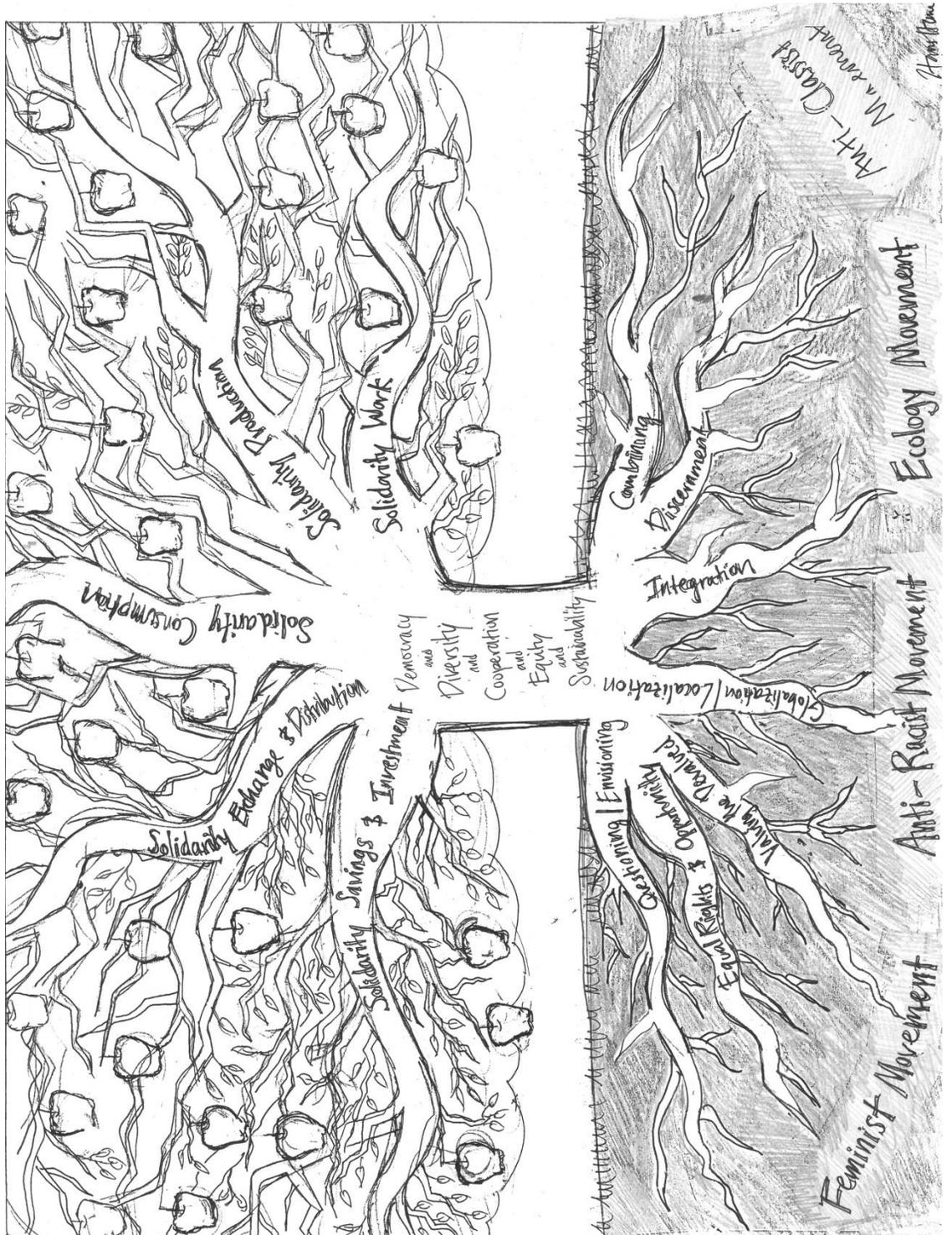
The inequality paradigm imprisons us in categories that privilege some and oppress others. It creates a way of thinking and being that divides us both from our true selves and from each other. It makes it difficult for us to realize that we are “part of one another” and “in this together,” and to cooperate; thus, it making it difficult for us to come together to create the safe, healthy, just, and sustainable economy we all yearn for. It dampens our natural compassion for one another by setting us against each other, fostering mistrust, hostility, and violence. It creates scarcity and pervasive economic insecurity, in spite of advanced technologies which could easily provide abundance and economic security for all.

#### DECONSTRUCTING AND TRANSCENDING INEQUALITY: THE FOUR GREAT SOCIAL MOVEMENTS AND THE SOLIDARITY PROCESSES

Capitalism represents a transitional stage between the old, inequality paradigm, and the emerging solidarity paradigm. The inequality paradigm has existed for millennia; capitalism emerged in the last three centuries, based on the affirmation of equality. Capitalism has generated four great, interconnected movements against the four main types of inequality created by the inequality paradigm: the anti-class movement, the anti-racist movement, the feminist movement, and the ecology movement.

In our research, Barbara Brandt and I have identified seven distinct solidarity processes which shape each of these movements: questioning/envisioning, equal rights and opportunity, valuing the devalued, integrative, discernment, combining, and glocalizing. These solidarity processes occur within organized movements, as well as within peoples’ individual struggles for healing and self-actualization, and in family and friendship networks (including on Facebook!). These rich, multi-faceted movements are deconstructing and transforming the inequality paradigm prison brick by brick, while creating the fertile soil of solidarity within which the new solidarity paradigm is emerging, as illustrated in Figure 3, based on Ethan Miller’s diagram.

Figure 3



I outline each solidarity process here:<sup>2</sup>

**1. Questioning/Envisioning:** No movement can occur without questioning the way things are, and believing they can be made better. This process involves debunking the **rationalizations** that justify an inequality (especially arguments that inequalities are based on natural differences, e.g. women are irrational and weak and need to be protected by men). It also frees us from **internalized** conceptions of inequality through consciousness-raising and education. Questioning inequality puts forth a vision that things can be different, that gender/race/class/species equality can and should be achieved.

**2. Equal Rights and Opportunity:** This process asserts that all are created equal, and, therefore, the members of a subordinated group should have the same rights and privileges as the dominator group. Perhaps the US Revolution's greatest gift to the world has been its advocacy of this process, with the assertion that "all men are created equal," and the associated demand for political democracy. While the founding fathers' famous statement only applied, at that time, to the equal rights of propertied white men - i.e. the ending of aristocratic class privilege, it emphatically denounced the **polarization, stratification, and domination/subordination processes**, creating a meme for equal opportunity struggles that has been taken up by anti-racist, feminist, and animal rights movements. Once people of color and women won property rights and the vote, they focused on anti-discrimination in the job market, seeking equal access to the higher-paid and higher-status occupations long the exclusive preserve of white men.

**3. Valuing the Devalued:** This process also attacks the **stratification** and **domination/subordination** processes. But while the equal opportunity process accepts the prevailing value system and rules, and tries to get what the dominant group has by acting "white" or "like a man" or "like a capitalist," valuing the devalued attacks inequality by asserting the value of those in the subordinated group –

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<sup>2</sup> For a more complete and nuanced discussion, see my forthcoming book, *From Inequality to Solidarity: Co-Creating a New Economics for the 21<sup>st</sup> Century*.

people of color, women, “nature” -- and the traits and values associated with them. Anti-classist valuing the devalued asserts the humanity and economic human rights of the poor, and fights to increase the pay of workers, especially those with low wages, through union and other organizing. Feminist valuing the devalued asserts the economic and social value of women’s traditional caring labor, pushes for support for unpaid reproductive and caring work, and strives to increase the pay of women’s traditional, care-centered jobs. Anti-racist valuing the devalued involves uplifting the cultures and economic practices of traditional peoples of color, including indigenous peoples, and fighting the prison industrial complex and police **violence** in the current Black Lives Matter movement.

4. **The Integrative Process:** This process aims at ending the **polarization** created by the inequality paradigm. It fights against segregation, and for “diversity” – i.e. the integration of social spaces and relationships. It challenges racial and gender binaries, by recognizing and celebrating multi-racial identities and multiculturalism; advocates the combining of masculine and feminine traits; and supports public policies that allow for parents to combine active parenting with paid jobs. It struggles to equalize income and wealth, and asserts that humans and “nature” are in fact part of an interdependent ecological web of life that must be recognized and protected.

5. **The Discernment Process:** Building on the gains and limitations of the other solidarity processes, this process turns a critical, radical eye on the **categories**, values, practices, **institutions**, and goals of our capitalist economy from a feminist, anti-racist, anti-classist, and/or ecological perspective. It challenges assumptions about human nature (innately selfish and unequal, or diverse and potentially cooperative?), the goals of the economy (maximize GDP, or fill the basic needs of all people?), the exclusion of ethical values from economic life, and the superiority of the capitalist system. Combined with the other solidarity processes, discernment turns our efforts to eliminate inequality into the construction of the values, practices and institutions of a solidarity economy.

**6. The Combining Process:** Through the combining process, each of the four great movements expands to overlap with the other three. When a movement struggles against a form of inequality, its process inevitably brings up the other inequalities present within its group, thereby expanding its focus to other inequalities. For example, the second-wave “women’s movement” of the early 1970s originally focused on the needs of white heterosexual college-educated women, but, through a difficult but very creative process of separation, coalition, and combining with splinter groups of women of color, lesbians, working class women, etc., grew to incorporate anti-racist, LGBTQ, and anti-classist practice, analysis and demands. The combining process replaces **essentialism** with the understanding of “intersectionality” – the interdependence of all forms of inequality. As it grows, oppressed groups also increasingly gain allies among their “oppressors,” as people begin to realize that “no one can be free unless everyone is free.” Movements welcome diverse perspectives, knowing that this will help create a more inclusive, just, and transformative movement.

**7. The Glocalizing Process:** This is a two-sided process, that roots movements locally, while forging global connections amongst them. The internet, as well as international conferences and organizations such as the UN and the International Labor Organization, have facilitated transnational connections between movements, in particular, global feminist and environmental organizing. Also, a global “movement of movements” began in the famous Seattle anti-WTO protest in 1999, and continued in the formation of the World Social Forum movement which opposes all forms of inequality, and whose motto is “Another World is Possible.”

#### GROWING THE SOLIDARITY ECONOMY

The four great movements are the source and motor of the ongoing process of system change from capitalism to a solidarity economy. Acting through the seven solidarity processes, they have not only been deconstructing the inequality paradigm, they have also begun to create a new, solidarity economics for the twenty-first century world, in the following way. Each movement has

provided one key dimension of a new, solidarity value system, then taken these values, like tools, into the work of transforming our economy and society. Increasingly brought together through the combining and glocalization processes, these four movements are creating a shared set of solidarity economy values, which researchers have identified as cooperation, equity in all dimensions, economic and political democracy, sustainability, and diversity.

As illustrated in Figure 3, above, the solidarity economy can be compared to an apple tree (Ethan Miller in Allard et al, 36). The tree grows in the soil of the four great social movements, providing the solidarity economy with its ethical principles and motivation or life energy: people's shared commitment to eradicate inequality, oppression, and injustice in all of their forms. The energies of these movements flow through the roots of the seven solidarity processes, creating the foundation upon which the solidarity economy is being built. Through the combining and glocalization processes, these movements come together in a common trunk of shared solidarity values, then diverge into the different branches of the economy, where they bear fruit in the form of new, solidarity practices and institutions that benefit us all.

Figure 4 lists some core solidarity economy practices and institutions in the various sectors of the economy. You may be surprised that you already know of and participate in many of them, without realizing the contribution you were making to growing a new, solidarity economics!

### Figure 4. Solidarity Economy Practices and Institutions

#### Creating Solidarity Economy by Working and Producing:

- doing unpaid work raising children or doing community or political work, with solidarity values
- as part of worker-owned cooperative ([usworker.coop](http://usworker.coop))
- as part of a producer cooperative (e.g. a farmer's cooperative)
- as a worker for a socially responsible and/or green business ([greenamerica.org](http://greenamerica.org))
- as a social entrepreneur (start a business with a social goal; [se-alliance.org](http://se-alliance.org), [ashoka.org](http://ashoka.org))
- as a worker for a nonprofit with solidarity values (day care, social movement group)
- as a whistle-blower or transformer in a nonsolidarity business or nonprofit
- as an unpaid, volunteer worker in a solidarity organization or movement like Occupy
- as a member of a time trade circle, for another member of the circle ([timebanks.org](http://timebanks.org))
- as part of a progressive labor union (e.g. [seiu.org](http://seiu.org))
- DIY (do it yourself) and DIY (do it ourselves)
- working in a community garden ([communitygarden.org](http://communitygarden.org))
- participating in open source production (p2p, open source ecology)

#### Creating Solidarity Economy by Consuming:

- socially responsible or green consumption ([greenamerica.org](http://greenamerica.org)); fair trade ([wfto.com](http://wfto.com))
- sharing ([shareable.net](http://shareable.net), [collaborativeconsumption.com](http://collaborativeconsumption.com), [zipcar.com](http://zipcar.com), p2p)
- collective consumption of public goods: funded by taxes, free to users (schools, roads, parks, etc.)
- recycling, buying used goods ([craigslist](http://craigslist)), simple living ([newdream.org](http://newdream.org)), and cutting your consumption so you can downshift to more fulfilling, lower paid and unpaid work
- freeganism: (living off the waste stream; [freegans.info](http://freegans.info))
- buying clubs and consumer cooperatives (food or day care coops)
- coop housing, cohousing ([cohousing.org](http://cohousing.org)) and ecovillages ([ecovillage.org](http://ecovillage.org))
- collectively, by guaranteeing economic human rights to health care, education, jobs with living wages, housing, etc.

#### Creating Solidarity Economy in Exchange and Distribution:

- giving/getting for free: open source, really free markets, freecycling ([freecycle.org](http://freecycle.org)), charity, volunteer work and unpaid work; skillshares, freeganism ([freegans.info](http://freegans.info))
- swapping and bartering: informal swaps, swapfests, barter clubs
- time trade circles ([timebanks.org](http://timebanks.org)) – one hour exchanges for one hour
- taking or using that which isn't being used: squatting, recuperated factories, occupying public spaces
- refusing to give up your home after an unjust eviction, supporting others doing so
- sharing: in family economy, with friends and neighbors; with other citizens via government and taxes
- sliding scale pricing – pay according to your income
- community currencies – keep purchasing power in local economy
- consumer supported agriculture ([localharvest.org](http://localharvest.org)/CSA) and fisheries; farmers markets

#### Creating Solidarity Economy by Saving and Investing:

- checking or savings account in socially responsible bank, credit union, or mutual
- participating in socially responsible investment, seed banks, conservation land trusts, rotating credit associations, or crowd sourcing
- public investment in creation of socially responsible jobs; social enterprise development; cooperative development and training; day care and education; public goods; public parks

## DISCUSSION QUESTIONS:

1. Has studying mainstream economics taught you to be more self-interested? More pessimistic about the future of economics? Explain.
2. Which inequality processes do you find most problematic? Give examples.
3. Have your parents and grandparents participated in any social movements and solidarity processes? Explain.
4. Which movement and solidarity process most engages your interest? Why?
5. Which solidarity economy practices and institutions do you currently participate in? Explain. Which would you like to participate in, in the future, and why?

## BIBLIOGRAPHY AND EXTRA READING ON THE SOLIDARITY ECONOMY

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Ethan Miller, "Imagining Life Beyond The Economy: Occupy, Connect, Create'," Community Economies website (2012), [http://www.communityeconomies.org/site/assets/media/Occupy-Connect-Create-3.0\\_large.pdf](http://www.communityeconomies.org/site/assets/media/Occupy-Connect-Create-3.0_large.pdf)

## WEBSITES ON THE SOLIDARITY ECONOMY

USSEN.org, website of the U.S. Solidarity Economy Network

RIPESS.org., website of the Intercontinental Network for the Social Solidarity Economy

ALOE.socio.org, website of the Alliance for a Responsible, Plural and Solidarity Economy

GEO.org, website of Grassroots Economic Organizing

SOLIDARITYECONOMY.us, interactive map of the solidarity economy in the U.S.

SOCIOECO.org, database of articles on the solidarity economy, created by ALOE

TRANSFORMATION CENTRAL, Solidarity Economy pages.

<http://avery.wellesley.edu/Economics/jmatthaehi/transformationcentral/solidarity/solidaritymain.html>