SOLIDARITY ECONOMICS

Why Mutuality and Movements Matter

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1

Reimagining Our Economy

Umuntu ngumuntu ngabantu. (I am because we are.)
Ubuntu philosophy

In 1776, thirteen colonies at war with Great Britain declared their independence, launching the United States of America and the creation of a new system of government based on what is now the world's oldest continuously active constitution. That same year, Scottish philosopher Adam Smith completed his decade-long inquiry into the nature and causes of the wealth of nations, publishing a book that is considered the first modern work of economics and one whose key principles remain central to the discipline to this day.[1]

There was a curious belief at the heart of both of these newly founded systems: people are selfish, but it is possible to channel that selfishness to produce publicly beneficial effects. This is most clear in Smith's belief that a free market would channel self-interested pursuits into societally optimal outcomes. The Founding Fathers also suggested that democracy might yield order out of selfish leadership impulses: if those in power across top

government institutions found themselves restrained by a system of checks and balances, the people would be able to flourish.[2]

There was also a stark blindness at the heart of both perspectives. Smith, who actually had a strong belief in the importance of a shared morality for maintaining social order, held that self-interested people make markets but failed to see how markets would also make self-interested people, and so erode those moral sentiments.[3] Meanwhile, the Founding Fathers were just that: a group of white property-owners who failed to see their privilege and who talked of liberty while cementing in place systems of racism and patriarchy, who conceived of checks and balances but excluded the majority of people from the democracy they set up.

For nearly 250 years now, our major economic and political institutions have been built on the assumption of self-interested individuals and the continued systemic marginalization of disenfranchised groups. And while there have been some clear economic and social gains in that time, usually because of groups challenging exclusion, we have reached a point where our fundamental economic structures are driving unprecedented inequality, social divisions, and ecological destruction, amidst a politics of polarization, fragmentation, and alienation.

Can't we do better? After all, we know that people also act out of caring, sharing, and interest in the collective good. Can we build a better economy out of that sense of mutuality? After all, we know in our own lives that teams and communities perform better when everyone feels connected. What would it take for us to transform our economy and politics to put that in place? After

all, we know that change does not take place without struggle, or in the words of Frederick Douglass: "Power concedes nothing without a demand."[4]

For us (and many others!), focusing on our mutuality has descriptive, normative, and prescriptive dimensions. We say descriptive because, as we will show throughout the book, it is precisely those places in our economy where we have collaboration, cooperation, and limits to inequality that we also have greater prosperity, innovation, and economic dynamism. We say normative because we believe that if we were to build our economic and political institutions with an eye to expanding our sense of connection and interdependence, we could have an even stronger economy and greater societal well-being. And we say prescriptive because we are not naïve about change: we know that creating an economy that values everyone will require disrupting the power of those who benefit from the current state of affairs.

Part of that fight will be about the very way we think and talk about our economy. Traditional economics would have us believe that selfishness and the market itself are natural, that alternatives are unsustainable (or blasphemous), and that we should settle for the current levels of rampant unfairness because there is no better alternative. We beg to differ. Like the popular legend sometimes attributed to the Cherokee Nation, if we have two wolves inside of us – one self-interested and one that cares for others – then the wolf we feed is the one that thrives.

Both our actual economy and our economic theory and narrative have been feeding the wrong part of ourselves. It is time for a new approach: solidarity economics.

Such a solidarity economics has three basic premises. The first is that it is *our* economy, not *the* economy – it is not an abstract set of rules given by God or nature but the result of our relationships, sometimes reflecting power and sometimes reflecting our mutuality. The second is that we actually do better when we work and act together – while traditional economics would have us believe that selfishness is useful for generating economic progress, mutuality is, in fact, key to our collective economic well-being. And the third is that since some people do benefit from current arrangements, social movements are crucial – we will only move to a better system if we are willing to band together and act in political as well as economic solidarity.

Transformations

We live in a transformational moment. The year 2020 brought us an historic pandemic, the worst economic recession since the Great Depression, record-breaking temperatures, and an extraordinary surge in demands to come to terms with systemic racism. As daunting as these challenges are, they have also created the opportunity for a fundamental reimagining and restructuring of our economy, with the potential to finally come to terms with the consistent reproduction of wealth disparities and racial inequity.

For young people in America – the most racially diverse generation in our history – these issues are especially salient. This was the second major economic collapse in their early work lives, separated by just barely one decade, and the pattern has compounded

the sense that the system itself is broken. For those most vulnerable in the US, the dysfunction has long been clear. With COVID-19 spreading, many low-wage and less educated workers lost their jobs and found themselves scrambling to pay rent to unforgiving landlords. Others contracted a life-threatening illness because their employers refused to provide adequate masking and social distancing, believing that human pain was just one more cost of doing business.

Indeed, the pattern of illness, death, and economic precarity has been deeply etched by racial and gender divides. Age-adjusted infection and death rates have been significantly higher for African Americans, Native Americans, Pacific Islanders, and Latinos. Continued occupational segregation has resulted in women and people of color suffering disproportionately from concentrated job loss, while also finding themselves over represented in the riskiest and least secure forms of work. Black Americans, lacking an adequate safety cushion due to long-standing racial wealth gaps, have struggled to pay bills. Immigrant Americans have been largely abandoned by a society that valued their labor but then decided to withhold aid if a family member happened to lack legal status.

That the revolt against the murders of George Floyd, Breonna Taylor, and Ahmaud Arbery would inspire mass protest is perhaps unsurprising; the evidence of racism was already there to see in the way the COVID-19 crisis was playing out. But this also came on top of three and a half years of a Trump Administration seeking to provide racist and xenophobic targets for people's sense of economic and political dislocation, even as America moved closer and closer to its destiny as a nation where

no single ethnic group comprises the majority. With the scars so deep and the pain so searing, a new world is both possible and longing to be born.

Looking Back to Look Forward

But what will that world look like and what will be its economic underpinnings? How will we move beyond a system that has literally led many to their death and left others to a life of suffering? Can mutuality and solidarity become the basis for social reorganization, a new respect for the planet, and a more vibrant and inclusive economy?

The time for such big questions is now. History brings important turning points when the nature of our economy, the constellation of power, and the narrative that frames our politics are all up for grabs.[5] Consider the Great Depression and how the New Deal of the 1930s ushered in an increased role for government, helped labor rebalance its relationship to capital, and provided broad social welfare programs, including unemployment insurance and social security. The importance of the public sector in stirring recovery was drilled home by both the experience of the war, and then the long post-war boom.

Alongside these important public policy developments was an economic story to help provide justification or rationale. This emergent Keynesian framework, unlike previous economic philosophies, accepted the possibility of inadequate demand on the macro side, as evidenced in our boom-and-bust cycles, and explained how a set of simple tools could pull an economy out of the ditch. It was not always the most elegant theory – subsequent economic theoreticians used more compelling equations

– but it neatly legitimized an approach that sought to quell the self-interested tensions between business and workers by emphasizing growth and stability.[6]

But a key factor hobbled the long-term transformational possibilities: racism. This is an old American story. From the earliest days of the nation-to-be, notions of white superiority were key to taking Native land and enslaving Africans – that is, stealing land and stealing labor to amass capital – but they also proved useful to preserving elite power by dividing poor and working-class communities. For example, during the early colonial period, there was no concept called whiteness, and people of European descent were known by their country of origin.[7] This began to shift after a 1675 rebellion against the Virginia colonial government led by Nathaniel Bacon and involving both white and Black indentured and formerly indentured servants, as well as still enslaved Africans. The colonial elite soon found a racial wedge – providing social advantages to poor whites while strengthening slave codes – and used these meager "wages of whiteness" to derail multiracial connections across class.[8]

Such a strategy was echoed in the supposedly inclusive New Deal, as putting together a political coalition that would secure the support of Southern Democrats led to policies that largely froze out Black, Indigenous, Asian, and Latino communities. Domestic work and agriculture were left off-limits for union promotion, labor enforcement, and social benefits, and the post-war wealth-building for a nascent middle class was racially constrained by restrictive and discriminatory practices in labor, government, and real estate markets. The New Deal was a limited deal – and that presented its

own limitations. White workers may have won in a relative sense, but that threatened the political cohesion necessary to sustain more fundamental actions that could have truly rebalanced class power.

The limits of the Keynesian framework and the capital–labor accord for ensuring economic prosperity became clear in the 1970s. The explosion of unemployment and inflation – considered to be opposite poles of the assumed macroeconomic trade-off – led economists to look elsewhere for solutions. US corporations, facing increasing international pressure from new competitors, began a long march to disrupt the successful post-war pact that had guaranteed at least some workers a share of prosperity. The Civil Rights and Black and Brown power movements of the 1960s and 1970s signaled that others wanted their own seats on the economic bandwagon, triggering a retrenchment of social programs and the launch of a "war on drugs" targeting "hippies" and Black people that was championed by President Nixon and then expanded in the Reagan Administration.

Neoliberalism to the Rescue?

With the world shaking, Keynesian theory buckled. The neoliberal turn of the 1980s, resplendent under Thatcher in England, Reagan in the US, and the International Monetary Fund in the developing world, was on its surface about expanding markets, deregulating industries, and reducing government spending. But underpinning it was a surge of capital against labor and a resurrection of traditional (albeit reconfigured) economic thinking. With regulations curtailed, public sectors trimmed, and globalization let loose to

prowl, financial capital came to dominate, real wages stagnated, and wealth accumulated in fewer and fewer hands. All along the way, the new arrangements were justified as reflecting the power of markets to shape a more benevolent destiny.

Neoliberalism also provided a convenient cloak for preying on the fears of racial inclusion in white America. It seems no coincidence that in his 1980s campaign for the presidency, Ronald Reagan gave a landmark speech on "states' rights" just seven miles from Philadelphia, Mississippi – a place where three Civil Rights workers were famously slain in 1964 for their efforts to register Black voters. Reagan's broader argument for cutting taxes, downsizing the government, and unleashing the market was stoked by racist imagery, including tales of "welfare queens" that evoked the image of Black women burdening white taxpayers. And many white Americans, who were quite willing to benefit from government support for education, housing, unionization, and the other social benefits in the post-war period that were largely responsible for facilitating their ascent to the middle class, supported this shrinking of government social spending when confronted with the notion of extending these benefits to others.[9]

In short, neoliberal theory may have stressed the liberating power of markets to raise all boats, including imagining the ability of the market to compete away employment discrimination, but its political triumph in America was drenched in a racist vision that we needed to shrink the state so that one group of Americans could retain privilege. Of course, the group really retaining privilege were not all whites but the wealthy, with the top 1 percent of earners seeing their share of national

income more than double between 1979 and 2007.[10] Worker productivity rose by nearly 55 percent even as hourly compensation budged up a scant 4 percent over the same period.[11]

The Great Recession of the late 2000s was prompted by these stark disparities: the wealthy were so well-off that they turned to increasingly speculative financial instruments, while many others were so financially strained that they turned to subprime loans to capture the disappearing promise of homeownership. Racism was once again in the mix: when the first homeowners to be wiped out were mostly Black and Latino, it was easy for many Americans to think the damage would be cordoned off. The resulting crash could have been a major turning point: markets were failing, workers were stressing, and assets were disappearing. The election of a Black president flipped the script, signaling that maybe, just maybe, the old racist dog whistles would come up short. It seemed a promising time to put a dagger in the heart of neoliberal thinking.

But ideas take time to die and be reborn, and the tepid laundry-list policy response of the Obama Administration did little to launch a new economic narrative or restore faith in the power of the government to address the challenges. The Tea Party phenomenon, fueled by dollars from the Koch brothers and amplified by growing conservative media, cleverly played on old racial resentments about who would benefit from government intervention and portrayed the market as a protector rather than a threat to working-class well-being.

With that opportunity to transform America's political economy frittered away, the subsequent election of

Donald Trump heralded the perfect (and hopefully last) toxic combination of modern neoliberalism and old-fashioned racism. With a gigantic tax cut passed in 2017 that disproportionately benefitted the top 1 percent, gone was any pretense that neoliberalism and conservative economic policy were anything but coddling the rich, providing crumbs to the middle, and starving the poor.[12] And with the Trumpian embrace of neo-Nazi protestors in Charlottesville and later of white supremacist insurrectionists at the US Capitol, gone too was any pretense that racist politics was not much more than a conscious strategy to divide working people and facilitate a white coalition that would act against its long-term economic interests.

With an economy shattered by COVID-19, America the object of global ridicule for its pandemic mismanagement, and protests against the killings of George Floyd, Breonna Taylor, Ahmaud Arbery, and so many more raging in the streets, an opportunity has been opened to create a different narrative, theory, and policy program. While the initial response has been the election of an historically moderate and establishment-oriented Joe Biden, what are the possibilities for something more bold and transformative? Can we learn from the limitations and racist mistakes of the past to craft a better response this time around? And can we go beyond a long list of policies and instead offer a compelling and coherent vision?

We think so. The COVID-19 crisis actually provides a powerful opportunity because the fundamental lessons of the pandemic are easy to see. First, we protect ourselves when we protect others – and so mutuality is important. Second, what was thought to be an

equal-opportunity disease is actually a differential killer when unleashed against a pre-existing landscape of racism and inequality – and so we must center racial equity. Third, the work that is truly essential is not done by highly paid managers but by those in the care economy – but they will only be protected when movements rise to represent their interests.

Alternatives

The transformational opportunity we now face is not tied just to the conditions of the pandemic: worries about the future of work, the shrinkage of the social safety net, and the viability of the planet have been floating in the political ether for some time. One response to these economic uncertainties has been an emerging right-wing xenophobic populism in countries across the globe, prompting progressive policy makers and civic leaders to look for strategies that can calm nerves, build community across race, and propel us to a more prosperous and sustainable future.

Ambitious policy alternatives are proliferating. In the US, plans to eliminate student debt, provide Medicare for all, and invest in a Green New Deal have made their way into the public square. Around the globe, experiments in providing universal basic income, creating opportunities for participatory budgeting, and otherwise crowd-sourcing progressive initiatives are flourishing.[13] But are we just looking at a scattered range of policy prescriptions? Or can we develop a common go-to economic "frame" that can provide coherence and consistency for a truly new approach?

Framing the Future

To understand the importance and power of a "frame," consider the power of the neoliberal perspective.[14] Ask a question (How do we ensure housing at all income levels? How do we expand employment? How can we end discrimination? How might we reduce greenhouse gas emissions?) and you get the same answer: free the forces of market competition to find the right price and the problem will be (mostly) solved. Critics of neoliberalism will rightly point to evidence of market imperfections and monopoly power. But the power gained by the consistency of the neoliberal approach and the guiding light it provides to moving forward cannot be denied.

The traditional liberal or progressive alternative has often involved an appeal to the public sector as key to setting the contours for exchange. Questions about securing housing, growing jobs, tackling discrimination, and securing the environment, are the terrain of "the government" that we imagine to be acting in the public interest. Yet the failures of state socialism – and the frequent shortcomings and restrictiveness of social welfare efforts, particularly in the US – have led many to be wary of excess state intervention. Added to the challenge: progressives, particularly those of color, know that state institutions are often captured by the highest bidder and used to reinforce racial and class hierarchies.

Moreover, while government clearly provides a platform for economic success – through education, public investment, environmental protection, and the like – most of our interactions occur in a private economy. In that realm, we need better regulation, to be

sure, and we need to have government be a partner to people rather than just corporations. But we also need better norms of business and consumer behavior. In some sense, we need to turn to each other rather than just to the state, to mutuality rather than just enforcement, and to community trust rather than just state mandate.

Of course, the government can be a tool for mutual gain – it is the main way we come together to set the rules of the game and provide public goods. At the same time, when government does do the right thing – hike minimum wages, tackle discrimination, provide housing, or address the climate crisis – it is often because of social movements. When business interests are constrained, it is often through activism – union battles, "fair trade" campaigns, and the like – and not just government dictates. And when alternatives are created to show what is possible – including worker cooperatives and community land trusts – it is often due to energies of community organizers who seek not just to resist the old but to build the new.

This is why we stress throughout this volume the role of both mutuality and movements – that is, of solidarity. A new frame would answer the tough questions – how to ensure housing, provide meaningful employment, and sustain the planet – with answers based on the idea that we do better if we act together, *and* that we must band together to bend the rules that protect the interests of a few and stand in the way of cooperation of the many.

Solidarities and our Economy

That means that the starting point for an alternative economic frame is the recognition that people are not

just individuals, but also members of broader social groups and communities; that people are motivated not just by self-interest, but also by caring for others and a desire for belonging; and that we can and should build our economy not on an embrace of individuality and competition, but rather on a sense of the commons and our shared destiny.

We are clearly not alone in that belief. Referencing the need for a "solidarity economy," other theorists and activists have eloquently argued for a post-capitalist future in which community and worker ownership is widespread, economic decisions are democratically made, and social welfare replaces profits and the unfettered rules of the market as the guideposts for economic policy. These allies in the journey for an alternative economy point to the limits of current capitalist systems and the possibilities that a different organization of economic life might bring.

But we also want to stress that solidarity actually *already* exists throughout our current economy. An obvious example is the important role of caring labor, often unpaid, that goes into raising children, taking care of elders, and allowing those of different abilities to realize their highest potential. This is the deepest form of mutuality, it is absolutely essential to our economic and social activities, and yet it goes unrecognized (and, as we note later, undervalued) as the key building block it is.

But we often do not see mutuality even in what is traditionally seen as "the economy" because of the illusions neoliberalism has created – about self-interested individuals, "free markets," and the need to separate our economy and the government. For example,

mutualism can be glimpsed in peer-to-peer productions like Wikipedia and Linux; in collaborative teamwork in workplaces as diverse as manufacturing assembly lines, airlines, and marketing or user-design offices; and in the knowledge commons and information sharing that underpin technological innovations.

Mutualism also exists in the very underpinnings of a capitalist economy. As economic sociologist Fred Block eloquently argues, each basic market transaction actually involves other-regarding actions as well as self-interest: people only enter market transactions when they have some basic level of trust that the other party is not about to cheat.[15] That trust is built in part on legal systems, making clear that markets cannot exist without government.[16] But it is also based on the lived experiences of successful previous transactions and social norms that expect people and businesses to act within accepted boundaries that prevent trampling on the rights of others.

Recognizing the ways that mutuality already exists in our economy, and the social and economic costs of ignoring this, can help us build a vision that is large enough to cover and steer a complex modern economy. Cooperatives and alternative economic enterprises are valuable, but we also need to address a private sector that currently contains most of our employers at scale, and will likely play an important role in our economy for some time to come. Because of this, we need to devise systems that can either coax or force better behavior from business as well as from each other.

There is a distinct possibility of doing that now because there is a growing realization among many in the business class – just as in the Great Depression – that

the current high levels of inequality and social conflict are corrosive to political and economic stability. We are aware of (albeit somewhat unimpressed by) the Business Roundtable's 2019 declaration that corporations should serve stakeholders and not just shareholders.[17] We will believe this statement of intent when we see the Roundtable turning down a tax cut or supporting a wealth tax. But it is important to acknowledge that the sentiment is there, even if partly because of worries of populist backlash, and that coupling it with people power could tame the worst impulses of capital, fuel grassroots efforts to build post-capitalist alternatives, and make for profound change in the medium term.

Changing the Story

So how can we develop such a major shift in economic thinking and practice? At a basic level, such a change requires three key things.

The first is *facts*. When challenging dominant paradigms, it can take a long, steady accumulation of research and evidence before people realize that what they believe is no longer accurate. In his well-known book *The Structure of Scientific Revolutions*, Thomas Kuhn makes a distinction between revolutionary science and normal science.[18] Rather than simply making scientific progress through incremental accumulation of accepted facts and theories, new paradigms approach problems in ways that are often initially dismissed or ignored. But with sufficient accumulation of evidence and research, these new approaches can then completely replace older conceptions.

A useful example of this involves the research on the minimum wage. For decades, standard economics

textbooks taught that raising the minimum wage ultimately hurts poor people, since raising the price of labor would inevitably lead to job loss. But decades of studies have now challenged this understanding: raising wages can lead to lower turnover and thus lower costs of training, higher motivation, and improved efficiencies, as well as greater product demand (since of course workers are also consumers), with all these forces offsetting any pressures for job loss.[19] And with more facts in hand, there has been a profound shift within the economics discipline in our understanding of the effects of the minimum wage.

But of course, change comes as much from the heart as the head, and so facts also have to be connected to *feelings*. Neoliberalism appeals to "common sense": it connects to our hopes for independence, our observations that markets often work, and our sneaking suspicion that the only way to get ahead is at the expense of others. Such a deeply embedded narrative does its own work; research papers in academic settings countering such obvious wisdom are unlikely to make a big difference in the public square.

The refashioning of such common sense is the work of narrative. In the case of the minimum wage, this was achieved in part through activists developing the notion of a "living wage." Their basic premise – that if someone is working full-time, they should be paid enough to support their basic needs without public support – resonated deeply in those parts of us that understand the power of mutuality. As a result, the idea of lifting the bottom of the labor market gained widespread support in the 1990s and 2000s, providing a popular context for recognizing and embracing

the empirical evidence of the benefits of raising the minimum wage.

Finally, shifting to new paradigms will always threaten some interests who are invested in old ways of thinking and acting – and so change requires *force*. This could be the force of the ideas and evidence themselves, but it often also requires political action to confront powerful actors and change the rules of the game. It was only when workers and their allies marched in the street and testified in city council meetings that the "Fight for $15" (which we will talk more about in chapter 6) was successful in actually getting minimum wage increases in cities and states across the country.

Force is also about creating institutions and infrastructure that reinforce a new paradigm. We have seen this in the way neoliberal thinking itself was institutionalized. For example, in her book *Democracy in Chains*, historian Nancy MacLean argues that public choice economics – a version of neoliberal theory that contends that the positive self-interest of market participants should not be overwhelmed by the nefarious self-interest of government bureaucrats – was propped up by the investments in thinkers and think tanks by billionaires who stood to profit from shrinking the state and constraining the will of the people.[20] This added to decades of spending to support conservative pillars of economics such as the American Enterprise Institute, the Cato Institute, and the Heritage Foundation.[21]

An economics based on the power of mutuality, solidarity, and justice is not likely to find such wealthy patrons, but it must find its power and institutional base somewhere – and we are heartened by the work of the Roosevelt Institute, the Washington Center for

Equitable Growth, and so many others seeking to establish that infrastructure. This book seeks to support that process by offering one alternative to the current dominant paradigm.

Solidarity Economics

So what do *we* mean by solidarity economics? As suggested earlier, we see three fundamental and interlocking premises: (1) our economy is not some abstract natural phenomenon driven by immutable forces, but rather created by people through collaboration as well as competition; (2) when we recognize and reinforce those collaborative elements, we end up with not only better social outcomes but also better economic outcomes; and (3) because some people benefit from the current system and would seek to divide us, social movements for change are critical to economic success, both because they can help shift power *and* because they can help build and broaden our sense of mutuality.

The first premise, increasingly emergent in the realm of behavioral economics, has to do with the conception of human nature. The general assumption by most economists since Adam Smith has been that people act purely (or at least largely) out of self-interest. For neoliberals, the good news is that the market will coordinate all that selfishness to a blissful outcome, and so limited government is the best recipe. On the left, there is often a similar take on what drives economic behavior, with the caveat being that bliss is not likely to be distributed justly; as a result, the state must act to constrain the worst instances of selfishness and so, corral our economy into serving the common good.

But as became evident in the COVID-19 crisis and in many other disaster situations, people also act out of impulses of solidarity with one another.[22] And this is not just in moments of stress; care for one another is as much an impulse as is fear of the other, and generally the world goes better when this, rather than fragmentation, is the norm. The challenge, as articulated by economist Sam Bowles in his brilliant book *The Moral Economy*, is that we have structured our economic and political systems to either reward or tame self-interest rather than to promote our connection with one another.[23]

To be fair, traditional economic models do not deny that people have impulses for mutuality, but they assume that these impulses are expressed outside the economy – in family life, neighborhoods, churches, charity work. But assuming that people check their humanity when they enter the economy creates highly problematic blinders: the resulting economic models make invisible the unpaid labor of mostly women in the home and community; they undervalue the essential human interactions in caring work that stretches across much of our service economy; and they ignore the ways that collaboration is an essential part of innovation, teamwork, and many other economic activities.

Traditional economic models are also often blind to the ways our economy is deeply connected to the places we live and work. Much of economic activity is rooted in locally serving industries, and in fact, the vast majority of the jobs in our economy are in creating, maintaining, and improving the social and physical environments in which most people live.[24] Most work cannot happen without workplaces, even if those workplaces are home offices for some, and overall our economy cannot exist

without the ecosystems on which we depend. Yet traditional economic models largely neglect our connection to place and planet, as well as our connection to each other.

Of course, one person's (or group's) mutuality might be another person's exclusion. As critical race theorist john powell has suggested, our current system has devised and perpetuated in- and out-groups, often by race and place, to determine who can belong in our circle of solidarity.[25] This sets boundaries around who should benefit from job security and social support, and who should be thrown to the market wolves – as well as which places will be thriving, gentrifying, or dying. The challenge is that when wolves are left to prowl, it is dangerous for everyone; accordingly, challenging structural racism and broadening the circle of belonging in our economy is actually in the common interest.

This sets the stage for our second major premise: that building on a spirit of mutuality can actually lead to broader prosperity, a point also made by Heather McGhee in her compelling new book *The Sum of Us*.[26] We recognize that this runs straight up against the traditional economic perspective that inequality is necessary to incentivize and facilitate a strong economy – the classic equity–efficiency trade-off. But as we discuss in more detail in chapter 2, high levels of income disparities, racial segregation, and social fragmentation actually tend to limit the sustainability of income and job growth, both nationally and regionally.

More broadly, the evidence is increasingly mounting that our current scenario of economic inequality, structural racism, and environmental destruction is

suboptimal for nearly all of us. By contrast, recognizing and reinforcing mutuality could have benefits in many spheres. If we supported the collaborative elements necessary for innovation to flourish, and reduced the unequal private appropriation of the commons, we would increase investments and steer innovations toward the common good. If we recognized collaborative contributions to our economy through a social wage, it would help reduce the tremendous economic burden of poverty, poor health, and homelessness. If we extended our sense of mutuality to the planet and future generations, we would have a healthier environment and prevent being overwhelmed by the economic costs of environmental pollution and climate-change-driven disasters.

And this gets to our third premise: we will only get to that better world through active organizing that seeks to rebalance power. Mutuality and cooperation may be the goal, but getting there will require the antagonistic friction of politically defining who benefits from current arrangements and determining how to diminish their influence in order to promote the interests of the many. This dialectic of embracing mutuality as a goal and movements as a strategy is a difficult balancing act – but it must be done if change is to take place.

And this presents another challenge to conventional wisdom: economics as a discipline often proceeds as though empirical research documenting problems and outlining solutions is enough to lead policy makers to decide on a more inclusive course of action. But this perspective – thinking that racial differentials, wealth disparities, and environmental destruction are problems to be corrected – is misplaced. Such "problems" are not

bugs in the system but rather features of an inequitable structure of domination that can only be disrupted by the efforts of social movements to enact solidarity at scale.

This emphasis on movements is also deeply tied to the idea of a frame, the concept with which we began this section. The newest theories of social movements talk about the importance of the construction of a shared identity through narrative understanding.[27] We need an economic policy package, to be sure, but we also need a story. Neoliberals have a convincing one, a vision that always comes back to individuals, freedom, and markets (even if the actual results are inequality and disadvantage). We need a tale that resonates, that draws on the deep human sense that we can get through most anything if we band together, and that becomes a sort of mental default so that any economic question about a social challenge that gets asked gets a new sort of answer: mutuality and movements.

Starting Points

For all these reasons, this book is concerned with the tale we tell, as much as with the theory we wield and the policies we propose. And part of the reason for that is the rather unusual origins of this book: the ideas here grew not from seminars with academic colleagues, but from encounters with movement activists.

Both authors have long been a part of movements for social and racial justice in California, especially since the 1992 Civil Unrest sparked by the acquittal of the Los Angeles police officers who beat Rodney

King. California in that period looked much like the US today: an economy in crisis, demographic transition troubling a waning white majority, and politicians using dog-whistle politics to blame economic anxiety on communities of color.[28] Yet a quarter of a century later, California-based movements led by progressives and people of color have helped to raise the minimum wage, secure driver's licenses for undocumented drivers, and shrink a carceral state that inflicted pain on Black and Brown lives.

In 2018, the two authors were seeking to build on that momentum and put together a more ambitious economic policy package for our home state of California. To jump-start the work, we launched a series of focus groups with social movement leaders to see what they thought was needed. The response was enthusiastic, partly because these leaders wanted to ensure inclusion and equity, but also because they felt stuck in old modes of economic thinking and argumentation, including the lack of a response to purported trade-offs between equity and growth.

They also found themselves boxed in by their own calls for state intervention. After all, the government is widely discredited by the right and frequently mistrusted by the left. There was also a sense of curiosity about how to move the private sector through appeals to new social norms. More importantly, they felt like their multiple calls for equity across issue areas would be more effective if they were better linked together in an overall economic narrative.

We tried to do that in a report, "From Resistance to Renewal: A 12-Step Program for Innovation and Inclusion in the California Economy," but what we

offered there were just inklings of what has since emerged in further conversations with movement thinkers, activists, and other audiences.[29] While our thinking has clearly evolved, our primary audience has not: public policy makers, movement organizers, and civically engaged people looking for a story that captures our economic reality, stresses our social connection, and provides guidance to a better future.

For that reason, in this book, we seek to be deliberately accessible in our language and our presentation. Framing is not about complexity but about creating a template for understanding new phenomena and the world around us. Yet we would be remiss if we did not offer some reflections on the academic literature and the emerging alternatives that our perspective seeks to both compliment and complement.

Building On and With Others

Felicia Wong, the CEO of the Roosevelt Institute, has helpfully mapped the emerging intellectual landscape of alternatives to neoliberalism, identifying four broad strands, all of which emphasize the role of power in our neoliberal economy:

1. *New structuralists*: those focused on the government's role in setting guardrails and rules for the market.
2. *Public providers*: those focused on increased state action – providing more "public goods" and utilizing debt as a government investment vehicle – and the idea that government can and should be a market actor in some cases.

3. *Economic transformers*: those focused on deploying government to catalyze large-scale economic change, create good jobs and new industries, and/or decarbonize our economy.
4. *Economic democratists*: those focused on building democratic institutions to ensure that government is up to the tasks identified above.[30]

We incorporate elements of all these strands in our work, even as we root ourselves most strongly in the economic democratist strand. But we are also struck by how centered all of these strategies are on the role and purpose of government.

We share a belief in the importance of government as a means of taming the destructive elements of markets and corporations *and* as a method for caring for others at scale. But we also believe we need to stress broader social norms and the ways that mutuality can be expressed *within* markets and business practices, not just in state policies and alternative economic enterprises.

We also think that the state is central not just for creating solutions to market imperfections, but also for expressing and reinforcing our broader sense of mutuality. That emphasis reminds us that the circle of caring and belonging needs to be constantly extended, a stance that helps position the struggles against racism, patriarchy, and other forms of domination as central, and not bit players, in the effort to refashion our economy.

We also think it is key to pay attention to the micro-foundations of our economy. While neoliberal models emphasize self-interested individuals, and liberal approaches often emphasize social groups with shared

interests (e.g. workers, the elderly, people of color), a solidarity economics approach recognizes the multiple identities and complex motivations of people, including the fact that we act out of caring for others. Furthermore, as the field of behavioral economics is helping us learn, even seemingly individual decisions are shaped by social connections, identities, and community concerns, and understanding these factors can lead to better economic models and outcomes.

	Neoliberal approach	Liberal approach	Solidarity economics approach
Micro-foundations	Self-interested individuals	Social groups with shared interests	Caring individuals within communities and commons
Coordinating mechanism of focus	Markets	Government action	Social norms and mutuality
Key government strategies	Incentivize and invest (limited role)	Regulate and repair (central role)	Connect and collaborate (strong supportive role)

Of course, we are far from the first to use the concept of solidarity as a prism to understand our economy. There is already a significant body of work on "social solidarity economics (SSE)" that is an amazing world unto itself – and one from which we have learned a great deal. This perspective stresses building alternative economic enterprises – cooperatives, community land trusts, fair trade companies, voluntary organizations,

and more – and linking those new forms of organization with efforts to transform our current economy to one rooted in principles of solidarity, equity, sustainability, and democracy. A global network of practitioners operates under the banner of SSE, reflected, for example, by the Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS), with an explicit transformative, post-capitalist agenda.[31]

In many ways, SSE's goals are more ambitious than ours: we are primarily focused on what might be done in the United States with a new narrative, while the RIPESS network operates on every continent except Antarctica. We are also more prone to accept that private capital will be an important part of our economy for the foreseeable future, whereas the RIPESS network envisions a new world of collective ownership and control. And while we are focused on recognizing and supporting mutualism in our current economy, the emphasis of those involved in the RIPESS network is on building alternatives to capitalism.

These differences, however, are perhaps quite small compared to what we share; indeed, the SSE framework puts a value on pluralism and acknowledges that there are many ways to "a more just, equitable, democratic, and sustainable world."[32] Indeed, we embrace many elements of the meaning of "solidarity" offered by Emily Kawano, one of the more prominent solidarity economy proponents in the US:

> Solidarity, which we use as shorthand for a range of social interactions, including: cooperation, mutualism, sharing, reciprocity, altruism, love, caring, and gifting. The solidarity economy seeks to nurture these values, as opposed to individualistic, competitive values and the

> divisiveness of racism, classism, and sexism that characterize capitalism . . . Of particular note is the recognition of non-monetized activities that are often motivated by solidarity, such as care labor and community nurturing (cooking, cleaning, child-rearing, eldercare, community events, helping a neighbor, and volunteer work), as not only part of the "real" economy, but the bedrock of reproduction and essential to participation in paid work.[33]

Just as important, the solidarity economy and its literature also share our sense that relying on government alone is not an adequate alternative. As Emily Kawano eloquently puts it:

> The solidarity economy is about people collectively finding ways to provide for themselves and their communities. It is not primarily about the government doing it for them. It is about the government being a partner in creating the structures and supports for people to create their own solutions – to create jobs and livelihoods, to grow food, manage their local ecosystem, allocate spending, and so forth. Rather than a redistributive welfare state, the goal is to create a system in which everyone has enough to live well.[34]

A final commonality: the SSE proponents also see social movements as a key vehicle for economic change. For example, Julie Matthaei eloquently grounds the solidarity economy in an emerging "movement of movements" that brings together struggles against various forms of oppression in a pluralistic fashion, one based not on transactional alliances but on notions of transformational "intersectionality." Indeed, she argues that it is exactly that spirit of solidarity politics that "is beginning to provide the foundation for a new

economics: a solidarity economics."[35] While we are using the term in slightly different ways in our work, there is much in common and many ways in which we are building on and with others.

Facing Race

A particular debt is due to Black thinkers in SSE who also help keep us centered on the harm that government can create – the reason that many Black folks have moved toward local economies and mutual aid efforts in the first place.[36] For example, Caroline Shenaz Hossein argues that while the SSE literature is heavily white in authorship, there is a long tradition of Black mutuality forged in struggle that makes this community open to the possibilities of SSE.[37] Drawing on the thinking of famed Civil Rights activist Fannie Lou Hamer, Jessica Gordon Nembhard summarizes: "African Americans need to own our own land, grow our own food, provide for our own affordable housing and jobs, so that we could not be retaliated against when we fight for our political rights."[38]

We identify with these perspectives, including the celebration of community ownership by the cooperative movement, the emphasis of Black scholars on race and geography, and the understanding that economic ownership and control are key to crafting the political power needed for justice – much of which is coming together in the contemporary Movement for Black Lives. What we hope to add is a focus on implementation at the level of a nation-state and in the context of a multicultural struggle for justice, one that *both* centers a racial analysis and searches for "uncommon common ground" across racial groups.[39]

Such an ambitious discussion – what can be done at the level of the American nation, particularly in the context of the deep systemic racism that galvanized the protests of 2020 – has been taken up by a range of other US-based efforts worthy of mention. One example is Economics for Inclusive Prosperity, a collaborative of progressive economists producing policy briefs on key issues of the day.[40] Another is the effort led by Heather Boushey (who now serves on President Biden's Council of Economic Advisers) and the Washington Center for Equitable Growth she helped found; her volume *Unbound: How Inequality Constricts Our Economy and What We Can Do about It* is an excellent compendium of research on how equity and growth can go together.[41]

Meanwhile, the Roosevelt Institute, with strong connections to the scholarship of Joseph Stiglitz, has offered a compelling set of alternative policies in the report *Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity*.[42] Added to that has been a set of ideas cultivated by the Roosevelt Institute and allies that resulted in a volume, *The Hidden Rules of Race*, that is sharply focused on overcoming the deeply entrenched racism present in the American political economy.[43] The Democracy Collaborative has become an important hub for thinking about alternative economic structures, and the recent publication emerging from their Next System Project, *The New Systems Reader: Alternatives to a Failed Economy*, is an impressive collection of diverse perspectives on linking economic alternatives to broader systems change.[44]

These are all worthy efforts – and we will refrain from the usual academic habit of quibbling about

differences. Instead, we will stress what elements of value we think we add here. The first is an effort to tether ourselves to a different view of human nature and a different set of micro-foundations for understanding the benefits of collective action. The second is a stronger emphasis than some of those other efforts on race and racism, a set of topics frequently sidelined or left last in economic conversation (although certainly not by the Black theorists noted above). And perhaps the biggest contribution: our stress on how the combination of a popular narrative and social movements will be necessary to actually rewrite our economic theory and economic rules.

Roadmap to the Book

In chapter 2, "Solidarity and Prosperity," we start by interrogating the basic assumption built into most economic theories – that people act individually and primarily out of self-interest – and show how poorly such a theory matches actually existing economies. We relate the strong body of empirical evidence built up over the past thirty years demonstrating that places (both countries and regions) that are more equitable and more socially connected actually have better economic performance.

In this chapter, we explore some of the reasons why equity seems to be good for prosperity, suggesting that when we stand with each other – when we act in solidarity – we are more likely to invest in important public goods like education and infrastructure, and less likely to get into protracted conflicts over economic

adjustment. We also discuss why simply measuring our economy with traditional indicators such as gross domestic product (GDP) leads us to underinvest in factors that could lead to broader well-being.

In chapter 3, "Solidarity and Innovation," we delve more deeply into the relationships between mutuality and innovation, a particularly important source of prosperity. A wide range of research now clearly shows that innovation is rarely an individual achievement, but is rather rooted in collaborative processes and social relationships, many of which operate outside of market frameworks. Technological innovations also rely on the collectively inherited scientific knowledge and technologies developed over centuries, and are underpinned by major public sector investment.

In this chapter, we also discuss how the economic value generated from these collective sources is captured by a minority of actors, not just through predatory behavior but also through normal competitive dynamics in "winner-take-all" markets. The result is not just growing inequality, but also an underinvestment in the foundations needed for future rounds of innovation. We conclude that chapter with a discussion of what an innovation system rooted in solidarity and mutuality might look like and why it would likely lead to better outcomes.

In chapter 4, "Solidarity and Social Support," we note that if we want to ensure that everyone has the resources for a meaningful livelihood, we have to rethink our approach to the safety net. Typically, support programs are conceptualized within a social welfare framework, one that acknowledges our obligation to those that are vulnerable but says that we should provide assistance

only for those with proven need. We suggest instead a "social wage" approach that recognizes and rewards our collective contributions to innovation and prosperity.

In this chapter, we review the research showing how such investment, rather than being unrealistically expensive, as some argue, would actually save immense economic costs and contribute to broadened prosperity. And we emphasize that government can be both a provider and enabler for such efforts, not simply developing programs that provide these supports, but also supporting mutual provision efforts throughout our economy.

In chapter 5, "Solidarity and the Planet," we look at one deep form of solidarity: our relationship with the ecosystems of which we are a part, with future generations that will inherit them, and with those people most likely to suffer the brunt of climate change. Like many others, we see the climate crisis as the challenge of our times – but we think that current economic frameworks make it difficult to offer a narrative or sustained political will for a solution.

In this chapter, we summarize the evidence and arguments for why a deep solidarity with the planet – indeed a sort of spiritual connection – has both social and economic benefits. We specifically look at the interplay with distribution, noting that environmental equity is closely associated with environmental quality, and that environmental quality (including the use of renewable resources and circular economy approaches) reduces economic costs and contributes to our overall well-being.

In chapter 6, "Solidarity and Social Change," we stress that solidarity has two meanings – it's about

how we organize our economy *and* how we make that change happen. We argue that building collective power is a critical part of the equation – in short, you need to combine cooperation *and* conflict to shift behavior and change the current rules of the game. We also discuss why social movements are important not just for shifting power relationships but for building and expanding a sense of common destiny.

In this closing chapter, we review some innovative efforts, such as the campaign to improve the well-being of care workers and the efforts for a Green New Deal, and explore what it might take to scale these and other efforts to truly rework our economy. We suggest that another economic world is indeed possible – and that it will take a combination of mutuality, movements, and what authors Max Haiven and Alex Khasnabish as well as our good friend Angela Glover Blackwell call "radical imagination" to bring it into being.[45]

2

Solidarity and Prosperity

> If you want to go fast, go alone. If you want to go far, go together.
>
> Origins unknown, though often identified as a West African proverb

The most important group of cells in your body is, right now, coordinating and executing a complex set of electrical impulses in the right atrium of your heart, enabling a regular rhythmic beat. The sinoatrial node, known as the heart's natural pacemaker, produces a spontaneous electrical signal that contracts your cardiac muscles. The cells in this complex group must operate together simultaneously to produce action, determining when and how fast your heart will beat, allowing oxygen exchange in your lungs, and pumping blood throughout your body.

Society also depends on the same type of collaboration toward a shared goal; as Heather McGhee puts it, "a functioning society rests on a web of mutuality, a willingness among all involved to share enough with one another to accomplish what no one person can

do alone."[1] Such social systems and the relationships they embody are the blood of our national and global economy – and outcomes we get are driven partly by whether we are motivated by our social heart or by economic heartlessness. For our current and future collective welfare, we must embrace the solidarity impulse that lives in each of us, and help extend that through society as a whole.

If we are, like our very own bodies, such a cooperative species, why don't we design for it?[2] Part of the reason is that neoliberalism has blinded (or perhaps blindsided) us with the proposition that the economy can be best understood as being comprised of self-interested individuals. But studies show that selfishness is not innately dominant in human nature, and research demonstrates that decisions rooted in mutuality can make for a better society for nearly all of us. Unfortunately, we seem to have set up systems that encourage the worst of us and the worst in us; as Dutch historian Rutger Bregman points out, "when modern economists assumed that people are innately selfish, they advocated policies that fostered self-serving behavior."[3]

In this chapter, we start with noting why recognizing our instinct for mutuality is important for understanding and remaking our economy. We then summarize research showing that a lack of solidarity or mutuality, particularly in the form of too much inequality, undermines our prosperity. This leads to a question of how to properly measure prosperity: if the purpose of a well-functioning economic system is not simply the expansion of output, but rather widespread improvements in human well-being, we need better metrics than

simply economic output. We thus discuss various efforts to better measure our economy, highlighting metrics that enlighten, rather than obscure, our connections, our disparities, and our common fates.

Homo Economicus *versus the Real World*

Ben-Gurian University economist Ofer H. Azar has tackled a question only economists might ask: why do people tip?[4] For most of us, tipping is a nearly unconscious and deeply ingrained habit. But as Azar notes, "it is extremely difficult to explain tipping behavior from the perspective of a purely self-interested consumer."[5] After all, if people are just about themselves, the only reason to tip would be in the hope of soliciting better service. But a higher tip cannot securely elicit better service because it comes after and not before the exchange. Moreover, research suggests that tips do not seem to vary much with either the quality of the service or the expectation of a repeat visit.

Before you take this discussion as a reason to stiff hard-working wait people, consider what might happen to our economic model if we replaced that self-interested consumer with an actual human being who just tips because it is the right thing to do. Therein lies the answer: Azar finds that the most common reason to tip is trying to follow social norms (followed by reasons such as showing gratitude, recognizing that the wait staff depend on these wages, and avoiding feeling guilty). We tip because it is fair – and we are willing to pay a cost to be an upstanding member of our society, even if it is only we ourselves who know.

Understanding tipping through individuality will lead us astray. But so too will looking at it as an uncomplicated act of mutuality. For example, other researchers found something that is not especially surprising: white cab drivers were tipped better than Black cab drivers.[6] Tipping can also be a practice rife with opportunity for sexual harassment, since it can make servers hesitant to confront abusive language or behavior from customers for fear of losing much-needed tip income. Power and race, not just mutuality, also play a role. With so much that traditional economics misunderstands about the interplay of mutuality and power in this simple and quotidian act, maybe we need a new approach.

What We Don't See

Neoliberalism is rooted in the assumption of people as individual agents who are rational, are self-interested, and pursue their own subjectively defined and predetermined goals. Some theorists stretch this to take account of altruism and cooperation, but they often see this through an instrumental lens – I will scratch your back if you scratch mine – suggesting that people stick with their self-defined goals but recognize the value of compromise and collaboration in achieving those goals. For other theorists, being kind and generous toward others is seen as motivated by a desire for kudos and recognition – a self-seeking instinct – rather than because it is simply the right and moral thing to do. Such a view of enlightened or expanded self-interest is a welcome relief from pure selfishness, but it is still rooted in a frame of individual motivations and actions.

Yet the example of tipping shows us that people are not so completely atomized. Our social roles and connections are a key part of how we navigate through the world. Common norms of society – what is seen as acceptable and unacceptable, worthy and shameful – shape our values, actions, and relationships. We seek a sense of belonging and connection with others, for our psychological and material well-being. We are quietly motivated by love, caring, and social solidarity – and this is as real as any of our desires for self-fulfillment.[7]

This sense of mutuality has been clearly visible during the global COVID-19 pandemic. It is notable that societies with relatively high levels of social solidarity – such as Vietnam, Japan, Korea, and Taiwan – took widespread actions aimed at protecting the health and safety of those most vulnerable to the disease. Countries wracked by income inequality and social fragmentation – such as the United States, Brazil, and South Africa – fared poorly. But even in countries like the US, social distancing, mask-wearing, and improved sanitation became norms deeply motivated by desires to protect loved ones, acquaintances, and even strangers.

Economists do care about the broader well-being of society. But they believe this is best achieved through accepting the primacy of self-interest and allowing markets to efficiently steer goods to consumers, labor to firms, and capital to enterprises. The underlying assumption is that the central purpose of an economy is to maximize efficiency and output. In that world, no one can be made better off without someone being worse off – and proposing a distributional change in the name of "justice" is just playing zero-sum politics. Indeed, redistributing from one group to another would be a

morally indefensible "taking" and actually diminish our total productivity.

But that failure to consider who gets what leads to a definition of efficiency and prosperity that is misleading. How can it be considered "optimal" to have a market economy that wastes resources producing fancier iPhones rather than solving pneumonia and diarrheal disease (the leading causes of death among young children worldwide); that generates corrupted financial instruments rather than an educated populace; and that crunches consumer data for profit rather than coming up with creative solutions to ending homelessness?[8] And what if creating mechanisms for sharing prosperity actually contributed to, rather than diminished, our collective productivity?

In that sense, celebrating individuals and markets is not just an economic model; it is also an effective ideology. One of its many evolutions, so-called "public choice" economics, portrays political leaders, government bureaucrats, and public employees as yet another set of self-seeking groups rather than stewards of the public interest; lucky for us (according to the theory) that business can meet our needs as privatized consumers versus social creatures. In short, the neoliberal narrative presents a picture in which individuals are heroes, markets are liberatory, and collective will, especially when enacted by the state, is suffocating.[9] As we will see, not only is this wrong but it leads us to measure well-being inaccurately, stressing the dollars exchanged in markets rather than the care offered in communities.

What We Have in Common

To be fair, sometimes even traditional western economists agree that self-interest can lead to suboptimal

outcomes. In one of the more famous examples, nearly two centuries ago, English economist William Forster Lloyd argued that, left to their own devices, herders would make individualistic decisions to breed as many cattle as possible. But while that would maximize their own gains, it would also overgraze common property and, eventually, deplete and destroy a key asset.[10] This so-called "tragedy of the commons" would seem to call out for, well, common action and coordination.

But even here, the usual economist solution to a shared problem relies on better defining individual property rights and business control. For example, if the field in question is owned by a private entity (whether they themselves are cattle herders or not), the owner will be motivated to manage each herder's use of the field so as to limit exorbitant grazing. The other option is for the state to manage the resource with the same longer-term goal in mind. The common thread in both remedies is that single monopolistic ownership by an external agent is the only solution – people cannot be counted on to organize themselves around caring for each other and preserving a collective resource.

We are not denying the reality of self-interest and the desire for individual autonomy – and progressives ignore these impulses at our peril (consider the subtle and not-so-subtle resistance within certain state socialist systems). But people are also not hard-wired to always defect and withdraw with their spoils, either. Social emotions that emphasize care, connection, and mutual responsibility are also important drivers of human action. Social norms and collective governance – not just the invisible hand of the market or the heavy hand of private or public monopoly – can help promote a more

cooperative outcome.[11] Indeed, there are many real-world examples where cooperation, caring, and social connection are fundamental to successful economic enterprises.

One obvious area where mutuality drives economic activity is in economic cooperatives. The US Federation of Worker Cooperatives estimates there are perhaps 500 democratic workplaces in the US, with 8,000 worker-owners and managers generating over $400 million in annual revenues.[12] The Cheese Board Collective in Berkeley[13] and Red Sun Press in Boston[14] are two prominent examples that have thrived since their founding in the early 1970s, when such alternative economic forms took off in the US. According to one Cheese Board member quoted on their website, "I love saying to people that this seems like an impossible business model, but it works, and it works very well."[15]

According to the International Co-operative Alliance, there are more than 3 million cooperative enterprises in the world – owned, controlled, and run by and for their members – with just over one in ten people worldwide belonging to at least one.[16] Cooperative enterprises include worker, housing, consumer, and financial co-ops; credit unions; mutual insurance enterprises; and more. The latest World Cooperative Monitor report, which collects quantitative data on the largest cooperative enterprises in the world, found that in 2017 there were 1,049 cooperative enterprises with over $100 million in revenue, and the top 300 had a total combined revenue of over $2 trillion.[17]

Some capitalist enterprises have also voluntarily collaborated to limit self-interested behavior. Think

about sports leagues: to promote a greater level of parity that makes for more interesting competition and expansion of fan bases, US basketball, baseball, football, and hockey leagues all have some form of agreed-upon salary cap and negotiated revenue-sharing systems, to limit the economic disparity between teams. Their draft systems also allow teams with the worst records to get preferential access to new talent. Revenue-sharing contracts also exist in industries as disparate as e-commerce,[18] manufacturing,[19] and the airline industry,[20] where companies realize that sharing revenue with potential competitors can actually lead to win-win scenarios; overall revenue expands even if some firms are giving up some of their own revenue in the process.

When Cooperation Works

As it turns out, another approach to the "tragedy of the commons" is not to appropriate (via private ownership) or to mandate (via the strong hand of the state), but rather to cooperate. Pioneering political economist Elinor Ostrom began studying common pool resources in the 1960s – she and her research team ultimately compiled a database of more than five thousand examples across the globe of working commons collective governance systems, many of which had thrived for hundreds of years.[21] In her 1990 book *Governing the Commons*, Ostrom describes in detail examples of common pool management systems created, governed, and maintained by the system's appropriators (those using the resources).[22] These include collectively managed common pool resource systems – including in Törbel in Switzerland; the Hirano, Nagaike, and Yamanoka villages of Japan; and irrigation communities

in the Philippines – that have been successful for centuries.

In the Philippines, for example, collaborative groups of farmers created *zanjeras,* or agricultural zones, in order to construct and maintain dams that make it possible to farm arable lands. Part of the need for *zanjeras* arises from extreme weather that knocks down dams and re-routes rivers; *zanjeras* create a means by which these communities can be resilient in the face of expected natural damage to their infrastructure. *Zanjeras* also enable those without assets to join into a system of long-term land acquisition and use.[23] Given the backbreaking nature of the work each household puts in to maintain dams and other communal projects, the attendance rate of about 94 percent in one *zanjera* that was studied was extraordinary. Equally impressive: of the members of the *zanjeras* under study, none "had anything [negative] to say about the way water was allocated or about the fairness of water distribution."[24]

Ostrom draws a few general lessons about managing the commons. She shows that appropriation (extraction of resources), provision (maintenance of the resource pool), and monitoring (observing the behavior of resource appropriators) exist with vigor and efficacy in the absence of the public or private ownership prescribed by market-based solutions. Like all cooperation strategies, these community-run systems also have in common that appropriators stand to reap more benefit from the common pool resource than they would by defecting – and they work to form a system that deprives them of immediate self-serving benefits, in exchange for long-term sustainability and widespread welfare.

The successful cases Ostrom examined make clear that the connections between people using these resources are far more than simple economic transactions. Commitment to rules and enforcement measures are, at least in part, due to the fact that the appropriators themselves are involved in every major decision about the use of the resource – that is, a form of economic democracy. Collective work days that contribute to the maintenance of the resource are often combined with festivities, a common practice that fortifies cohesion and emphasizes the importance of social emotions for cooperative strategies – just as markets help make us selfish, these traditions help make us mutual.

None of this is without enforcement but it is done by the community and not by the state. Written codes created, upheld, and passed down through generations of households specify terms and types of penalties exercised upon parties who violate rules protecting the commons. Notably, the most serious penalty in many cases is complete ostracism and exclusion from the village and common pool resources. Participation in communal work and maintaining assets is high, complaints about abuse are low, and a sense of fairness in terms of burdens and benefits helps to reinforce the system.

Ostrom was ultimately recognized by the economics discipline for her pathbreaking work on economic governance. In 2009, she became the first woman (and until 2019, the only woman) to receive the Nobel Memorial Prize in Economics. But perhaps her ability to generate these profound insights on economic governance was due in part to the fact that her PhD was actually in political science, not economics, and

thus she was not just sticking with the assumptions of self-interested behavior built into economic theory.[25]

Neoliberal theory obscures the extent and the promise of mutuality in our economy. Both the neoliberal approach (in which competition and incentives breed growth) and parts of the left (in which exchanges are win-lose) prevent us from seeing how mutuality and solidarity could be a core element for achieving prosperity and sustainability. And the separation of economics from other disciplines leads to the idea of our economy as simply a constellation of markets and not also a world of power – and that can prevent us from understanding political solidarity as key to economic transformation.

If we take off the blinders of assuming that people primarily act out of self-interest in our economy, what would we see? We argue that we would better grasp how innovation takes place, how social supports should be designed, and how we might protect our planet. We would also recognize a growing body of research showing that a system of economic domination that relies on communities being competitors for scarce resources will fare worse than a system that reinforces our instincts to be collaborators for economic prosperity.

Growing Together

In the early 1990s, one of us (Pastor) collaborated on a co-authored paper about the Latin American debt crisis. In the paper, we presented empirical evidence that bankers tended to lend to countries where the

labor's share of income was suppressed – a neoliberal indication of a place that might be ripe for economic growth and perhaps better able to impose economic austerity should a payments crisis erupt. However, these same labor-repressive regimes wound up missing debt payments, partly because the ways in which they alienated workers and triggered social conflict actually lowered productivity. We argued that bankers were misled by neoliberal ideology rather than enlightened by a sober analysis of how our economy actually behaves – and, as a result, the bankers' ongoing lending behavior was irrational even assuming that their goal was a profitable return on investment.[26]

The idea that a financial system that spurred a debt crisis in Latin America in the early 1980s, a US savings and loan crisis in the late 1980s, a tech-driven Wall Street collapse at the turn of the century, and then the financial crash of 2008, might be less than rational does not, in retrospect, seem that controversial. But when we presented a nearly final version of the paper at a conference of the American Economic Association, a senior international economist deeply committed to the "Washington Consensus" – the view that Latin American debtors needed to adopt market-oriented reforms[27] – noted: "Usually, when I don't like a paper, I think there's something wrong with the model or the econometrics. But the math is solid and the statistics are well-done. But I still don't like this paper."

It was a harsh awakening about the nature of a profession that was already struggling to understand why normal people tip. But we realized in retrospect that we were questioning too many prior beliefs at once: for example, by suggesting that bankers were class agents,

not just financial actors, and that they might be so wed to their ideology that they would put aside the available evidence. Perhaps most threatening, by focusing on how labor repression was counter-productive, we were showing a major weakness in the basic neoliberal sacred cow that equity damages economic growth. So, we began a course of new research – after first making sure that that seemingly irritating paper did eventually get published – to see whether there might be a way to illustrate how class interest masked as self-interest could sour our economy for most of us.

Equity and Prosperity

Fortunately, we were not the only ones questioning the supposed trade-off between equity and efficiency that is foundational to neoliberal economics. The mid-1990s saw a series of economists arguing that inequality in developing countries leads to social tension and political instability, higher uncertainty, more insecure property rights, lower investment, and so slower economic growth.[28] Others suggested that income disparities can produce underinvestment in public education, thus limiting both the economic potential of lower-income people and the overall level of productivity.[29] One of the more recent multi-country studies looking at this issue is by economists at the International Monetary Fund (IMF) – not usually an equity-oriented bunch – who find that the single most important factor limiting sustained growth in developed and developing countries is the initial level of income inequality.[30]

We have contributed to the mix with a series of studies of the impact of inequality on economic output at the US metropolitan level.[31] These have been part of a wave

of other metro-level studies also questioning if fairness is really a drag on growth, as neoliberalism suggests.[32] Our own most recent work on this topic mimicked the IMF study: we looked at how income inequality, along with other factors, impacted a metropolitan region's ability to sustain steady employment gains over time. As with the research by the IMF, the single most important factor in derailing economic growth was the initial level of income inequality.

But why? How does stressing the well-being of all people actually drive us toward economic strength? One clue came from our statistical tests, in which we found that not just income disparity, but also residential segregation by race, ethnicity, and income, as well as the political fragmentation of local government within metropolitan regions, were important in explaining poor economic outcomes.[33] In places where those characteristics were more muted, periods of employment growth were longer and more robust – signaling that social connection matters.

Other research has added to this message that inequality hurts nearly all of us. For example, one study finds that high income inequality convinces low-income youth that investing time or money in education isn't worth it, since the cards are already stacked against you. The result is a worrying diminution of performance on literacy, science, and math tests, with significant impacts for annual growth.[34] Another study finds a huge gap in patents held in adulthood by children who grew up in wealth or poverty – with the disparity less related to aptitude than to socio-economic exposure.[35] When these "Lost Einsteins" can't be all they can be, we all lose out (more on this in chapter 3).

In her book *Unbound: How Inequality Constricts Our Economy and What We Can Do about It*, Heather Boushey stressed how equitable access to education and employment is crucial to progress and economic growth. She suggests that "Workers finding their right fit is the foundation for economic growth not only because it allows them to do what they like but also because it allows the economy to gain most from their efforts."[36]

The central message from all this research: just as we have been misled by neoliberal economics to think that people are just bundles of self-interest, so too have we been misled to think that actively promoting equity will be costly to our economic well-being, rather than generative of shared prosperity. Just as bad, we have been trained to think that there is a necessary political conflict between promoting a cooperative society and supporting individual initiative; in fact, the evidence suggests that individuals exist in communities, not on islands, and that they can better realize their potential in a society where cooperation and attention to equity are widely held norms.

We are not excessive redistributionists; some degree of inequality will result from people pursuing their passions with different levels of skill, dedication, and luck. But it is a myth – as well as a bad theory and narrative – that intervening in the market to promote equity will lead to worse economic performance.[37] In our view, the political left sometimes implicitly buys in to neoliberalism by also assuming that progressive demands for justice will come at the cost of aggregate income. The evidence points elsewhere – and political appeals to a resource-starved working class should be

able to promise more, not less, in terms of the quality of their lives and the quality of the environments in which they live.

Mutuality Matters

Building on and expanding mutuality in our economy will require more than just research; it will require creating institutions that recognize, reward, and reinforce our sense of social and economic connection across differences. Scaling this will be challenging, and we discuss that later. But fortunately there are also lots of examples at smaller scales we can learn from and build on to help guide how to create those institutions, and not just in alternative economic enterprises like cooperatives or community land trusts. Indeed, new research, including some in the economics discipline, is helping us to better understand why even in business enterprises, recognizing mutuality can have better economic outcomes.

For example, in the workplace, people's actions can be understood not simply out of pursuing self-interest but also out of constructing identity and adhering to norms consistent with those identities.[38] George A. Akerlof and Rachel E. Kranton use this perspective to understand how firms with quite flat wage structures – where promotions come with only small income gains – can actually generate high performance: rather than using pay, they use pride and a sense of belonging. These researchers' work also suggests that self-motivation and a sense of being part of a team may be a more important factor in stirring productivity than the threat of firing.

Indeed, external incentives can actually make a mess of things. In his book *The Moral Economy*, Samuel Bowles discusses the case of a child-care center in Israel

that imposed a fine on parents that were late in picking up their children. Once parents could pay for lateness, they felt free of the social obligation to the teachers – and tardiness actually increased, the opposite of what was intended. Interestingly, the fine was rescinded in light of these results but the behavior and disregard of the effects on others persisted.[39]

And a recent paper by Bowles and Wendy Carlin suggests that paying attention to social norms, rather than narrow economic incentives is increasingly important given the growing significance of care work, services, and information sectors in our economy. These are sectors – which by the way now account for the majority of economic output – in which it is often difficult to directly link pay with the worker's contribution to output, creating what the economics profession likes to call "incomplete contracts" because not every workplace action can be neatly pre-specified and carefully monitored.[40]

Bowles and Carlin title their paper "Shrinking Capitalism" in part to highlight how far this situation is from one of the defining features of capitalism – the labor–capitalist relationship, in which work is done using privately owned capital goods under the control of an owner or manager in return for wages. In this kind of employee–employer relationship, if each is acting according to their own self-interest, we expect the employee to be motivated to offer as little labor as possible for the level of wage benefits offered, and we expect the employer to be motivated to extract as much as possible in exchange for the lowest possible wage.

If there is a "complete contract" in which employers can fully account for and measure workers' output and

spell out every element of their contract with the worker (e.g. *x* wages for *y* amount of output), this might produce optimal economic outcomes, despite the antagonistic relationship. But in an environment of incomplete contracts, the result will be a decidedly negative combination of labor shirking and labor exploitation.

In situations where individual output is hard to measure, social norms reinforced by our individual emotional responses – such as shame, pride, and honor – provide a substitute for excessive monitoring and abusive management. Companies that find ways to harness social emotions are able to motivate their workers toward productivity, rather than discipline them in the name of cost-cutting. Basically, if companies treat their employees well, it can provide a win-win for both firm and employees, and general benefits for our economy.

Consider, for example, Hewlett Packard – which pioneered an egalitarian, decentralized management system based on the belief that people want to do a good job, and became a pioneer in a range of high-tech industries, including printing and computing, microwaves, calculators, communications technologies, and more.[41] Or Patagonia, whose corporate philosophy is rooted in employee engagement and ensuring work–life balance (their founder's autobiographical memoir about the company is entitled *Let My People Go Surfing*!), and has become known for its elegant marketing campaigns and fashionable, top-of-the-line outdoor performance gear.[42] Or Southwest Airlines, whose attempt to empower employees has been a key factor in their steady performance in an industry where cyclical bankruptcy has become standard.[43]

Make the Road by Talking

If high levels of inequality and social fragmentation can actually impede investment, innovation, and skill development – and mutuality can lead to better economic performance – why don't we "see" it and encourage more, despite the growing evidence? We would argue that the neoliberal economic framework not only assumes individual self-interested behavior, it helps to rationalize it, limiting our capacities to embrace others as worthy compatriots rather than discreditable competitors.

In the neoliberal frame, it's a good thing we have markets to channel our base instincts into something resembling a social optimum. But when we construct an economic theory to justify an arrangement in which we are all on our own, when we assume that self-interest (or limited group interest) is the main driver, and structure our systems to encourage or tame it, we actually reinforce that behavior. It's a toxic stew, one illustrated by the fact that the more students are exposed to traditional economics the less they exhibit cooperative behavior.[44]

We need a different approach, one that recognizes our mutuality, understands how increased cooperation can lead to increased prosperity, and continually seeks to broaden the circle of "belonging."[45] We will only get there through a new conversation about solidarity, rather than continuing to persist in a tired construct of individual self-interest and the pursuit of just our own happiness.

The important role of conversation was driven home to us when we were following up on our research on the equity–prosperity relationship in metropolitan regions.

Struck by the statistics, we did something economists infrequently do: we went and talked to civic actors in regions across the country to try to makes sense of the data. What we found was that regions that did better at reaching the twin goals of social equity and economic prosperity had been able to construct a "diverse and dynamic epistemic community" at the metropolitan level.[46] Though the specific mechanisms for constructing such knowledge communities differed across regions, in all places it was some combination of social norms and a diverse range of institutions that supported communication across differences and helped to create as well as buttress a sense of common destiny.

Creating that sense of shared destiny was not automatic; it required some effort on behalf of metropolitan leaders. In the words of Yochai Benkler, "Talk is not cheap; through it we can come to define our preferences, goals, and desires in a situation; begin to build mutual empathy; negotiate what norms are appropriate and what course of action is fair; and begin to build trust and understand one another."[47] In the metropolitan areas we studied, a sense of mutuality was bred by collaborative knowledge generation, repeated interactions to build trust, and explicit efforts to ensure that business and civic actors could best address differences by meeting "face to face, race to race, and place to place."[48]

Talking together does not mean an absence of conflict; equity often makes its way to the regional and national table kicking and screaming. For example, in San Antonio, Texas, Latino and Black residents struggled in the 1970s and 1980s for basic infrastructure and political voice. Over time, they escalated their campaign

in a way that forced civic and business leaders to engage them, partly through creative organizing campaigns that strangled business activity until local banks and corporations realized that they had to make a deal. Conflict evolved to collaboration, including a now-celebrated workforce development initiative aimed at less advantaged workers that was co-chaired by a community leader *and* a business leader who had once been the target of community protests.[49] And in 2012, the local Chamber of Commerce took the unusual move of supporting an increased sales tax to fund pre-kindergarten education in lower-income neighborhoods, benefitting young people of color in the region.[50]

In our quantitative and qualitative studies on US regions, we have found that connection was not in opposition to prosperity; rather, it was critical to regional resilience and collective (and even individual) success. And while this emphasis on mutuality is core to solidarity economics, we must be clear-headed about the realities: as in San Antonio, when some individuals and groups benefit from the current set of arrangements, political solidarity and social movements will be necessary to move from abstract theory and calls to "come together" to the sort of economic rules that can improve our collective well-being.

Measuring What Matters

Part of getting there also requires becoming clearer about how we measure our economy and well-being. The nearly universal way people have been trained to think about "prosperity" is through the measure of

total economic output, as shown in gross domestic product (GDP). Part of what makes GDP so powerful in economic discourse is its ability to distill the entire complexity of the production of goods and services in our economy into a single number. But this one-number-fits-all mentality for understanding our economy has been critiqued from multiple angles. For example, GDP only measures paid labor and ignores unpaid labor, particularly the caring and community-organizing and community-building work so often undertaken by women, particularly women of color.[51]

GDP also does not account for the economic, social, or spiritual value of environmental resources – and so destroying the climate by producing fossil fuels is measured as a plus. It hides the class and racial inequalities that, as we have seen, can actually shrink GDP and certainly create damage to individuals and communities. And with more transactions meaning more GDP, what gets counted gets contorted: because of our lack of universal health insurance, our emphasis on expensive treatments, and our failure to promote broad public health measures, the US has exorbitant health expenditures that make us look richer even as our lives are threatened. So what are some alternatives?

Broadening Our Options

One particularly promising alternative is the Genuine Progress Indicator (GPI), which is currently being used in the US states of Maryland, Vermont, Washington (state), and Hawai'i.[52] Though it starts from total personal consumption expenditures (the bulk of GDP), it adds economic value for unpaid labor (such as housework and parenting and volunteer work),

higher education, and value of public services (e.g. from the use of streets and highways). The GPI then subtracts economic value for the costs of pollution and CO_2 emissions, depletion of non-renewables, loss of wetlands, farmland, and forest land, and various social costs including inequality, cost of crime, loss of leisure time, commuting, and auto accidents.

Using the GPI definitely paints a different picture of economic prosperity. For the twenty-eight countries that are part of the Organisation for Economic Co-operation and Development (OECD), the GPI is substantially less than GDP, showing the significant costs of unsustainability to human well-being. In nearly all of these countries, the absolute gap between GDP and GPI has been increasing. For the US, the difference is particularly stark: while the US ranked fifth in GDP per capita, it ranked fifteenth in GPI per capita. This is the highest negative gap between GDP and GPI when comparing with the twenty-eight OECD countries. Conversely, Finland ranked tenth in GDP per capita but fifth in GPI per capita, reflecting a deeper commitment to welfare and sustainability compared to others in the group.[53]

While the GPI has the appeal of also being a single dollar value, Nobel-prize-winning economist Joseph Stiglitz has argued that we need a dashboard of indicators: "Policy makers and civil-society groups should pay attention not only to material wealth but also to health, education, leisure, environment, equality, governance, political voice, social connectedness, physical and economic security, and other indicators of the quality of life. Just as important, societies must ensure that these 'goods' are not bought at the expense

of the future."[54] While we agree with Stiglitz and others about the importance of tracking a wide range of indicators to measure progress, there is also value to communicating complex measures of well-being in ways that are straightforward and intuitive for the general public.

Two prominent attempts to develop a single measure of prosperity, without reducing human well-being to a dollar figure, are the Human Development Index (HDI) developed by the United Nations Development Programme (UNDP) and the Multidimensional Poverty Index (MPI) developed by both the UNDP and the Oxford Poverty & Human Development Initiative.[55] Both indices depart from traditional monetary measures of well-being by integrating important considerations of social and human development, including prominent metrics on health, education, and quality of life. The MPI takes this a step further by giving greater emphasis to those suffering from extreme deprivation when measuring a country's progress. The UNDP has developed an adjusted version of the HDI, which discounts achievements in health, education, and income when those achievements are not evenly distributed across the population.

Another intriguing example is the Gross National Happiness (GNH) index, used by the government of Bhutan to guide the country toward a "just and harmonious society."[56] Grounded in a national survey, the GNH index is a single number developed from thirty-three indicators, based on nine domains that contribute to a person's happiness: living standards, health, education, good governance, ecological diversity and resilience, time use, psychological well-being,

cultural diversity and resilience, and community vitality.[57] The government of Bhutan uses the index to help assess proposed policies, with specific screening tools developed in a range of sectors (e.g. agriculture, manufacturing) and project areas (e.g. youth, media, and information).[58]

Trying to bring the insights from Bhutan's approach into the international arena, since 2011, Columbia Professor Jeffrey Sachs has led a diverse team that has annually produced a World Happiness Report. This relies heavily on an annual World Poll by Gallup, which has the advantage of being globally comparable.[59] The World Happiness Report supplements this survey with a detailed analysis of a variety of factors that contribute to people's life evaluation. In their 2020 analysis, the team found that four variables related to the social and institutional context – having someone to count on in an emergency, generosity, freedom to make life choices, and absence of corruption – together account for more than half of the average country's happiness score. The single factor of social support[60] was more important (33 percent) than GDP per capita (25 percent) in explaining a country's happiness score.[61]

Becoming Accountable

With all these alternatives available, why does GDP still rule the economic measure roost? After all, as early as 1934, one of the originators of the GDP and other national accounts measures, Simon Kuznets, submitted a report to Congress that warned "The welfare of a nation can . . . scarcely be inferred from a measurement of national income as defined" by measures like GDP.[62]

That was an invitation to innovate, and yet we have more or less stuck with the same set of national accounts and performance measurements ever since.

It might be easy to chalk up the persistence of GDP to the ease of collection and the difficulty in generating new measures. But the examples above show that it is possible to do better, particularly with modern data collection techniques, and so we must acknowledge an uncomfortable truth: GDP sticks because it masks power in our economy. After all, GDP is sexist (guess who does a lot of unpaid or undervalued caring labor), racist (guess who is generally left behind and kept behind when you do not disaggregate but instead offer a single number), and classist (guess whose income rose and whose fell during the pandemic – oh, right, it would not show up in GDP).

New methods of measuring well-being should clearly make visible how wealth and income are distributed. After all, half of the income gains in the post-2010 US economic recovery were gobbled up by the top 10 percent of income earners in the US. As such, the Washington Center for Equitable Growth has suggested a new GDP 2.0. In this version, the national accounts – that is, the system of accounting for all of a nation's economic activity – would be broken up into income brackets (i.e. deciles) to better track who is gaining and who is slipping when aggregate output rises.[63] Macroeconomists Thomas Piketty, Emmanuel Saez, and Gabriel Zucman have developed a helpful distributional national accounting method that complements the Washington Center's suggestion.[64]

We ourselves have contributed to this distributional approach with the development of the National Equity

Atlas, a collaboration between PolicyLink, an Oakland-based national intermediary, and the University of Southern California's (USC's) Equity Research Institute.[65] The Atlas is a website that disaggregates data on economic well-being, educational opportunity, environmental burdens, and housing challenges, by race and ethnicity, as well as gender and nativity, for the top 150 metro areas in the US, the 100 largest cities, and all 50 states (plus DC). It, along with a series of Equity Profiles and spin-off websites, has become a way for advocates to not only push for more attention to equity, but also ground the sort of regional conversations we highlighted above in the realities of the disparities that a regional measure of economic output hides.

While data and discussion are an important part of promoting accountability, we also need more direct approaches. Ostrom's work on common pool resources highlights that cooperation was coupled with sanctions, generally developed by communities rather than by outside authorities.[66] The challenge is taking this to scale, and that requires an effective government that cannot just devise new ways to measure progress but also commit itself to constraining the disproportionate influence of corporate power. Stronger regulations, limits to the role of money in politics, and a wealth tax that help to account for who is rich, as well as hold them responsible and accountable, would all be useful for improving our economy.[67]

Because of this, both replacing GDP and ensuring we live up to what we choose to measure will require the sort of organizing and power-building that we explore in chapter 6. An economics in which mutuality matters

will come about when we have a politics in which solidarity is central.

Wired to Connect

Standing in the wreckage of individualism – an America ravaged by COVID-19, partly because the use of other-protecting masks became a political football – it can seem reasonable to long for a different way. But while to do so is to dream of a better future, it is not utopian. In reality, we as a species are constantly using social thinking to make decisions, define ourselves, and understand those around us. Solidarity economics reminds us that we are hard-wired to care, but that we are operating in a system designed to strip us of that virtue and so it is the system that must change to let out our better selves.

In 2013, University of California, Los Angeles (UCLA), neuroscientist Matthew D. Lieberman published a book called *Social: Why Our Brains Are Wired to Connect*.[68] In its pages, Lieberman suggests that social pain, like the pain of rejection or the shame of ostracism, travels the same neuropathways as physical pain. Because of this primal nature, we are obsessed with maintaining our reputations in our respective communities and constantly seeking information about others. Trustworthiness, competence, and amicability are key to our complicit, mutual cooperation, and our individual sense of self is informed by the role we play and the reputation we have in our community.

Let us return to the biological metaphors with which we began this chapter. At this moment, along the corpus

callosum in your brain, an important cluster of neurons is awaiting activation. The dorsal anterior cingulate cortex (dACC) is key to the experience of emotional attachment that bonds us to each other. Mammals uniquely contain this neural region, which has a higher density of opioid receptors than any other part of the brain. Though very little of our sensory or motor experiences happen in just one part of the brain (like people, the brain itself is a collaborative organ), evidence shows that the dACC serves as an alarm system that detects and signals to us when our vital social attachments are at risk.

Evolution endowed us with strong social emotions as a fitness enhancement. Through the process of natural selection, we emerged as a more powerful species *because* of our sociality, not in spite of it. Continual progress depends on us embracing the social tendency of our decision-making by embedding social motivations in our policies and institutions. It is essential to our current and future collective welfare that we embrace the solidarity strategies that live in each of us to be able to achieve the best for all of us. We need to give up the old shibboleth that centering mutuality and equity is somehow detrimental to prosperity; the reality is far from it, and the next chapter explores how this even plays out in the sphere of what is thought to be the special strength of a market capitalist economy: innovation.

3

Solidarity and Innovation

> If we want to change the world we have to change our thinking… We must learn to see the world anew.
>
> Albert Einstein

> We are caught in an inescapable network of mutuality, tied in a single garment of destiny.
>
> Martin Luther King Jr., Letter from a Birmingham Jail, April 16, 1963

When one of us (Benner) was working for the trade union movement in South Africa in the early 1990s, we learned an interesting fact. In the waning years of apartheid, South Africa was known as a world leader in two innovative technologies. One was automatic swimming pool cleaners. The Pool Bug Automatic Pool Cleaner was launched into the global market in 1972 – and was followed a couple of years later by the Kreepy Krauly, which by 1985 was cleaning more than a million pools around the world.[1]

South Africa was also a world leader in riot control technologies. For example, the vehicles built by the South African Armaments Development and Production

Corporation (ARMSCOR) and used to suppress protestors in townships in the 1980s were equipped with a front-end loader for removing barricades and burning cars, handy for disrupting protestors who were using the few tools (like torching vehicles) that were at their disposal. South Africa had also developed new types of barbed wire that could be dispensed rapidly from the rear of these vehicles, covering 140 meters in just 15 seconds and then being electrified.[2]

This was innovation, all right, but it was neither necessity nor creativity that was the mother of invention – rather, it was racial and economic inequality. Leisure technologies for the rich and repressive technologies to suppress those who would rebel reflected and reinforced apartheid. In response, South Africa's social movements for liberation forged their own innovations. These included a sophisticated multidimensional strategy, linking mass-based organizing within the country with international diplomatic negotiations and a global divestment campaign, that ultimately freed a nation from a particularly virulent form of white supremacist rule.

While the distortions in innovation in the US are not as extreme as in the case of South Africa under apartheid, sometimes we seem not far off. Surely, we can do better than excelling in expensive toys and medical procedures for the well-off, cutting-edge military technology to defend the empire, and new ways to expand markets by eliminating privacy. And surely, we need to come up with innovations in our thinking and organizing that can help to upset the sort of racial capitalism that has benefitted some but bedeviled most of our society.

There are many different ways to do this – and later in this volume, we speak specifically to innovations in social movement organizing that can move us to a better future. In this chapter, we recognize innovation as a driver of economic progress – but insist that the assumption that prosperity always results from innovation makes it difficult to see that one person's ability to easily hail a ride is another person's unprotected descent into employment precarity. We stress that innovation is actually collectively generated in our economy but that the blinders of neoliberalism prevent us from understanding why we should distribute the benefits accordingly. We suggest further that the neoliberal reluctance to consider the interaction with power – as in our South Africa example above – obscures how innovation networks can produce monopolies and how inequality distorts where we put our inventive energies.

Innovation and Economic Dynamism

Innovation is often rightly seen as the driving force of our economy. Increased productivity as a result of new tools and new processes yields additional output for the same effort, creating economic growth. The ability of businesses and other economic agents to adapt effectively to changing consumer preferences, identify and capitalize on new opportunities, and successfully respond to new challenges has always been a key factor in ensuring well-being. And this need for adaptation has only grown in recent decades with our accelerated pace of technological change and increasing scale of economic activity.

But despite the clear importance of innovation to our economy, much of economics seems to not fully understand what is really going on beneath the hood. First, there is a tendency to focus solely on scientific and technological change. But innovation is important in a wide range of low-tech industries, can take place in all manners of economic activity, and may not even involve creating something new. The ability of a business to adopt or adapt practices being used elsewhere, or better use already existing technologies, can be an important part of innovative success.

New flavors of Ben & Jerry's ice cream, the latest fashion from Zara, a successful new Broadway show, even launching a simple hot dog cart – the creation that ultimately led to the highly successful fast casual restaurant chain Shake Shack – are all examples of highly successful innovations not dependent on new technological wonders. Innovations in business processes, not just new products, can also yield significant results: the development of assembly-line production techniques, for example, created efficiencies and economies of scale with important economic benefits.

This leads to a second and perhaps more important problem with traditional approaches to innovation: an overemphasis on the influence of individual entrepreneurs and individual companies. Neoliberal perspectives tend to celebrate Steve Jobs and Apple, neglecting the millions of dollars of publicly funded research and development activities that made their products possible. And even with dynamic and inventive leaders, innovation is fundamentally a collaborative, interactive process rooted in broader social dynamics – and much as we suggested in the previous chapter, we get further

when we understand individuals as nested in innovation communities rather than resting on their own little innovation islands.

Aesthetic innovation, in particular – the kind of innovation so critical to entertainment, marketing, and leisure industries – is actually highly dependent on collective tastes, which are socially generated and socially normed. And it's not just what we think of as arts: the attention of Apple designers to the sleek aesthetic of their products, characterized by clean lines, simplicity, and absence of clutter, has contributed tremendously to their economic success. Moreover, in keeping with the idea of collective production, the communication required to innovate effectively rarely occurs within a single entity, as companies interact with a wide range of other organizations, including not just suppliers and customers, but also competitors, universities, research institutes, investment firms, government agencies, and so on.

A third major problem with common approaches to understanding innovation is the assumption that all new ideas will generate prosperity and progress. The examples with which we began this chapter are stark illustrations of how inventiveness can lock in oppression and inequality. More generally, innovations can create new jobs, modify existing jobs, or automate jobs out of existence. Companies that are able to create unique knowledge or produce technologies that can define new network platforms can achieve monopolies that allow them to reap tremendous economic rewards. That can also lead to the sort of market and political power that stymies the efficiencies and output enhancements that are supposed to be the point of innovation.

To the extent that is true, innovation can lock in disadvantage – as when dollars are spent developing high-tech medicine that will preserve the life of the few who can afford the remedy while ignoring basic needs in public health like expanding parks and other exercise space in low-income communities of color in order to improve the health of large masses of people. Solidarity economics seeks to put technology in its place, recognizing the common pool that yields new ideas, highlighting the ways that inequality and racism distort what is invented and invested in, and reclaiming the idea that our common creativity should produce common benefits.

You're Not Alone

Everyone loves a winner – whether it is an iPhone or the way the hip-hop revolution took over so much of contemporary music. But while the results and benefits of inventiveness may be easily gleaned, the processes leading to the innovation are typically quite complex, the origins are quite often obscure, and they are frequently culturally and collectively produced and rooted. Neoliberalism obscures the mutual interdependencies and social processes involved; solidarity economics seeks to stress that what shapes the success of innovation cannot be captured by appeals to simple market mechanisms or financial incentives.

For one thing, all innovations start from our collectively inherited information and knowledge. This is true whether we're talking about the ways we blend multiple musical traditions in creating a new art form, such as jazz or hip-hop, or the development of new computer technologies, which depend on scientific knowledge

developed over centuries. New technologies themselves are made up of the combination of existing technologies, and they then go on to be building blocks of new technological opportunities. In the words of well-known technology researcher and theorist W. Brian Arthur:

> Early technologies form using existing primitive technologies as components. These new technologies in time become possible components – building blocks – for the construction of further new technologies. Some of these in turn go on to become possible building blocks for the creation of yet newer technologies. In this way, slowly over time, many technologies form from an initial few, and more complex ones form using simple ones as components. The overall collection of technologies bootstraps itself upward from the few to the many and from the simple to the complex. We can say that technology creates itself out of itself [in an evolutionary process].[3]

Think of the modern computing devices that make up the global internet and telecommunication system we all use. They are combinations of multiple devices (e.g. phones, computers, routers, servers, cables, wifi devices), each of which is made up of an assemblage of components (e.g. semiconductors, circuit boards, electric wires, cables, screens, software), each made up itself of different elements and materials (e.g. copper, silicon, aluminum), and each depending on scientific knowledge of properties of different metals, materials, and electromagnetic waves. All these components have to work together seamlessly, connecting systems across networks so that the whole is more than the sum of its parts.

Innovations can and do occur at any point in the assemblage, but all are dependent on the common infrastructure, and on historically produced knowledge that undergirds these systems. Of the various materials, concepts, and contraptions that make modern-day computing possible, none can be attributed to a single inventor. Even where a single inventive entity can be identified, innovation typically results from the efforts of a team with a leading investigator as opposed to spilling from one brilliant mind brimming feverishly with genius. No matter how it's played, innovation is a team sport like soccer or basketball (or a collaborative effort like jazz), not a single-handed endeavor like the pole vault or the long jump (which actually also require inherited knowledge, active coaching, and other forms of collective support).

Yochai Benkler provides a particularly compelling vision of the role of innovation communities in his discussion of Linux, the open-source software that is one of the world's leading operating system for servers and the basis for the Android system so popular with phones that do not have an "i" before their name. While the initial Linux kernel was developed by a single individual, an ecosystem has grown up around it, deeply rooted in a vision of the commons: programmers can take from the existing available packages but are expected to contribute back their own innovations. The community has drawn in hobbyists attracted to the art of design, programmers looking for meaning in something bigger and more collective, and companies that have learned to generate economic benefit even as they respect the community's social norms of reciprocity.[4]

The collective tool of government itself is a particularly important part of knowledge production and the innovation ecosystem. In her 2013 book *The Entrepreneurial State*, Mariana Mazzucato notes that the public sector has been critical in investing in major new technological developments in medicine, the pharmaceutical industry, energy, telecommunications, and transportation systems.[5] She memorably illustrates this point with a detailed case study of the Apple iPhone, documenting that nearly all of the key innovative components of the iPhone – lithium-ion batteries, liquid-crystal display, signal compression, multi-touch screen, cellular technology, GPS systems and so on – have their origins in publicly funded research.

This is not to suggest that the contributions Apple made in designing and producing the iPhone aren't important and impressive. It is simply to say they would not have been possible without the collective pool of technologies and scientific knowledge that underpins new technological developments. And this provides an interesting contrast to the Linux/Android example: both sorts of phones are generated as a result of collective knowledge, but one is set up to privately appropriate benefits in a closed system, while the other is based on an open system in which profits are also possible but norms as well as innovations are collectively derived and collectively respected. You can make a choice about which you deem better but the failure to see that both emerge from the commons blinds you to the realities of innovation.

Space and Face

Such collective processes of innovation often have a spatial component: regions are particularly important

contexts for interactions between different firms, other institutions, and people. One prominent example of this was documented by Berkeley Professor AnnaLee Saxenian in her now classic study comparing Silicon Valley to the Route 128 tech cluster in the Boston area.[6] Her research provided evidence that the more fluid labor markets and communication patterns in Silicon Valley contributed to greater innovation, and more rapid diffusion of new products and processes, while Boston's more rigid and hierarchical business structures and communication systems stymied replication and diffusion.

Regional dynamics are also important in aesthetic and cultural innovations. Take hip-hop, for example, which gained prominence with individual pioneers like Kool Herc, Grandmaster Flash, and Afrika Bambaataa, but was deeply rooted in the collective milieu of an impoverished but creative South Bronx youth culture in the 1970s. New regional clusters can emerge over time: consider the explosion of West Coast rap in the late 1980s and early 1990s by N.W.A. and Tupac Shakur, or the more recent hip-hop fusion with jazz and R&B rhythms typified by LA-based artists like Kendrick Lamar, Terrace Martin, and Anderson .Paak (the dot stands for detail!).[7]

The robust literature on regional innovation systems documents the importance of face-to-face contact and interpersonal communication in non-linear, collaborative, and cumulative learning processes.[8] Firms may be eager to secure their individual profits but there is a reason that they cluster together: the positive externalities from the rapid sharing of information and coordination of activities – what Michael Storper

labels "untraded interdependencies" – underscore the collective nature of economic innovation.[9]

Of course, innovation communities are not simply ubiquitous, but are shaped by social networks that both enable and constrain innovation in different communities. In his study of Silicon Valley, for example, Michael Storper emphasizes the common identities, work cultures, and aspirations of the predominantly white, male engineers in the tech industry, which facilitated rapid sharing of information and coordination of economic activities, but marginalized other communities. Those communities, in turn, have challenged these segregated networks and created niche opportunities; the existence of glass ceilings for Indian and Chinese immigrant engineers and computer scientists in Silicon Valley, for example, led to them launching their own firms and then using their ties back to their home countries to help build dynamic companies able to operate in the two countries simultaneously, quickly identifying market opportunities, business partners, and managing global operations.[10]

Similar dynamics have operated on a smaller scale among African immigrants in the region, contributing to dynamic information technology clusters in Ghana,[11] and movie and multimedia clusters in Nigeria.[12] In this way, places have become connected across the globe but not as the sort of "flat world" postulated by *New York Times* columnist Thomas Friedman – in which it makes no difference where you are. Rather, we see a spiked economic world in which peaks of innovation cluster because of social processes.[13] Once again, mutuality is there when you see it, it is important to technological and economic innovation, and we ignore it at our analytical and political peril.

Cookies for Cash

One thing that does connect us wherever we are is data. The bread crumbs of your life are constantly being collected: when you buy goods and services online or with a credit card; when you "like" a Facebook post, scroll through a Twitter stream, or follow an Instagram account; or when you surf the web and those ubiquitous "cookies" tracking your online habits are collected.

Such information is generated out in the real world as well: when we walk through any room, building, street, or neighborhood with security cameras or even when we simply move around with a cell phone on. Some may worry about Big Brother watching, but it is not just government's eye on your life: also actively observing are corporations hoping to discern and profit from your shopping preferences. Companies gather data not just on people, but on things – connected appliances, networked home security systems, autonomous farming equipment, smart factory equipment, shipping container and logistics tracking, and many more.

There are significant issues associated with this level of super-surveillance: violations of privacy, predictive policing, and the ways in which algorithms reinforce racial bias are all important concerns, for example.[14] But what is critical to remember is that it is social: few of those collecting data care specifically about *you* but rather about how your shopping habits line up with those of other consumers. It is *patterns* in the data that are important – the information that can be gleaned from combining these discrete data points to provide insights into collective behaviors. But if it is the social life of data and information that is important, that raises important questions about ownership and benefits.[15]

Whose Innovation Is It Anyway?

If collective processes play such an important role in generating innovation, and collective data is what gives individual information value, to whom should go the rewards? Our current economic answer, one based on the neoliberal idea that we should incentivize self-interest, seems to be private owners – it may be your information or society's wellspring of knowledge that leads to innovation, but the winner from an invention should be whoever can figure out how to privately appropriate the gain. But this system not only drives inequality, it also undermines future rounds of innovation and distorts our innovation system in unproductive ways.

Why aren't the benefits of new innovations spread more broadly and to a better social purpose? How is it that our economy can generate the creation of 8.9 million mobile apps in the world[16] and a single private yacht worth $4.8 billion[17] but it cannot ensure that everyone has a roof over their heads and enough healthy food to eat every day? Why is it that the full forces of innovation facilitate the rapid diffusion of conspiracy theories but have not been directed at ending the epidemic of police violence against Black people and closing a racial wealth gap in which the typical (median) white family in the US has ten times as much net worth as the typical African American family?

At least part of the answer to those questions lies in the ways that companies are appropriating the commons – unfairly benefitting from our common pool resources. The way they do this is sometimes quite blatant, but more commonly it is subtly rooted in a complex set of

economic processes – network effects, winner-take-all dynamics, technological rents – that are common in our information economy. We have let this happen, in part, because neoliberal thinking obscures the importance of the collective contribution to innovation and economic growth, and so we don't see it as our concomitant right to steer innovation to solving our collective social problems.

And because we do not spread the wealth created by innovation, we feed into a sense that change is to be feared. The electric vehicle meant to signal a cleaner, greener planet is instead seen as harbinger of unemployment for refinery workers. A more efficient checkout process meant to enhance consumer convenience is instead seen as a death knell for retail workers. An anti-technology response is understandable – but that impedes overall progress and prosperity and feeds into the sort of ill-advised economic nostalgia that seems to have helped fuel the Trump phenomenon in America.

What if, rather than resisting technical change, we chose to share the fruits of what is gained? What if we could uncover the social processes of innovation and establish the proper claims to social ownership and control? What if we focused on protecting people not preserving jobs, on solving dire problems not speeding at-home delivery, on ending hunger not refining luxury goods? Doing this would calm jittered nerves and fuel an upward spiral of collective innovation for collective well-being.

Networks and Winners

In 2012, Facebook acquired Instagram, along with its thirteen employees, for approximately $1 billion in cash

and stock (an average of $76 million per employee, if you want to think in typical neoliberal terms about human capital). The thirteen employees were undoubtedly very smart, and Instagram had "lots of buzz," – but it also had no revenue and a pretty unclear business model. What it did have, though, was 100 million users. Two years later in 2014, Facebook acquired WhatsApp, this time for $19 billion, or the equivalent of $345 million for each of its fifty-five employees. Again, WhatsApp's revenue was minimal, but it had 420 million users sending 34 *billion* messages every day.[18]

What made these acquisitions valuable in Facebook's eyes was not so much the software platforms or intellectual property developed by Instagram and WhatsApp. What Facebook found enticing was access to the *social networks of the people using those platforms* – an asset for which Facebook was willing to pay billions of dollars. Harnessing these kinds of "network economies" is an essential part of the economic success of Facebook, Google, Apple, Amazon, and many other successful companies in the information economy. Indeed platforms – digital infrastructures that enable two or more groups to interact – have proliferated throughout our economy and are specifically designed to capture these network economies.[19]

For example, Google, Facebook, and Twitter are platforms providing search and social media, and thus providing network links between users and advertisers. Amazon, Etsy, and eBay are platform marketplaces, building networks between product sellers and consumers. Airbnb, HomeAway, and Thumbtack bring together consumers and sellers for services and vacation rentals. Predix and MindSphere are cloud-based data

systems for internet-connected devices, bringing together a range of entities involved in the growing Internet of Things. And the list could go on.[20]

Platforms and network economies may seem to democratize access but they also tend to reinforce "winner-take-all markets."[21] First, the value of connecting to a network depends on the number of *other* people already connected to it – and so it is better to be connected to a bigger network than a smaller one. Second, there are very strong *positive feedback* dynamics in network economies that tend to lead to extreme outcomes, with the strong getting stronger and the weak getting weaker. When firms compete in a market with strong positive feedback dynamics, initial incremental advantages can translate into only one firm emerging as a winner, and even if more than one emerges as competitive, it is likely that few will survive the fray.

To understand how network effects can lead to such "winner-take-all markets," think about an example of the polar opposite: the market for restaurants. Prior to the devastation wrought by the COVID-19 pandemic, there were over 50,000 restaurants in the New York metro area.[22] The number of customers choosing one restaurant does not in any way affect the quality of the service in other restaurants. Furthermore, the number of customers in any one restaurant is limited, and having too many customers can actually hurt the experience (e.g. longer wait time, worse service) of other customers.

In contrast, now think about a market for a ride-hailing company like Uber or Lyft. The value of the service platform is fundamentally dependent on the

size and quality of the network that uses it – both the number of drivers and the number of customers. If thousands of different ride-hailing companies competed for the same customers in a single city, the quality of service would erode since only a handful of drivers would be offering rides on each platform, and it would take them a long time to get to most customers waiting for service. Uber and Lyft dominate the ride-hailing industry in part because of the strong network effects of their digital platform. And they're willing to lose money at the start because once they have developed large enough networks of users, especially business and tourist travelers who use the service in multiple places, the barriers for new entrants to the market become prohibitively high and so further competition becomes extremely unlikely.

Very few markets have truly only one winner, and so they are more accurately called "those-near-the-top-get-a-disproportionate-share markets."[23] Such markets exist where there are strong network effects, including not just platforms and operating systems, but also financial markets (e.g. NASDAQ, New York Stock Exchange). Similar dynamics have existed for a long time in markets with natural monopolies or public goods (e.g. railroads, water/sewer provision), or in industries with high barriers to entry such as those requiring large upfront capital costs (e.g. steel or automobiles). But the growth of the information economy – which usually evokes the image of horizontal connections between people – has increased the scale and diversity of winner-take-all markets. And that isn't the only way that a technologically sophisticated economy can create and facilitate monopolies.

Gatekeepers and "Rents"

Have you ever used the "Buy now with 1-Click®" button on Amazon? You know, the system that allows you to enter your billing, shipping, and payment information just once, and then simply click a single button to buy something. Amazon was granted a patent for this in 1999, and for the next eighteen years had a government-protected monopoly on one-click digital purchasing. Pretty convenient, but did you ever think about how this may have contributed to wiping out countless small business competitors?

One estimate in 2011 suggested that the one-click innovation might have boosted sales for Amazon by 5 percent, as the frictionless checkout increased impulse buying and removed the problem of abandoned digital carts. This would have amounted to $2.4 billion in additional revenue, and $40.8 million in operating income, in that one year alone.[24] But, arguably, its impact was even more profound, as it contributed to Amazon's dominance in ecommerce. While not the only factor in the company's success, it did provide them with a significant edge as they built their online commerce empire, and that prominence only became more pronounced with the move to mobile platforms.[25]

Amazon is not alone – most technology companies have their respective monopolies. Sometimes the monopolies are protected legally through patents, arguably a reward and incentive for innovation. However, some companies choose not to patent new innovations, because that requires them to share the details of their innovation. Yet companies can still achieve temporary monopolies over technological innovations that are hard for market competitors to duplicate. In either case,

companies are able to charge customers more. When this is within reasonable economic bounds, it is not a bad thing: companies need to recoup something from new innovations. But when companies attain monopolies, it is easy for reasonable returns to turn into less reasonable "economic rents."

For economists, an "economic rent" is defined as an *excess* payment that is over and above the usual amount required by the owner of the asset. It's a sort of unfair deal not associated with any improvement the producer made in the product – think about when your landlord jacks up your rent not because the apartment was painted (thanks, landlord!) but because the neighborhood is gentrifying (no thanks at all to the landlord). Economic rents can exist in conditions of artificial scarcity (such as monopolies) – and they can exist when the network effects, like the external pressures of gentrification, are strong.

Well-known economist Joseph Stiglitz (along with others) argues that there is good reason to believe that there has been a substantial increase in economic rents across our economy, due to these dynamics.[26] From 1997 to 2012 (the most recent data available at time of writing), the average market share of the top four firms across all industries rose from 24 percent to 33 percent. Firm profits have also become more concentrated: investment returns for the ninetieth percentile of nonfinancial, publicly traded firms grew 160 percent from 1997 to 2014, while returns for the twenty-fifth percentile grew only 2 percent over that same period.[27]

Market concentration can be particularly high in local markets. For example, in 1990, 65 percent of hospital markets in metropolitan areas were considered

"highly concentrated," but by 2016, 90 percent were.[28] Such a concentration phenomenon can be particularly strong in digital economies, where network dynamics and the rise of a few platform-based gatekeepers can make it especially hard, if not impossible, for new market entrants to compete.[29]

Innovation and Inequality

These increasingly oligopolistic markets lead to unfair rewards for a minority of firms, stifle further innovation, and can create greater inequality between firms, as a few firms gain increasing dominance in their industry. But the negative impacts of this dynamic go further, as a new wave of research is also suggesting that this can contribute to increased wage inequality as well. Between-firm inequality, for example, has now been shown to be an important and growing source of overall income inequality in the US, contributing anywhere from a half to two-thirds of the increase in earnings inequality since 1983, according to recent studies.[30]

What does that look like in people's paychecks? Consider that information technology companies such as Google, Facebook, and Apple generate more than 1 million dollars of revenue per employee, partly because of these winner-take-all markets, while retailers and restaurants generate only one tenth as much per employee, or less.[31] It is no surprise that technology firms can afford to pay six-figure salaries while retail and restaurant firms pay closer to minimum wage. And since under-represented racial groups and women are disproportionately excluded from technology firms, this contributes to both racial and gender income inequality.

Employees, revenue per employee, and workforce characteristics of prominent technology and non-technology firms

Company	Year founded	Employees	Revenue per employee	Workforce: % under-represented racial groups: Company	Workforce: % under-represented racial groups: Leadership	Workforce: % women: Company	Workforce: % women: Leadership
Prominent restaurant and retail firms							
McDonald's	1940	205,000	$102,812	51%	19%	53%	35%
Walmart	1962	2,200,000	$236,330	41%	13%	60%	38%
Darden Restaurants	1968	177,000	$44,107	51%	19%	53%	35%
Starbucks	1971	346,000	$76,614	51%	19%	53%	35%
Prominent technology firms							
Intel	1968	110,800	$649,504	16%	9%	27%	20%
Microsoft	1975	163,000	$877,393	11%	8%	29%	19%
Apple	1976	137,000	$1,899,080	24%	10%	33%	29%
Alphabet	1998	118,899	$1,361,298	10%	7%	32%	36%
Facebook	2004	44,942	$1,573,072	9%	7%	37%	33%

Notes: Workforce statistics for technology firms are calculated from voluntarily released EEO-1 reports for each firm. Workforce statistics for restaurant and retail firms are not for individual companies but for the average across each industry. A majority of McDonald's revenue comes from franchises, but their employment total doesn't include franchisee employees.
Sources: Company SEC Filings (most recent 10-K Annual Report, as of August 2020), diversityreports.org, EEOC

These inequalities are structurally rooted, not a result of the individual characteristics of employees. Companies that primarily offer information products and services can sell to global markets with extremely low production costs for each additional consumer and so can offer high wages. Locally serving industries have high relative costs for each additional consumer and are often tightly constrained in their ability to raise prices or wages.

The neoliberal or traditional economic approach suggests that each sort of worker – tech versus service – is being rewarded for their respective productivity. But there are two problems here. The first is that you could move workers from one sector to another – let's suppose you train disadvantaged workers to code and ask software engineers to wait tables – and their incomes would dramatically change rather than follow along with them as they shifted job contexts. In short, their wages are not strictly a function of their individuality but of the industry sector and structure in which they work.

The second problem is that these sorts of sectors are deeply connected. Behind every software engineer is a village of nannies, gardeners, and food service workers tending to their local needs. One cannot exist without the other – together, they mutually constitute our economy. And because of this, the wealth we generate together must find a way to all those who contribute and all those who need support. This is the logic behind one proposal we offer in chapter 4 – a "solidarity dividend" (akin to universal basic income) that would reward everyone who participates in the information commons.

These sorts of inequalities by class, race, and geography can have a negative effect on innovation. Recently economist Raj Chetty and his team, using a unique dataset linking 1.2 million patent records and tax records, showed that children from very high-income families are ten times more likely to file patents than those from below median families. More than 80 percent of 40-year-old inventors are men, and whites are more than three times as likely to file patents as African Americans. While neoliberal economics might be tempted to attribute this to individual differences, these researchers made use of highly predictive childhood test scores and found little evidence that the wide divergence in patents could be explained by inherited abilities. Instead, Chetty and his team find that differences in the social and neighborhood environment children are exposed to are a central factor in explaining different patent rates. Addressing these social and neighborhood inequalities could have a huge impact on innovation – resulting in as much as four times as many people filing patents if women, racial minorities, and children from lower-income families were properly supported and encouraged to invent at the same rate as white men.[32]

And in a particularly powerful example of how inequality affects innovation, Michigan State economist Lisa Cook painstakingly researched the identity of African American patent filers between 1870 and 1940 and looked at the relationship between patent rates and violence. While patent rates for African Americans and whites were similar at the beginning of her dataset, the patent rate for African Americans declined systematically during this period of generalized increase in mass violence, with direct evidence of drops in relation

to reported race riots and lynchings. She found a particularly striking drop in African American patents immediately following the 1921 race riot in Tulsa, Oklahoma, which accounts suggest led many African Americans at the time to conclude that government had failed them at all levels and that the country was likely headed toward a race war.[33] Overall, the number of Black patents lost during this time would be equivalent to the total number of patents filed in a medium-sized European country such as the Netherlands.[34]

This story is telling of how systemic racism prevents innovation and hurts all of us. So too is the tale of the struggle Professor Cook had in getting her paper published in a peer-reviewed journal. She reports that it took ten years (versus the usual two- to three-year process). That can happen, of course, but she also notes that few reviewers questioned her statistical techniques but rather wondered why Black people in one state would care about or be concerned about the rise of racist violence in another state.[35] Could it be mutuality, solidarity, and a common understanding of the contours of power? Her experience feels eerily like ours with regard to the paper on bank lending, labor repression, and the Latin American debt crisis described in a previous chapter: question too many neoliberal priors and it's tough to break through even with solid and, dare we say, innovative research.

Innovating Innovation

In our current economic paradigm, we tend to approach the impact of innovation on inequality in one of two

ways. One approach, most prominently advocated by neoliberal economists, essentially believes that unequal wages reflect an appropriate compensation for people's skills, knowledge, capacities, and contributions to their respective jobs. The path to equality in this framework involves increasing people's skills and improving labor productivity – that is, equipping people to deal with innovation and technological change more effectively.

A second, more traditional liberal approach rightly notes the role of exploitative employers, unequal power relations in the workplace and labor market, and ineffective or racist and sexist institutions that segregate labor markets and reinforce inequality. In this view, the solution lies in stronger government regulation, such as increasing the minimum wage, reforming labor law, and enforcing anti-discrimination legislation. Here, the goal is to innovate public policy to allow most people to do better in the context of ongoing change.

There is huge merit in the second strategy. But what we have been trying to add here is the realization that the current system is not just unfair but also fundamentally fails to recognize that innovation and economic value are at least in some way built by a collectively inherited knowledge commons and collaborative innovation processes. If we take that seriously, we would see that it is just as much "our" innovation as it is "our" economy. We would see that when we fail to claim that commons, we come up short on achieving both innovation and well-being. And we would better understand that in our current system, innovation is often being used to serve a few and to reify and further concentrate power.

Distorted Priorities

In fact, our current approach is leading to both under-investment and poor priorities. Nationally, while total US investment in research and development (R&D) rose from 2.5 percent of GDP in 1996 to 2.8 percent in 2018, other countries prioritized R&D investment substantially more. In that same time period, for example, Germany's R&D investments increased from 2.1 percent to 3.1 percent of GDP, Japan's went from 2.7 percent to 3.3 percent, and South Korea's went from 2.3 percent to 4.8 percent. We have also substantially decreased our public sector investment in R&D, as government investment as a percentage of total investment declined from 33 percent in 1996 to only 23 percent in 2018.[36]

The decline in public sector investment in basic R&D, record inequality, and the disproportionate returns to a relatively small number of global-network-based industries have all contributed to an overall decline in innovation. While neoliberal ideology paints us as a nation of entrepreneurs, we have become a nation of market-dominating and aging monopolies: The share of employment in young firms less than five years old declined from 21 percent in 1989 to 15 percent in 2018.[37] This has also led to a highly distorted pattern of innovation that prioritizes the wants and desires of an elite class while neglecting desperately needed innovations that could benefit people and the planet.

For example, we are developing incredibly sophisticated technologies for treating illnesses. Precision medicine can adjust drug compositions to individual genetic characteristics to improve treatment for cancer and Alzheimer's.[38] Cell-sized nanobots can sense their environment, and could eventually be passed through

the digestive system to track signs of inflammation or through the blood system to detect early signs of cancer.[39] We're even finding ways of using the gene-editing technology CRISPR to cure genetic diseases from sickle cell anemia to certain types of cancer and even blindness.[40]

At the same time, the coronavirus crisis made clear that we have completely neglected our broad public health system. Where were the internet-connected inexpensive diagnostic devices that could help speed up point-of-care diagnosis and contact tracing? Where were the trusted multilingual communication systems providing real-time news and information on the pandemic and vaccinations to the most vulnerable populations? Where were the smart watches, sleep monitors, and mobile apps to track signs of anxiety and depression in our growing mental health crisis, and the proactive mobile telehealth platforms for behavioral and psychological health practitioners?

Our distorted priorities and failure to recognize the collective nature of innovation are also shown in the US government's approach to developing and distributing COVID-19 vaccines. Federal funding over decades to the National Institutes of Health and other federally funded laboratories have produced the fundamental science behind the mRNA vaccines that Pfizer and Moderna developed. The government also poured at least $10.5 billion into vaccine companies within twelve months of the beginning of the pandemic, and vaccines were developed at a record pace.[41] But while these companies do need to recapture their costs of research, and vaccine patent holders are sharing at least portions of their formulas with other companies to create a

more robust supply chain, realizing the benefits of our collective investment would mean freeing the information earlier and more openly, to speed production and roll-out.

Solidarity Innovation

There is no shortage of alternative innovations our society desperately needs at this moment: ecologically sustainable alternatives to plastic; improved batteries and other energy storage systems; a far more effective vaccine against malaria; tidal power generators; secure and inexpensive devices for universal online voting and participatory governance; artificial intelligence systems that can identify and automatically flag false news stories across multiple social media and news platforms; truly carbon-free transportation systems, including ocean freight liners and airplanes; natural language processing and machine learning systems that can identify and disrupt implicit bias and structural exclusion online and in organizational practices; and so many others.

None of these inventions are easy, and there are some efforts to make progress on all of them. But our current innovation systems are not generating the level of attention, expertise, or resources for addressing social and environmental challenges at the scale that is needed. So what would an innovation system more rooted in solidarity and mutuality look like? Donella Meadows defines a system as "an interconnected set of elements that is coherently organized in a way that achieves something."[42] Thus, systems at their most basic level can be defined by essentially three things: what or who the elements within the system are, how they are interconnected, and what the overall purpose of the

system is. It is no wonder, when we have an innovation system too dominated by large corporations and driven too much by a goal of profit maximization, that that system will drive inequality, neglect human needs, and ignore environmental sustainability.

In thinking about a solidarity innovation system, one key approach would be to expand and better target the role of the public sector investment in R&D. One thing that is striking in Mazzucato's research on public investment in technologies in the iPhone is how much the source of these investment came from defense-related agencies: The Department of Defense for the NAVSTAR-GPS system, cellular technology, multi-touch screen and liquid-crystal display; the Army Research Office for signal compression; the Defense Advanced Research Projects Agency (DARPA) for the DRAM cache, Siri voice-recognition system, micro hard drive, microprocessor, and the internet.[43]

In the absence of a true national industrial policy, national defense has become our de facto industrial policy.[44] In fact, 97 percent of all federal R&D funds that go to corporations are for military-related purposes.[45] So we need to shift federal R&D funding away from the military and toward public health, environmental sustainability, and economic investments that can ensure living-wage jobs for all.

We also need to change *how* businesses and the government are interconnected in these innovation systems. At the moment, corporations are able to commercialize technologies developed with government support without providing fitting returns to the public for their appropriation of this publicly supported knowledge. As Mazzucato argues in *The Entrepreneurial*

State, government investment in R&D can be thought of as very early-stage venture capital funding – investment in the development of new technologies before those technologies are clearly viable, and at a stage in the development cycle when the risk involved and the scale of investment needed are too daunting for the private sector to take on.

But venture capitalists become part owners in the enterprises they invest in, knowing that if they are going to take that level of risk, they also need to be able to get commensurate rewards. If the government took a similar approach and funneled the resulting increase in resources back into future R&D, or into a universal technology dividend program (which we discuss more in the next chapter), it would increase the public's awareness of the value of government investment in R&D and create a virtuous cycle of improved innovation and greater resources.

There is also a need to bring a greater diversity of businesses and economic entities into our innovation system. Expanding programs of support for businesses owned by women and people of color, including helping to link them to innovative clusters with growth opportunities, would be an important part of an improved innovation system.[46] We should also support innovation systems for cooperatives, mutual benefit societies, and social enterprises. All of this would help the cooperative experiments embodied in the "solidarity economy" counter a frequent criticism: that they cannot get to scale and speed in a way that their corporate counterparts can.

There is also a small but growing body of researchers looking at the importance of social entrepreneurship

within national innovation systems, both noting the growing prominence of social entrepreneurship at a micro scale and calling for greater efforts to measure the impact of social enterprises – cause-driven businesses whose primary reason for being is to improve social objectives – and integrate them more effectively into national innovation systems. The International Labour Organization, for example, has been bringing together governments, policy makers, academicians, and practitioners, developing research networks and convenings on innovative social and solidarity economy ecosystems – including looking at effective policies, financing mechanisms, and promoting south–south cooperation.[47]

Finally, we need to support people working on "social innovation" – new social practices that aim to meet social needs in a better way than existing solutions. This strand of thinking and doing has coalesced to a point that researchers are now talking about the importance of integrating a "social innovation system" concept into the broader innovation system milieu.[48] This is an area worth future exploration and investment – and we will only get there when we realize that innovation is collectively produced and its rewards should be widely shared.

Inventing Our Future

We began this chapter with a story about how white supremacy distorted innovation in South Africa in order to reify and reinforce apartheid. But there is another story from South Africa that points to why changing

who has power and can influence our economy can lead to more positive outcomes.

In the 1990s, South Africa was being wracked by the Human Immunodeficiency Virus (HIV), the virus leading to AIDS. By 2000, AIDS had become the leading single cause of death, accounting for a quarter of all deaths in the country (rising to 42 percent in 2005).[49] A 2002 study found that 15.2 percent of all South Africans aged 15 to 49 were HIV positive, rising to as high as one-third of all women aged 25 to 29.[50] The racial disparity was striking: HIV prevalence among white South Africans was only a third as high as in the Black South African population. Meanwhile, wealthy South Africans at the time could access the new antiretroviral (ARV) drug therapies that were proving increasingly effective in treating HIV and preventing it from progressing to AIDS, but the cost of these drugs put them out of reach for the vast majority of the population.

Into this mix, a small group of political activists in 1998 launched the Treatment Action Campaign (TAC). Over the next ten years, they mobilized people in a campaign for the right to health, using an innovative combination of grassroots organizing, community treatment literacy programs, human rights education, and litigation. A key target was global pharmaceutical companies, whose prices on ARV drugs put them out of reach of ordinary South Africans and made them prohibitively expensive for government programs, and whose patent rights prevented generic versions of the drugs from being produced. Through public pressure and legal victories in South African courts, the TAC was successful in reducing drug prices, preventing hundreds

of thousands of HIV-related deaths, and getting significant resources injected into South Africa's public health system and toward poor communities.[51]

Today, the TAC and a global network of organizers are trying to extend the lessons from this work to our response to another life-threatening viral pandemic, in this case from COVID-19. Groups like the Fix the Patent Laws Coalition[52] in South Africa and the global People's Vaccine Alliance[53] are calling for a suspension of intellectual property protections, preventing monopolies on vaccines, and ensuring that vaccines are sold at affordable prices to countries across the globe. The economic benefits of ensuring global vaccine access are substantial – a January 2021 study commissioned by the International Chamber of Commerce, which builds on earlier work published by the National Bureau of Economic Research, estimated that the global economy stands to lose as much as $9.2 trillion (yes, with a "t") if governments fail to ensure developing economy access to COVID-19 vaccines in a timely manner, and that advanced economies will bear 13–49 percent of that cost, due to international and inter-sectoral trade linkages.[54]

If this effort is successful – and the global economy is resurrected – it will be in no small part due to these organizers' influence on the innovation system driving the development, production, and distribution of COVID-19 vaccines. As we stressed in chapter 2, what often seems to be just in the service of equity will actually benefit prosperity – and as we later stress in chapter 6, we only get there when organized communities that have been kept behind seek to change the rules that disenfranchise and disadvantage them.

In this chapter, we have tried to add to the overall perspective by complicating the usual story of what drives innovation, agreeing that it is important for economic well-being but arguing that its drivers are often misunderstood. We have sought to shift from the individual and technological focus to see how collective investments, process changes, and social connections and collaborations are essential for both innovation and well-being. We have discussed the ways that our lack of attention to these social dynamics is not only generating increased inequality but also undermining our economic well-being.

None of these failures are predetermined – but they can only be clearly seen when we dissect the ways neoliberal theory has clouded our economic thinking, narrative, and policy. If instead we placed solidarity at the center of our innovation systems, we could achieve better economic *and* social outcomes. We would embrace rather than fear technology, knowing that innovation would not mean instability and insecurity but rather the expansion of our collective possibilities. And we would understand why we should nest individual wages not in inestimable individual contributions but in a broader social and institutional context, paving the way for a *social wage* that could provide a cushion of security in a time of change.

4

Solidarity and Social Support

> If you have come here to help me, you are wasting your time. But if you have come because your liberation is bound up with mine, then let us work together.

The quote above is often attributed to Lilla Watson, a Murri (Indigenous Australian) visual artist, activist, and academic. But when contacted by a member of the Northland Poster Collective, who had been circulating posters with the quote and wanted to confirm the source, Watson gave an unexpected answer. Rather than claiming individual fame, she noted that it emerged as part of the work of an Aboriginal rights group in Queensland in the 1970s, was not sure how the words had come to be attributed only to her, and made clear that it was "born of a collective process."[1]

Lilla Watson also had a powerful critique of traditional notions of social welfare. Writing in 1988, she wryly said "Aboriginal people throughout this country have been on the receiving end of western European concepts of what constitutes welfare for 200 years now, and it has not enhanced our life experience in

our country."[2] She was succinctly insisting that we not only rethink how knowledge is produced – as collective rather than individual – but also how aid is delivered, as a form of solidarity rather than as an act of charity.

Consider the term "safety net," a phrase that evokes the idea of catching someone when they are on their way down. This is certainly better than the neoliberal approach to dealing with poverty, which essentially says you're on your own, with "individual responsibility" as the mantra of choice. But "safety net" also seems to suggest that you fell on hard times rather than found yourself forced there through structural racism, patriarchy, and exploitation, that what you need is a handout offered from a place of charity rather than a hand up extended from a sense of interdependence, and that those providing assistance get to determine whether you are worthy and how exactly you should spend whatever is "given" to you.

What if we designed social support systems from a premise of solidarity rather than charity? Perhaps we would see that our economy depends on our collective inheritance of knowledge and natural resources, and so everyone contributes to our economy in some way. Perhaps we would realize that ensuring that everyone in society is cared for actually helps all of us. And perhaps we would recognize the structural impediments that stand in the way of success – and follow the lead of those at the margins as they fight to dismantle those barriers.

We think one way to get there would be to shift our language – and policy – around social support from a frame based on social welfare to one based on a social wage. The term "social wage" means remuneration for

contributing to productive activity, including for traditionally unpaid domestic, community, and care work. And while that understanding is the rightful product of the intellectual and organizing work of feminist scholars and activists, there is another dimension of the term that is critical.[3] In our view, a social wage also recognizes that everyone should be compensated for the appropriation or use of our collective economic assets, such as the inherited environmental and knowledge commons.

As such, our use of the term is not so much about a particular mix of government policies – a guaranteed minimum income payment, universal health insurance, or free education. Rather, it is about mutuality – that is, a conceptual shift away from viewing welfare as a subsidy or a temporary remedy and toward seeing the sharing of abundance as a form of mutual investment in our collective well-being at all levels of society. And while the term "wage" may conjure up the idea that we think rewards should only accrue to those who labor, recall that we have defined labor broadly and that we have insisted that reward from the commons should accrue to all. We are, by using "social wage," trying to redefine what it means to contribute and to earn – and to extend that right to create and survive to all.

A social wage framework is important for another reason. As we have stressed earlier (and return to more directly in chapter 6), solidarity has two faces: one the sort of cooperative collaboration that protects the commons and leads to better outcomes, and the other the banding together of workers and communities against the corporations that often seek to privately appropriate what is rightfully all of ours. By providing

a basic cushion, a social wage not only protects against shocks, it levels the playing field of bargaining power by ensuring that one's backup position is not a free fall into economic despair.

Finally, a social wage can be in cash, but can also include other mechanisms to ensure that basic needs are met (such as providing social housing or ensuring public health). Below, we consider what a social wage might look like in three specific aspects of providing support to both the most vulnerable and those due reparations for systems of exploitation: income and assets, housing and shelter, and health and well-being. In each case, we explore how to reward everyone for our collective contributions to prosperity and to guarantee that we're taking care of all.

A Right to Wealth

While the latest official estimates suggested that 10.5 percent of people in the US were living in poverty in 2019, this was based on a simple income threshold originally developed in the 1960s that is way out of date in terms of current household spending patterns.[4] A more detailed study of financial hardship found that in 2018, 42 percent of households could not afford basic necessities of housing, child care, food, transportation, health care, a smartphone, and taxes.[5] The economic stress of the pandemic is likely to have driven those numbers up further.

The racial disparities in poverty levels are striking. While 7 percent of non-Hispanic whites in the country were living below the official poverty line in 2018, 16

percent of Latinos and 19 percent of African Americans fell below that poverty threshold.[6] People of color also have less of a savings cushion to get through bouts of economic insecurity. Black Americans are 13 percent of the population but possess only 2.6 percent of the nation's wealth.[7] Only 44 percent of Black and 49 percent of Latino households own their home, compared to 74 percent of white households.[8]

While some Americans experience persistent poverty, far more people experience a temporary bout of poverty as the result of an unexpected shock – a major health condition or loss of a job. By age sixty, nearly four-fifths of Americans will have spent at least one year as an adult in some form of economic insecurity (unemployed, experiencing poverty, or receiving assistance from a social safety net program).[9] And the costs of poverty are high: childhood poverty alone is estimated to reduce US economic output by 4 percent to 5 percent a year, mostly from increased health costs, higher costs of crime, and lower economic productivity.[10]

Building Wealth for the Many

With poverty widespread and the costs of neglecting it so high, what should we do? A neoliberal answer is not much; if we leave people on their own, they will figure it out, perhaps by taking any job at any wage. A social welfare approach acknowledges our obligation but says that we should provide assistance mostly when times are desperate and nearly always after means-testing for "deservedness."

But if the wealth produced in our economy is in part collectively generated and the result of collectively inherited commons, investing a share of that wealth in

maintaining everyone's livelihood is appropriate, not as an act of charity but as an act of solidarity. It is in our mutual interest to ensure a base of wealth and security, to support a minimum income that could keep families out of poverty, and to ensure access to meaningful work that can empower people and work against the structures that create inequality.

Many companies actually recognize parts of these principles within their own enterprises. As of 2018, for example, more than 6,000 companies had Employee Stock Ownership Plans, with more than 14 million participants, and thousands more provide equity as part of compensation packages.[11] Worker cooperatives go even further, linking collective ownership with democratic management. And in keeping with our main arguments, sharing the wealth is not just appropriate for recognizing workers' collective contributions; businesses with some form of broad-based stock options, stock ownership plan, or other form of gain-sharing have better economic performance, provide greater job security, and have higher firm survival rates, lower labor–management conflict, and a better quality of work life.[12]

There are also widespread efforts at community wealth-building. This includes such things as promoting collectively owned land trusts, community development financial institutions, and social enterprises, and leveraging the resources of nonprofit or publicly owned "anchor institutions" such as universities, hospitals, and churches, to support local economies. In a 2020 review of this work and concept, Melody Barnes and Thad Williamson note that in addition to the direct economic benefits, this is a strategy for both

"directly confronting entrenched inequalities of wealth, power and opportunity and a method of community-driven problem solving that aims at inclusivity and empowerment."[13]

Government policies and programs, of course, can play an important role in supporting these efforts at all levels. Local governments can create and support technical assistance centers for employee ownership, incubate and support social enterprises, build capacity in local businesses to provide goods and services to anchor institutions, implement responsible banking ordinances, and more. States can enable public banks, finance community investment funds, leverage public pension funds to support community wealth-building activities.[14] The federal government can provide tax incentives for employee stock ownership, direct the Small Business Administration to specifically help cooperatives and encourage employee ownership, or fund community land trusts.

Recognizing that the wealth of our commons should be, well, more common is also key to tackling long-standing inequities. For example, economists Darrick Hamilton and William "Sandy" Darity Jr. propose providing every child with a trust account when they are born, offering a chance for parents and family members to grow assets for newborns regardless of their initial financial position. The child would be able to access the funds at age eighteen, and they could be used for higher education but also for other asset-building opportunities, including buying a home or starting a business. The authors propose an average contribution of $20,000 per child but stress that babies from families with substantial assets would receive a small amount,

while the benefit could rise to a maximum of $60,000 for households with the least wealth.[15]

Such a program could help to both close the racial wealth gap and improve outcomes overall. Research by Naomi Zewde at Columbia University models how a fully implemented program of the type envisioned by Hamilton and Darity might work. She looked at longitudinal data that measured the net household wealth for children born between 1989 and 1994, and their individual net wealth as young adults (age eighteen to twenty-five) in 2015, and then modeled the impact of a baby bond program. Without a baby bond program, the median wealth of young whites was sixteen times that of young African Americans, but with a baby bond program the disparity dropped to 1.4 times. She also found that the program increased savings for both groups, since it is a universal program available to all and some members of all racial groups fall into each wealth quintile. Bottom line: when we all care for each other, we all do better.[16]

The Solidarity Dividend

The philosophical starting point for the sort of program envisioned above is that wealth may be individually appropriated but it often is collectively generated – and so reinvesting a share of that wealth so that everyone has a decent start out the gate is appropriate. And it is that sort of framing that should be applied to the increasingly popular idea of a universal basic income (UBI) – a guaranteed payment made to everyone regardless of need.

If the UBI is seen, as it is in some libertarian circles, as a substitute for safety net programs, then that

reinforces the extreme individualism so extant in traditional economics. If it is seen as a payoff granted by a prosperous society seeking to quell unrest as jobs get lost to automation, then it is a sort of social welfare bribe aimed at persuading people to accept the unacceptable: the loss of a meaningful way to contribute their creativity to the commons. But if it is seen as a "Solidarity Dividend" – much like the oil-based Alaska Permanent Fund, which has paid a dividend to every Alaskan resident since 1982 – then the UBI is viewed as a return and reward from the commons, that is, what we are labeling a social wage.

Indeed, the dividend payments could be based on the creation of a Solidarity Wealth Fund, financed from a tax on wealth more generally but also specifically on wealth produced from public investment, consumer data, and innovation rooted in broad cultural and social life.[17] What distinguishes the notion of a solidarity *dividend* from the more well-known concept of a universal basic income is not any particular dollar amount but rather the framing: all people should receive regular payments from revenue generated from our collectively inherited scientific knowledge and more recent public sector investments in major new technologies.

Such a solidarity dividend would not be a *substitute* for work: those who think that UBI can be a solution for large-scale job loss fail to account for the likely scale of a UBI (not too far above paying for minimal basics would be our guess) and more importantly ignore the ontological or psychological importance of meaningful work in our economy. But such a dividend could provide some additional income security, help cushion labor market shifts, and importantly, raise workers'

bargaining power. And if it was funded largely from taxes on profits and wealth generated by technological development and innovation, it would also directly redress some of the unjust returns that technology companies are currently getting from anticompetitive policies and winner-take-all markets.

Jobs for All

While baby bonds and a solidarity dividend would go a long way toward addressing the gaps in income that leave people in poverty, they do nothing for addressing the lack of access to engaging and rewarding work that so many people face. Because of this, it also makes sense to enact a federal job guarantee – an option for a public job with living wages, working on projects that meet long-neglected community needs. Such a program would be counter-cyclical, like unemployment insurance, growing with economic recessions and decreasing with expansions. Another key part of a jobs program is also that it would change the balance of power while stabilizing the business cycle: we would be supporting a "buffer stock" of *employed* people addressing critical community and public needs while also available to move to better-paying jobs in the private sector as the economy recovers, rather than a buffer stock of *unemployed* people reducing wage demands.[18]

The idea of guaranteeing employment is not new. There was a range of federally sponsored job programs in the New Deal, and different versions of a government commitment to guaranteeing work have been introduced in multiple pieces of legislation, from the Full Employment Bill of 1945 initiated by President Roosevelt[19] to Senator Cory Booker's (Democrat, New

Jersey) Federal Jobs Guarantee Development Act of 2018.[20] Fully fleshed out proposals for a federal jobs guarantee have been developed by a number of different economists.[21] Though the proposals vary slightly, the direct costs of the program are estimated to be 2–3 percent of GDP, although the net costs would be less because fewer people would require access to social welfare programs, while our economy and tax revenues would be boosted through the multiplier effect of having more people at work.

Again, the beneficiaries of such a program would go beyond those directly employed. Overall worker bargaining power would rise since an employment floor in the labor market would force private employers to offer wages that are at least competitive with the guaranteed jobs.[22] And as Bard College professor of economics Pavlina Tcherneva points out, it could address a wide range of caring needs in most communities: caring for the environment (park maintenance and renewal, community and rooftop gardens, and weatherization of homes); care for the community (cleanup of vacant properties, construction of playgrounds, and restoration of historical sites); and caring for people (elder care, after-school programs, and health awareness programs for young mothers).[23]

A Right to Shelter

According to the 2020 State of the Nation's Housing report published by the Joint Center for Housing Studies at Harvard University, more than 30 percent of all American households – some 37.1 million households

– are considered to be housing cost-burdened, that is, spending more than 30 percent of their income on housing. Of this group, 17.7 million are considered severely cost-burdened, spending more than half of their income on housing. The challenge is particularly acute for people who rent rather than own their homes. Nearly half of all renters are cost-burdened, and a quarter spend more than 50 percent of their income on housing. There are substantial racial differences in these figures as well – 43 percent of Black households and 40 percent of Latino households are cost-burdened, compared to only 25 percent of whites.[24]

And that is if you are lucky enough to have a roof over your head. The latest point-in-time census found 568,000 people experiencing homelessness in 2019.[25] But such point-in-time estimates, which depend on mobilizing large numbers of volunteers to do the count, inevitably undercount the homeless population at any given point in time, and fail to account for the transitory nature of homelessness.[26] Studies using administrative data collected from homeless service providers estimate that the annual number of homeless individuals is 2.5 to 10.2 times more than that already scary half million at any point in time.[27]

Inadequate affordable housing hurts individual families but it also burdens our overall economy. Housing prices constrain the ability of rapidly growing firms to hire new employees – reducing economic output by as much as 8.9 percent according to some estimates.[28] Another effect is lost economic output due to foregone consumption of goods and services as people spend so much of their income on housing, with the earnings to landlords being classic economic

"land rents" that are rewards to passive ownership and so do little to spur innovation and productivity. The McKinsey Institute calculated that this costs California alone more than $140 billion in lost economic output each year.[29]

This is one of those areas where many recognize that the traditional neoliberal approach is lacking: the market is not correcting itself to add housing stock where it is needed or for those needing the most help. The US government has not helped matters, since its housing assistance has been primarily aimed at middle- and upper-income Americans through the various tax deductions associated with homeownership, including mortgage interest and property tax payments, and exemptions for capital gains, which totaled more than $130 billion in 2015.[30] By contrast, less than $60 billion was provided in federal assistance to renters, leaving three out of four low-income at-risk renters with no federal assistance whatsoever.[31]

A solidarity economics approach would start from a concern for all households, whether renters or homeowners. It would seek to provide security to renters, promote social housing (partly as a way of once again evening out bargaining power by providing an alternative to the private market), and end homelessness. And it would stress that this is another area where equity and prosperity go together. After all, housing is a major source of capital – in fact the value of housing capital stock in the US is larger than the value of all business equipment and structures.[32] Truly affordable housing not only helps the poor, it contributes to increased savings rates, helps stretch family income, and contributes to a vibrant and stable economy.

Expand Rental Units and Support

There are at least three major ways to provide housing assistance to people: encourage individual homeownership, support renters, and provide social housing. As noted, the US has placed an undue emphasis on individual homeownership – most particularly detached single-family homes – as the primary model for our housing programs. The emphasis on incentivizing single-family homeownership has contributed to spatial and racial inequalities, separating renters and homeowners, subsidizing urban sprawl, and fueling underinvestment in poor neighborhoods.

While encouraging homeownership has often been seen as an important economic stimulus, there is evidence that homeownership has become a drag on economic growth. After all, homeowners benefit from stability but that can also constrain job search, lower mobility, increase commute times, and reduce rates of business formation over time.[33] The problem has gotten to the point that *The Economist* in 2020 described a "creeping dysfunction that housing has created over decades: vibrant cities without space to grow; ageing homeowners sitting in half-empty homes who are keen to protect their view; and a generation of young people who cannot easily afford to rent or buy and think capitalism has let them down."[34]

The young may not be wrong – capitalism has let them down – but so too has a policy framework focused on individual assets versus collective benefits. We should move away from our prioritization of homeownership and look for ways to support renters. The largest federal program in the US involves issuing housing vouchers for lower-income families. The program currently (fiscal

year (FY) 20) costs about $24 billion a year, but roughly three-quarters of all eligible families are unable to get vouchers because of a government cap on total spending. That's a whole lot of people left out in the literal cold, and only exists when we fail to provide housing as a right for all members of our society.

It would be easy to generate the funds needed to support renters by reducing or eliminating (or income- or wealth-testing) the federal subsidy provided to homeowners through the mortgage interest and property tax deduction. This would repair a deep inequity in our overall housing policy: in 2015, the average housing benefit for households with income over $200,000 a year was $6,076, while the average benefit for low-income households earning $20,000 or less was only $1,529.[35] To do this would require an embrace of mutuality, a recognition that housing our neighbors is key to everyone's prosperity.

We also need to make that term "neighbors" real. Too often, the spatial privileges created by our current system lead incumbent homeowners to lobby against the construction of affordable housing, accessory dwelling units (ADU), and other vehicles that could help share the neighborhood-based wealth of their higher-opportunity areas. There are no shortages of policies that could facilitate new and cheaper housing – inclusionary zoning, faster permitting of ADUs, requirements for low-income units in new apartment buildings – but we also need to overcome the political and social resistance of those who fail to see themselves in those who have not yet arrived.

We know the benefits of promoting rental production, enacting eviction protections, and implementing rent

control – and these are particularly important in the context of the economic vulnerability renters face in the coronavirus-linked economic crisis.[36] But the key point is that increasing our production of rental units and providing more assistance to renters would have broad economic and social benefits. And we need the deep political work of solidarity – of widening the circle of belonging – to make such innovative policies possible.

Expand Social Housing

One place where policy intervention and political framing come together is in the area of "social housing" – houses and apartments owned by government or other organizations that do not make a profit. The key element here is taking land and housing out of the market. This can, of course, be done by the government itself directly building and owning social housing. Unfortunately, in the US, the federal government has not invested substantially in building social housing since the 1950s, and its support for nonprofit social housing through tax incentives is limited and only requires units remain low-income for a specified time period (fifteen to thirty years).

There are alternative models of social housing bubbling up from communities and localities around the country. Consider community land trusts in which a nonprofit acquires land and agrees to maintain ownership. Housing units on the land can be sold, with homeowners entering into a long-term renewable lease for the land, rather than owning the land. This keeps the land itself permanently out of the market and lowers the overall cost of housing. Homeowners also typically enter into an agreement limiting the resale price of the

unit, allowing them to build some assets over time, but also contributing to ensuring permanent affordability.[37]

Unfortunately, the scale of this promising idea is small relative to the need, though growing: as of 2020, there are at least 283 land trusts in the US, up from 190 in 2006, with some 10,000 units.[38] Some universities have similar housing assistance programs for faculty and staff – with the university retaining ownership of land and agreements limiting resale value of homes – often combined with reduced rate mortgages.[39] But these are not aimed at those with the least but rather those lucky enough to be associated with these institutions.

Limited equity housing cooperatives are much more widespread and have some similarities. In this case, people do not individually own the housing, but are essentially buying shares in a cooperatively owned building, while paying regular rent. In the US, limited equity cooperatives were started by labor unions in New York City in the 1920s, and expanded dramatically in mid-century with federal subsidies and a statewide affordable housing program in New York State.[40] As many as 425,000 limited-equity units may have existed across the US at the peak, though some have subsequently converted to market-rate co-ops and the number is probably closer to 160,000 today.[41]

These might sound like boutique efforts but they could be expanded with significant public support – and likely have a positive effect on prosperity, as the experience of other countries shows. For example, 82 percent of Singapore residents live in publicly subsidized housing insulated from market pressures, and the security of affordability of housing is seen as an important contributor to high levels of entrepreneurialism and rapid

economic growth.[42] In European countries, investment in social housing is also much higher than in the US, but has been declining in the past few decades, which a recent high-level task force held partially responsible for lagged economic growth, arguing that an increased investment would reduce long-term unemployment, increase productivity, and spur future-oriented growth.[43]

In the US, there are substantial amounts of public land – think of military base conversions or unused city- or state-owned land – that could be utilized for housing. Moving toward a model of publicly subsidized homeownership would require developing a financing system for low-rate mortgages – but half of America's mortgage market is already owned by two large government entities.[44] Mortgage brokers take advantage of this fact to make loans, secure profits, and then hand off the inherent risk to the public sector. These are state subsidies but without the beneficial collective impact that would happen with expanded social housing.

A Place to Stay

While one of the fundamental causes of homelessness is the lack of affordable housing, people also end up homeless due to living with mental illness, substance abuse disorders, and other serious health issues. Research has convincingly shown that what works best in these cases is permanent supportive housing, in which subsidized housing is combined with support services, either on-site or in the nearby community. And while that sounds expensive, studies comparing the costs of supportive housing with other solutions – the use of emergency shelters, psychiatric institutions, other hospital care, correctional institutions, Medicaid-funded

solutions – find that supportive housing can end up actually being cheaper.

According to a detailed National Academies review in 2018, for example, the majority of the permanent supportive housing programs they examined showed net savings, ranging from $2,500 to as much as $33,500 per person.[45] Even in cases where the costs of the housing program exceeded costs savings in social services and criminal justice spending, the net costs per person were modest (from $250 to $3,000 per person), with substantial improvements in health and well-being for program participants. And this was without adding up any of the longer-term benefits from people's ability to return to more productive work or improvements in broader public health and neighborhood conditions.

In short, ending homelessness requires that we combine the provision of permanent supportive housing with a more caring economy. To do that, we must go beyond a neoliberal ideology that thinks outcomes are attached to individual effort and therefore looks at those on our streets as though they are making a choice. We must also work our way past a social welfare approach that holds housing hostage to people's willingness to accept certain specified services. It is high time we instead followed a solidarity framework that acknowledges housing as a human right, seeks to house everyone, and thereby assures more stability for all of us.

A Right to Health

The global pandemic has made abundantly clear how problematic America's healthcare system is. The US

is home to 4 percent of the world's population, but through the first year of the pandemic we had close to a quarter of the world's confirmed cases and one out of five of the globe's COVID-19 deaths. The burden of cases and deaths fell disproportionately on Black, Latino, Pacific Islander, and Indigenous populations, reflecting pre-existing disparities in exposure, overcrowding, and co-morbidities.[46] The reasons for these poor and unequal results are complex and multifaceted, not least linked to the Trump Administration's dismissive, distracted, and destructive approach to the pandemic. But the problems in America's health system go much deeper.

The US spends more than two and a half times per capita on health than the average of all thirty-six OECD countries, and twice as much as a percentage of our GDP, but performs worse on many population health outcomes. Among the thirty-six OECD countries, we rank twenty-eighth in life expectancy, twenty-ninth in low suicide rate, thirty-second in low-birthweight babies, thirty-third in low infant mortality rates, thirty-fourth in percentage of population overweight/obese, and thirty-fifth on percentage of population with access to core health care services. And while we pay more for comparable health services – 28 percent higher than the OECD average – we chronically underspend on public health, one reason why we were so ill-prepared for the pandemic.[47]

This is hardly an advertisement for our current neoliberal mish-mash of private insurers and expensive treatments. And while a traditional liberal approach at least has the merit of affirming that no one should slip through the cracks – and so acknowledges that

we need some form of universal health insurance – solidarity economics would go beyond that to suggest that we need a commitment to promoting health rather than treating disease, to addressing the underlying social determinants such as poverty, environmental quality, and community cohesion, and to understanding inequality itself as a serious risk to all our health.[48]

This last insight is critical to the logic of *The Spirit Level*, a remarkable contribution by Richard Wilkinson and Kate Pickett that shows how inequality actually erodes overall social health and well-being.[49] Inequality also leads to distorted priorities; consider how we pay more attention to end-of-life care than to health conditions prior to birth, partly because the old are whiter and wealthier and able to bend health markets to their interests. We need to change the imbalance of power to shift the inequity in health outcomes – and that would be achieved with a solidarity approach that fully covers everyone, prioritizes public health, and promotes environmental health.

Insuring Everyone

Ensuring that all Americans have access to affordable health care over their entire life span is essential. Especially key is covering the young: health at birth is an important predictor of long-term outcomes, including income, education, and disability. Inequalities in maternal health are a substantial factor in the intergenerational transmission of inequality.[50] The US has tended to be one-sided in extending such a continuum of care to the elderly via Medicare while underspending on maternal and infant health.

While the overall uninsured rate has come down since the 2010 passage of the Affordable Care Act, in 2018, 8.5 percent of people, or 27.5 million people, still did not have health insurance at any point during the entire year.[51] As usual in the US, racial disparities are rampant: Latino children under the age of 19 are twice as likely to lack health insurance coverage as young non-Hispanic whites (8.7 percent to 4.2 percent), and for adults the rate is more than three times (17.8 percent to 5.4 percent).[52] That so many are left to scramble for care is a sign of our social fragmentation; expanding health insurance to cover all is both good policy and a demonstration of our solidarity.

This is one of the reasons why the calls for "Medicare for All" have become so appealing: such an approach takes a system that we know works, based on a set of values that we know resonates, and seeks to extend that sense of mutuality to young as well as old, working as well as non-working, and in fuller packages, non-citizen as well as citizen. We do not think you need to have a single-payer system to achieve all the outcomes of full health coverage and full health equity – but we do think that you need the language of solidarity and a social wage to not fall prey to the market-based rationing that allows the wealthy to be healthy while the rest struggle.

And while access to insurance is key for health maintenance, we should also realize that guaranteed coverage fits into solidarity in another way: it enhances the bargaining power of ordinary people. If you know you can't be cut off from your insurance, you are more likely to argue against unfair medical bills. If you know that you can always get federal insurance, you are more likely to insist on lower costs. And if you know that

challenging or walking away from an abusive employer is not about to put your family's health at risk, you are more likely to band with others to right economic wrongs.

Investing in Public Health

The US pandemic response has demonstrated nearly everything that is wrong with our public health system. The neoliberal embrace of individualism has led to some rejecting masks and some local authorities being reluctant to enforce mandates. The Trump Administration encouraged this, pulling away from the simple public health measures that could have provided protection. It instead stressed a sort of after-the-fact medicalized approach – vaccines and therapeutics – which failed to strengthen needed systems to combat future pandemics and instead lined the pockets of pharmaceutical giants with taxpayer dollars.

Our hospitals and clinics are left to pick up the mess individualistic behavior and structural inequality created. But social welfare is no substitute for solidarity: caring for those who catch the virus is compassionate but exercising the habits of mutuality – wear your mask and skip your restaurant meal to shield servers from the virus – would exercise the habits of mutuality we need to confront the next pandemic.

As economist Jessica Gordon Nembhard details, Black Americans have often used mutual aid to support community wealth-building and survival through the ongoing crisis of systemic racism.[53] Sometimes called the sharing economy, mutual aid has taken many forms, from the underground railroad and Free African Society during slavery, to the free breakfast programs

and People's Free Medical Centers run by the Black Panther Party, to the explosion of food assistance, mask-making, group lending, community COVID-19 testing, and other mutual aid support efforts that have been so important during the pandemic.[54]

A crowd-sourced directory of such mutual aid initiatives created by the Town Hall Project listed in January 2021 more than 820 networks in forty-eight states, up from only fifty such networks the previous May, particularly rooted in communities of color.[55] As Seattle University law professor Dean Spade points out, mutual aid not only produces new systems of care and generosity, it can also give people a way of plugging into broader social movements demanding transformative change based on their immediate needs.[56]

But while relying on each other both reflects and helps develop a solidarity impulse, it should not let the public sector off the hook. The pandemic has made clear how lacking we are in our public health system – and our lack of readiness has been a long time brewing. Key programs of the Centers for Disease Control and Prevention (CDC) to support core public health and emergency preparedness capabilities of states and local areas have seen their budgets drastically reduced – the Public Health Emergency Preparedness Program was down from $940 million in FY 2002 to $675 million in FY 2020, while the Hospital Preparedness Program's budget was down from $515 million in FY 2004 to $275.5 in FY 2020.[57]

The Trust for America's Health, a non-partisan research institute focused on disease prevention, has proposed a detailed program for adequately protecting and improving the health of Americans by increasing

investment in public health in a wide range of areas. Their program includes investing in local health departments' infrastructure needs, modernizing public health data systems for tracking and responding to diseases, and increasing funding for public health training, curriculum development, and incentives (such as student loan repayments) to recruit and retain a strong public health workforce.

The Trust recommends investing in community prevention of chronic disease, such as expanding strategies to improve nutrition and physical activity (for which current funding only supports limited programs in sixteen states). The group also stresses the need to address the substance abuse and suicide epidemics. Additionally, they advise creating a Healthy Aging program to help older Americans prolong their independence and reduce the use of expensive healthcare services, opening up resources to support those at the beginning of life.

The Trust also has a detailed, comprehensive plan for addressing community-wide social determinants of health and health equity. This includes detailed plans for how to improve connections between health and learning, promoting active living and connectedness (including expanding complete street programs), ensuring safe, healthy, affordable housing, and detailed programs for improving economic well-being, including expanding paid sick leave, paid family leave, and income support programs.[58] This is clearly putting the public back in public health.

And in what would have been a handy tip to have paid attention to before 2020, they recommend improving emergency preparedness, including investing

significantly in the CDC's vaccine infrastructure, outbreak prevention, and response systems.[59] While this advice is a bit late for the COVID-19 pandemic, there are worries that, with climate change and increasing globalization, the sort of pandemic we have been living through could become more common. Solidarity means planning ahead, and devising a robust system to deal with future disease is critical.

Prioritizing Our Environment

The need to consider environmental and climate risks to our health is obvious: the World Health Organization estimates that 24 percent of all deaths worldwide are due to modifiable environmental risks.[60] As we note in the next chapter, lack of access to clean air and water in particular has enormous economic costs – and access to a safe, clean, and healthy environment should be treated as a basic human right.[61]

Unfortunately, because the environmental movement was relatively weak at the time that the Universal Declaration of Human Rights was adopted in 1948, that declaration had no mention of environmental factors in human rights at all. Not until 2010 did the United National General Assembly finally explicitly recognize the human right to water and sanitation. The General Assembly has yet to adopt a resolution on the right to clean air, though it is frequently argued that access to a clean and healthy environment is necessary to achieve many of the existing globally recognized human rights.[62]

There have also been various efforts to formally recognize the human right to a clean environment at national and subnational levels, such as the 2012 law in

California (AB 685) establishing the right to clean, safe, and affordable drinking water in the state.[63] That is also the arena of work of the US Water Alliance, which was formed in 2008 to advance common-ground, achievable solutions to pressing water problems. The Alliance has developed a comprehensive framework for promoting healthy, sustainable, and equitable management of water, including building new green infrastructure, promoting sustainable agriculture, and encouraging water stewardship and reuse in all economic activities.[64]

Ensuring clean air will require a similarly comprehensive approach. Part of the solution will involve strengthening conventional emissions standards and controls on vehicles, power plants, and industrial sites. It will also require expanding efforts to reduce emissions in other activities that lead to the formation of particulate matter or other forms of air pollution, ranging from agricultural crop residues, to livestock manure management, to sources of poor indoor air, including mold, asbestos, and formaldehyde.[65] And it will require a range of development activities in other arenas that have a co-benefit of improving air quality, such as expanding the use of electric vehicles, investing in mass transit, and improving renewable energy sources.[66]

While we take up environmental and climate issues in the next chapter, it is worth stressing here the need to understand the role of inequality and "othering" – the full range of processes and structures that engender marginality across any range of group identities in society – in undermining our environment and our health.[67] For example, neighborhoods that lack parks, grocery stores, and easy transit are far more likely to be plagued by obesity, diabetes, and other health ailments.

And both this paucity of amenities and the burden of pollution are not equal-opportunity affairs: communities of color and low-income communities are far more likely to be overexposed to environmental negatives and be shortchanged of environmental benefits.

But as with the impact of inequality on prosperity, this actually hurts (nearly) everyone: in those US metro regions where there is more environmental disparity, there simply is more pollution overall.[68] The reasons why are complex but they seem to be rooted in the belief that when one group is overexposed, the exposure is seen as someone else's problem. But as we saw in Hurricane Katrina in 2005, when you fail to protect the most vulnerable neighborhoods, you wind up losing large parts of the whole city to flooding.[69] Solidarity is good for our economy, it is good for our environment, and it is good for our health.

Choosing Solidarity

Poverty is pervasive in America and economic insecurity is likely to be part of most people's experience at least somewhere along their life journey. At the same time, the racial contours of disadvantage are clear, creating a situation that perpetuates both systemic inequality and an illusion for many that poverty is mostly someone else's problem.

The neoliberal economic framework reinforces that illusion by stressing that we are all on our own. In this view, our individual income reflects our contribution to our economy and if it falls short of what we need to survive and thrive, perhaps it is we who are failing

rather than the system. In such circumstances, those with bigger hearts are willing to extend the social safety net to the less fortunate, while those who might call themselves hard-headed rather than cold-hearted think that you do not want an extension of help that might reduce the incentives to seek a job.

This war between stinginess and charity has produced a set of policies in the US that are nominally aimed at helping the poor but are inadequate, piecemeal, and paternalistic. They do little to address the root causes of poverty, fail to shore up a sense of economic security, and diminish the bargaining power that workers and communities need to force wages higher, make housing cheaper, and provide health care for all who need it. Building the political will requires new language and framing that insist that solidarity should be the guiding principle for social policy and practice.

Solidarity economics insists that wealth is collectively generated and should be collectively enjoyed. It understands that social support systems designed to help those down on their luck often fail to realize that our luck has been predetermined by structural racism and systems of exploitation – as with the Aboriginal peoples highlighted by Lilla Watson in the quote with which we began this chapter. Because of this, solidarity economics believes that we should design to empower those we support rather than to dictate to them what their values and behavior should be.

And it extends that empowerment perspective to stress that a solid base of assets, income, housing, and health care provides a backup position to those with less – and so strengthens bargaining power against concentrations of individual wealth. We could apply

this in a range of other issue areas, including education, workforce development, and community infrastructure, but the key point here is that we need a new approach that stresses solidarity, reinforces mutuality, and powers our movements to build an economy that can sustain both people and the planet.

5

Solidarity and the Planet

> The Peacemaker taught us about the Seven Generations. He said, when you sit in council for the welfare of the people, you must not think of yourself or of your family, not even of your generation. He said, make your decisions on behalf of the seven generations coming, so that they may enjoy what you have today.
>
> Oren Lyons, Faithkeeper, Seneca Nations

On August 15, 2020, we were working on the manuscript of this book at a retreat center on the California coast. The remnants of a warm tropical weather system rolled into California just as a record heat wave hit the state – indeed, the temperature rose to 130°F (54°C), in Death Valley, the highest temperature ever reliably recorded on earth.[1] The combination of turbulent tropical air and high heat produced a rare occurrence of dry lightning, resulting in more than 20,000 lightning strikes in the space of four days. The results were predictably catastrophic.

More than 700 fires started burning across the state (including one right near us). With abundant

underbrush and fallen trees built up over more than a century of fire suppression, increasingly dry forests with the warming climate, and the intense heat of that week, the fires exploded. Within days, two fires became the second and third largest of all time in California. In just two weeks, more than 1.5 million acres had burned – larger than the entire state of Delaware – and 170,000 people were under evacuation orders.[2] By the end of the fire season in November, close to 4.2 million acres had been burned, more than 10,000 structures had been damaged or destroyed, and at least thirty-one people had died.[3]

Growing up in California has made us attuned to the environment – and its contradictions. We have appreciated the state's natural beauty – from writing books in beautiful but fire-prone places, to watching sunsets on Pacific beaches, to backpacking into uncharted wilderness (well, that last part is more true of Benner than Pastor, but the latter likes to hear about the joy it brings to the former). The state launched the modern environmental movement and remains home to so many who have sought to keep our natural beauty, well, beautiful. And yet it is also a state whose automobile-dependent lifestyles and consumer culture are eroding the healthy ecosystem processes in the very places we treasure.[4]

It is also a place where environmental racism has thrived. One of us (Pastor) grew up in the industrial suburbs of Los Angeles, a place marked by toxic factories, oil refineries, and waste processing facilities.[5] The environmental justice movements that have emerged from these communities have helped deepen our understanding that the urban built environment

where we live, work, and play is as much a part of the environment as the mountains, forest, and coastal wildlands. And working closely with these groups to challenge disparities and promote health has been an important part of the professional and political identity of one of the authors and an inspiration for both.

Solidarity economics starts from a recognition that this is *our* planet not *the* planet – and so we need to commit to a deep ethos of care for the earth, for future generations, and for the people most affected by environmental destruction. It recognizes that our mutuality will lead to more well-being; as we stress below, inequality in environmental burdens leads to a willingness to tolerate more environmental degradation and a failure to see how we can simultaneously center justice, repair our environment, and maintain our economy. Finally, solidarity economics understands that the environmental change we need requires not just better science but, more importantly, bigger, broader, and bolder social movements.

Cutting Ourselves Off

Fire is not new to California, nor is the scale of the burning. In fact, prior to European colonization of California, it is estimated that more than 4 million acres of California land burned every year.[6] Some of this was due to lightning, but much was also due to the Indigenous peoples who managed grasslands and woodlands with fire for a thousand years or more before European settlement. They knew that burning

grasslands and woodlands can help reduce overgrowth, improve grass seed productivity, and increase grasslands for prey animals.

UC Santa Cruz, where one of us (Benner) currently works, has partnered with the Amah Mutsun Tribal Band, the representatives of the original inhabitants of the area, to better understand this history of ecological stewardship. In a detailed study on the California Central Coast, where lightning strikes are extremely rare (and so looking at the past history of fires speaks more to management than happenstance), this study has helped document ways that Native Californians used fire rotations and management to shape entire landscapes, converting resource-poor coastal shrublands and woodlands to more productive grassland/shrubland mosaics.[7]

But today is different. Deliberately setting aside Indigenous knowledge and ignoring the role of fire in protecting the ecology of California, from its founding in 1905 the US Forest Service adopted a policy that sought to protect commercial timberland by stipulating that all wildfires were to be suppressed as quickly as possible.[8] While the policy was eventually modified to allow for more burns, sprawling development with houses closer to or within forests meant that there were incentives to protect property rather than preserve the planet. The resulting dramatic buildup of fuel means that when a fire starts, it burns faster, hotter, and larger than if we practiced regular and intentional controlled burns. Cutting ourselves off from nature and from long-time ecologically sustainable practices has resulted in an environment that poses threats rather than possibilities.

Separating from Nature

So, what does it mean to connect to nature? Henry David Thoreau once declared that "In Wildness is the preservation of the world," and preservation of "natural" areas became the cornerstone of modern American environmentalism. But this concept of wilderness that Thoreau and others idealized is rooted in a dualistic framework in which humans are seen as entirely outside the natural world.[9] This very construction of wilderness required not just ignoring the centuries of Indigenous stewardship of so called "wilderness" areas, but the active erasure of Indigenous peoples and their histories from the landscape.

Canadian scholars Joe Curnow and Anjali Helferty provide a succinct summary of the research on the fundamental links between western environmentalism and colonialism:

> Some historians locate the beginnings of Western environmentalism within the colonial project, explicitly tying it to dispossession and imperialism. Richard Grove (1996) links early versions of environmentalism explicitly to colonial expansion, starting from techno-administrative projects within the colonial apparatus of the East India Company, along with its Dutch, German, and French analogues. Scholars have also tied environmentalism to the theological pastoralist reaction to the enlightenment (Worster 1994); revolutions in the organization of agricultural and extractive capital (Henderson 1998); vigorous and sometimes violent disputes over evolving and precarious land tenure relations (Mitman 1992); the invention of "recreation" and labor discipline in the nineteenth century; and the financialized booms, busts, and crises of westward rail expansion and settlement, abandonment, and resettlement of the hinterland of the Americas (Kohler 2013). These historians situate

> what we would understand as environmentalism within racialized colonial logics that use environmental discourses as a ruse for the expansion of capital, the dispossession of Indigenous peoples, and the exploitation of slaves and workers. This legacy is important to acknowledge, as it is often unwittingly woven through the ideologies of the environmental movement today.[10]

As we continued to build our cities on stolen land, while focusing our environmental work on preserving "nature," we evaded responsibility for the social and ecological impacts of the urban-industrial economy we have built.[11] Meanwhile, the separation between humans and the environment carried over into the separation between economics and environmental sciences as largely separate disciplines.[12] While this started to change with the advent of environmental economics as a distinct subfield in the mid-twentieth century, the initial blending was of a largely neoliberal flavor.

The basic approach that emerged suggested that the reason for environmental degradation was the failure to put a price on externalities, that is, to include the side effects of an activity (such as pollution from an oil refinery) into the price of the product. This has created a logic in which a "polluter-pays" principle in which firms are levied fines or forced to offer community benefits seems like a fair approach – after all, it is correcting for a market failure. But it also sets up a situation that means that you should locate your toxic facilities where the ransom you must pay to damage human life is less because incomes are low and power is slight.

Given that, it is little wonder that environmental justice activists have remained highly distrustful of

markets and the range of permit and trading systems for carbon dioxide and other pollutants that have delighted many economic theorists.[13] Compensating for damage rather than stopping the hurt is ethically suspect and it perpetuates existing inequalities. For that reason, many advocates are suggesting that we need a deeper and more soulful relationship to the environment, one that does not hold the earth to be external to our beings or easily incorporated into our markets but rather as something to be held with honor and preserved for future generations.

What Markets Get Wrong

Ecological economists in the 1990s helped advance the concept of the environment as a fixed stock of capital or "natural wealth" that can provide a flow of ecosystem services, such as food production, carbon absorption, and personal recreation.[14] Over time this led to increasingly sophisticated efforts to quantitatively measure ecosystem services, including measuring and assessing ecosystem change.[15] And this approach became a paradigm for designing environmental management programs that have contributed to a range of permit and trading systems for carbon dioxide and other pollutants.[16]

The idea behind the market logic is that if the prices are set correctly, market processes will reconcile competing interests, for example, rewarding polluted communities with income transfers that will compensate for their bad health. Market logic also suggests that we should pay little attention to the resulting inequities in overall well-being; after all, one fundamental market precept is that we should never take an action to improve the

well-being of one person if it runs the risk of diminishing the wealth, income, or environmental amenities of another.

But failing to consider distribution – such as letting the wealthy build homes where fire threats are constant and forcing the rest of us to foot the firefighting tax bill when the inevitable happens – is inappropriate *and* inefficient. More profoundly, what the market gets wrong is that which cannot be priced: our relationship to the earth and to each other, including future generations. It is the same process of separation and marketization that leads us to treat the earth as a sink that can lead us to treat each other as expendable as well.

Solidarity says that everyone matters – and an ethos of care based on that value would better preserve the earth and our commons.[17] Neoliberal economics has recognized externalities and attempted to put a price on the planet. This has some advantages, particularly because it shows that the long-term costs of our current path – like the long-term costs of inequality – may actually be damaging to prosperity. But it raises questions of whether our relationship with the planet – and with future generations – should be so purely transactional.

After all, working within this logic leads environmentalists to find themselves justifying slowing global warming because wealth can be preserved and jobs can be generated, as some do with the Green New Deal. Perhaps we should preserve the planet simply because we should preserve *our* planet. Perhaps we should care for others because we should care for others. And perhaps if we did that, we would actually build a better and more sustainable future.

Valuing the Future

While we should be wary of focusing on transactions rather than transformations – on market costs rather than moral leadership – it is useful to quantify the economic costs of environmental harms, particularly when trying to convince multiple actors to address environmental concerns.

The breadth and scale of these costs are enormous. Loss of habitat and biodiversity, massive species extinction, non-renewable resource depletion, widespread toxic pollution, air pollution, and associated respiratory diseases, are just a few examples of environmental problems that undermine economic well-being. There is even evidence that the coronavirus pandemic is linked to these environmental challenges, as the continued expansion of human settlements with inadequate attention to habitat for animals has led to an expansion of zoonotic diseases (those diseases like COVID-19 that are spread between animals and humans).[18]

Moreover, as the pandemic makes especially clear, the human costs of our failure to protect our planet, including increases in poor health, disease, and loss of life, are borne disproportionately by the poor, communities of color, and other socially vulnerable populations. So even as we rightly insist that the natural science is clear and climate change is real, we must also stress that the social science is convincing and the "climate gap" is equally real.[19]

Even if we put aside some of the distributional challenges (which we should not), estimating the costs of, for example, just climate change alone is a herculean task. It requires that we include everything from costs of increased weather-related disasters (floods, heat waves,

hurricanes), climate-induced displacement, loss of urban land and adaption to sea-level rise, shifting patterns of industries depending on climate, from agriculture to tourism and recreation, and more.

One attempt to provide a comprehensive calculation of all this is something called the social cost of carbon (SCC). SCC is expressed as a dollar value for the total damages from emitting one ton of carbon dioxide into the atmosphere, and is designed for use in cost-benefit analyses to assess potential regulations and other interventions. The methodology incorporates assessments of current and future emissions, their effects on the climate system, the impact of those climate changes on the physical and biological environment, and the translation of those impacts into economic damages.[20]

As of 2019, a conservative estimate by scientists at Resources for the Future suggests that the Global SCC would be $50 per ton.[21] Total global emissions of energy-related carbon dioxide are now over 36 billion metric tons, suggesting the total global social cost of carbon is over $1.8 trillion each year.[22] But many climate-change-engaged economists believe this estimate is too low, and, in a global survey, the average estimate from a 3°C increase in global temperature by 2090 involved a GDP loss of 10.2 percent (median estimate of 5.5 percent).[23] In today's economy that would be a loss of between $4.5 trillion and $9 trillion, and a much larger dollar amount if estimated for the 2090 global economy.

Even this is likely an undercount. The Intergovernmental Panel on Climate Change (IPCC) 2019 report estimates that the present value of the costs of damages are $54 trillion for a 1.5°C degree increase and $69 trillion for a 2°C increase.[24] The High

Level Commission on Carbon Prices, an international commission chaired by Joseph Stiglitz and Nicholas Stern, argues that these numbers, as big as they are, still do not take into account a wide range of economic costs of climate change, including widespread biodiversity losses, long-term impacts on labor productivity and economic growth, rising political instability and the spread of violent conflicts, ocean acidification, and large migration movements, much less the possibility of extreme and irreversible changes.[25]

Climate change is just one (albeit very important) example of the economic cost of environmental degradation. For example, in 2017, outdoor air pollution resulted in an estimated 3.4 million premature deaths, globally.[26] Estimates of the economic costs of outdoor air pollution are as much as 1 percent of total global GDP (approximately $900 billion in today's economy).[27] These costs come from higher expenditures on health care and lower agricultural productivity – and do not even take into account losses in labor productivity from poor health, or the economic costs of changed production practices associated with lower agricultural yields.

All these exercises in pricing the impacts can be crucial for moving some economic actors to action – and giving tools to government that can force change. But beneath it all must be more than just an increasingly sophisticated cost-benefit analysis, a sort of neoliberalism with better data and fuller capture of what was once left out of markets. We need to stress our connection and obligation to future generations. From the perspective of solidarity economics, it's not just about pricing the future but valuing the future.

Fits and Starts

Understanding the costs of environmental degradation is one thing. Figuring out solutions for a vibrant economy while regenerating the environment is another. Fortunately, there are many examples of innovative solutions and approaches, from local to national to global, from which we can learn.

In the Los Angeles region where one of us works, lives, and grew up, industrial development and the logistics supply chain have resulted in an environmental "riskscape." The result is high levels of asthma, cancer, premature death, and the like – in part because 40 percent of all inbound containers intended for the entire US come through the region's sea ports.[28] The communities bearing these health burdens tend to be more immigrant, more commonly people of color, and more often than not lower-income – a perfect example of the ways in which the high costs of externalities are shoved off on those whose political power is lowest. Yet those same communities have developed strategies and engaged in hard-fought campaigns to protect themselves, frequently with some success.[29]

For example, community organizers in a range of environmental justice organizations began working with researchers to investigate sources of pollution, health risks, and hazard proximity across six Los Angeles neighborhoods.[30] The resulting LA Collaborative for Environmental Health and Justice's vision for Green Zones emerged and the Clean Up Green Up campaign started in 2008.[31] The campaigners recognized that environmental and economic issues in their neighborhoods were intertwined – that the current toxic

riskscape was literally killing them and that there were economic opportunities in simultaneously cleaning up the neighborhood and promoting green businesses.

The three neighborhoods that eventually received Green Zone designations by the City of LA now receive more coordinated inspection, improved health standards for new or expanded industrial operations, and stronger engagement with local residents.[32] It has also become harder to site unhealthful operations, and program officials visited with more than 100 businesses in the first year and a half, working closely with community organizations and city council offices to make them aware of programs to green up their operations. In 2017, a partnership with the Los Angeles Department of Water & Power's Community Partnership Grant Program led to organizers going door-to-door to 329 local businesses, leading to free energy audits and pledges from nearly 100 businesses to reduce their energy use.

Going Green

Small-scale policies like Green Zones show the possibilities of finding economic models – and building sufficient political will – to bring together environmental regeneration and economic prosperity. There are similar initiatives in hundreds of communities across the US. One study found 104 cities and counties in California alone that included some attention to equity in their Climate Action Plans, with over 60 percent of those including jobs or job-training and production of affordable housing as part of their environmental strategies.[33]

Under the umbrella concept of a Green New Deal, there are efforts to scale up such initiatives nationally.

Recognizing both the strengths and weaknesses of the original New Deal, the approach combines climate change mitigation, economic development, and addressing racial and economic inequality.[34] While the roots are in progressive visions of eco-socialism and green statism that were prominent in the 1960s, a wider array of politicians and environmentalists began promoting similar ideas through the 2000s, when the term "Green New Deal" itself was first introduced and popularized.[35]

In 2018, US Congress member Alexandra Ocasio-Cortez and Senator Ed Markey introduced a Green New Deal resolution that was eventually co-signed by at least 111 legislators and endorsed by a majority of the Democratic Party's candidates in the 2020 presidential primaries (although not officially endorsed by the eventual winner of that contest, now President Joe Biden). It scaled up previous proposals, promising a wartime-like mobilization to decarbonize the US economy by 2030 with direct attention to systemic inequity. While it was only a resolution, lacking the programmatic detail of full legislation, it envisioned:

- millions of new, high-paying jobs in infrastructure and repair and similar resilient community defined projects, with a commitment to a "just transition" from oil;
- restoring damaged ecosystems, including cleaning hazardous sites and ensuring infrastructure for clean air, water, and healthy food;
- a central focus on justice and equity for "frontline and vulnerable communities," with new union jobs and a potential job guarantee program, focused

on land restoration and cleanup, and decarbonizing US buildings, manufacturing, farming, and transportation;
- specific attention to Indigenous rights, including honoring treaties and enforcing sovereignty and land rights; and
- a commitment to high-quality health care, affordable housing, and economic security along with clean water, air, healthy food, and access to nature.[36]

As noted, Democratic presidential nominee Joe Biden did not officially endorse the Green New Deal resolution during his campaign, but he did give it a nod in his platform, with his campaign website saying

> Biden believes the Green New Deal is a crucial framework for meeting the climate challenges we face. It powerfully captures two basic truths, which are at the core of his plan: (1) the United States urgently needs to embrace greater ambition on an epic scale to meet the scope of this challenge, and (2) our environment and our economy are completely and totally connected.[37]

The progressive wing of the Democratic Party along with grassroots organizers are working to push the new Biden Administration further in developing concrete programs and policies to further this approach.

Going Just

What is emphasized in the Green New Deal, but somewhat underemphasized in Biden's approach, is the attention to inequality. But in keeping with our theme that lifting up mutuality and centering equity are good for our social well-being, research is increasingly

showing that attention to inequality is essential for promoting environmental quality.

For example, in a 2015 publication, "The Haves, the Have-Nots, and the Health of Everyone," UCLA professor of public health Lara Cushing and her colleagues – including one of us, hence the "we" soon to follow in describing the findings – pored over existing literature to understand the relationship between environmental quality and social inequality.[38] We found that where there was more inequality, the environment was worse – especially in communities with less civic power, but for everyone overall as well. The evidence was strongest in the US, and especially for the relationship between equity and air and water pollution as well as emissions of toxic chemicals, phenomena that particularly impact public health.

We argued that there were three possible reasons for this relationship between environmental inequality and environmental quality. The first is the "power-weighted social decision rule" in which those who have the power to affect civic rulemaking make it so they enjoy the benefits of excess pollution (higher output), but not the burdens (which impact lower-income communities of color). Those with the ability (through resources or political power) may either move away from the toxic site or influence it to be sited elsewhere – and not be concerned with it because they think they are not directly impacted. But the lack of concern (and power) seems to drive up overall pollution.

Second, the relationship may be caused by a dynamic wherein "inequality leads people to consume more because of a desire to emulate the wealthy."[39] That is, non-wealthy people may try to reach toward a

high-status lifestyle leading to consuming more things and living away in secluded places (which increases land consumption, emissions from long commutes, etc.). Additionally, we noted that unequal societies may make it harder to adopt green innovations because the gap between elite use and non-wealthy use is greater.

Third, much as in our analysis of the impacts of inequality on prosperity, we noted the challenges that inequality poses to collective action. We suggested that "social inequality erodes trust by increasing competition and insecurity about the future, leading individuals to fear each other as rivals and making cooperation appear more risky."[40] In one illuminating – and troubling – study we reviewed, researchers used experimental games to simulate real-life decision-making. They set the games up so that players started with varying levels of wealth and climate risk (sounds like the real world!) and were then asked to contribute to a public fund to prevent climate change (we wish that were the real world).

What did the researchers find in the series of interactions that resulted? "The effect of inequality in resources per se had no discernable effect upon our results *except when relatively lesser resources were coupled with increased risks*" (emphasis added).[41] Put another way, when wealthy people thought they themselves would bear some of the climate risk, they were often willing to make necessary environmental investments. But when they thought that poorer players in the game would suffer most of the damage, they were stingier in their investments and more willing to allow risk to go unabated, with the result nearly always being an overall failure to prevent a climate catastrophe.

Of course, in the racialized context of the US, it is not just divergence by wealth but by ethnicity. When wealthier, whiter communities are not acting in solidarity with lower-income communities and/or communities of color, some will surely get the short end of the environmental stick but in the process, nearly everyone suffers. Environmental harm cannot be contained, and while some may think that they are channeling the worst effects to certain other neighborhoods, the degradation spills over onto everyone. The political and social challenge of this modern tragedy of the commons is how to get past this false thinking and othering so deeply embedded in our consciousness.

One way, we think, is to complicate the term "Just Transition." Often used by the environmental movement, it can be interpreted as a sort of market-based compensation scheme: knowing that there will be economic losers from a shift away from fossil fuels (such as coal-mining communities), it is incumbent to design systems that capture part of the economic gains and so cushion the blows. But perhaps it is better to think of a "Transition to Justice": that if we make environmental equity central to our policy design and social practice, we will create a firmer basis for the solidarity we need to protect the planet.

Another Path

So, does all this attention to the planet mean that we need to eschew prosperity? After all, our current economic system relies on growth, and many environmentalists have argued, at least since the influential

Limits to Growth report in the early 1970s, that it is impossible to maintain unlimited growth on a finite earth.[42] As a result, many argue that we need to get beyond a growth paradigm, and this perspective has helped fuel a growing Degrowth Movement.[43]

While we are sympathetic to the critiques of current dominant approaches to economic growth that neglect environmental limits, we believe that increasing economic productivity – when done sustainably and justly – can be a good thing. Improvements in material well-being over the past two centuries have been important in moving billions of people out of absolute poverty, lengthening life expectancy for most populations including the poor, opening up many new opportunities for human fulfillment beyond simple food and shelter, and so on. Few poor people would voluntarily say they do not want improvements in their material well-being – and growth, in common parlance, is associated with that.

Of course, as discussed in chapter 2, it is important to measure well-being differently; focusing on output misses too much, reinforcing inequality *and* the ecological crisis by failing to value either caring labor or the ecosystem. More robust definitions of prosperity like those offered by the Genuine Progress Indicator (GPI) or the Human Development Index (HDI) move us in the right direction. But there remains a question of whether improvements in material well-being – even if they promote equity – can put too much strain on a planet desperately in need of its own form of caring labor.

Understanding the Doughnut

One way to understand these tensions is through Kate Raworth's notion of doughnut economics. As she notes,

this is not about the worship of baked goods – as sweet, sugary, and likely unnourishing as they may be – but rather about a metaphor to understand the balance between meeting basic social needs and stopping production before it gobbles up the planet.[44]

For Raworth, inside the hole of the doughnut is the sphere of unmet basic requirements of a decent life – health, education, food, energy, political voice, gender equity, and so forth. Beyond the edge of the doughnut is where we have pushed the economic activity past planetary boundaries, risking biodiversity, climate change, depletion of fresh water supplies, and the destruction of other environmental systems.

The "sweet spot" is in the doughnut itself, where basic needs are all met but within planetary ecological limits, and this is a sort of redefinition of "prosperity." In her words, "the twenty-first-century task is an unprecedented one: to bring all of humanity into that safe and just space."[45] She believes this to be a critical innovation in thinking for some of the reasons we stressed in chapter 2: because economic growth is the traditional narrative default offered by neoliberalism, one needs to set a different goal – such as ecologically and socially balanced prosperity – in order to have different policies and politics.

There are many parallels between Raworth's thinking and what we stress here, including her view that human nature tends toward reciprocity and cooperation, that reinforcing such mutuality can generate gains in well-being, and that a good narrative "frame" (like the doughnut) can go a long way to opening up hearts and minds. But while we are no less wary than Raworth of planetary boundaries, we think that the stumbling

block is not the worship of growth per se but rather the very narrow way we measure prosperity and the current system's embrace of wasteful and exploitative extraction.

Economic progress can be decoupled from resource use, at least to a certain extent. For example, the European Union (EU) measures the ratio of GDP to domestic material consumption. When assessing a policy, this metric helps to identify the extent to which natural resources are put into primary production, material processing, manufacturing, and waste disposal. And while we do need to dramatically accelerate this decoupling and improve measurements to incorporate global resources, not just domestic, it is perhaps no wonder that domestic resource productivity improved 40 percent from 2000 to 2019 across the EU core twenty-eight countries – when we measure what matters, a point Raworth does stress, we make progress.[46]

A Circular Economy

Relative decoupling – when resource use declines even as economic output rises – is a worthy goal, but can we go further and completely decouple growth from resource use? A recent review of 835 peer-reviewed articles on decoupling finds frequent examples of relative decoupling, not only for use of material resources but also for greenhouse gas (GHG) emissions, but only rare examples of absolute decoupling up till now (in the case of some industrialized countries and CO_2 emissions).[47] But there are substantial efforts underway to more completely decouple economic growth from resource use, and one of the most interesting conceptual frames is that of a circular economy.

A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. The concept has deep-rooted origins in a range of fields, including regenerative design,[48] industrial ecology and sustainable engineering,[49] biomimicry,[50] and natural capitalism,[51] and has gained traction since the 1970s.[52] It requires a systems approach that attempts to understand the full flow of materials in any production system, and moves from the traditional linear approach of extraction, production, and disposal to circular approaches that minimize system leakages and negative externalities.

The EU has begun trying to measure progress toward a circular economy by calculating a "circular material use rate," a ratio of the circular use of materials (defined as waste recycled) to the economy-wide material flow – and this rose from 8.3 percent in 2004 to 11.7 percent in 2017.[53] Moving toward a fully circular economy would have major benefits: in just five key sectors (cement, aluminum, steel, plastics, and food), implementing a circular economy could eliminate 9.3 billion tons of CO_2 by 2050, the equivalent of cutting current emissions from all transport to zero.[54] Specific strategies differ depending on the context. In the plastic packaging sector – which has helped contribute to the 150 million tons of plastics in the ocean today – strategies include increasing the quality of recycling programs, promoting greater business adoption of reusable packing, and scaling up the adoption of compostable packaging.[55] In the consumer electronics sector, one strategy is to design products so that they stay in use longer. By designing devices that make greater use of cloud computing,

rather than individual processors, the pace of hardware obsolescence can be reduced.[56]

Entire cities are now beginning to move in the direction of a circular economy. The City of Amsterdam, for example, has adopted doughnut economics as an easy-to-grasp framework that brings environmental sustainability and social justice under the same umbrella. The city has identified seventeen specific directions for pursuing a circular economy in three initial priority sectors – construction, biomass and food, and consumer goods. Their approach involves a mix of traditional policy instruments (e.g. regulation, legislation, direct financial support), more innovative "levers" such as digitalization through the use of smart sensors to track and monitor resource flows through the city in order to identify possibilities for closing material cycles, and the promotion of experimentation by creating labs, incubators, and circular economy festivals to highlight and accelerate new ideas and innovations.[57]

Perhaps as important is the broad participatory approach they are taking, bringing together businesses, nonprofit organizations and interest groups, educational institutions, utility and public service providers, regional, national, and international governments along with residents, to promote systems thinking, develop ideas, implement strategies, and measure progress. This approach squares with our discussion of "epistemic communities" in chapter 2, and is aimed at changing the way multiple stakeholders think about the city's relationship with material flows and the deep interconnections between social and environmental issues.[58]

Circular economies hold promise not just for our environment but for our economy. According to an

Ellen MacArthur Foundation report, in Denmark, implementing ten achievable measures toward a circular economy by 2035 in just manufacturing and hospitals (25 percent of the Danish economy) would lead to faster, not slower, GDP growth and the creation of an additional 7,000–13,000 jobs.[59] A study looking at the EU as a whole estimated that a circular economy would result in a 7 percent increase in GDP, an 11 percent increase in household disposable income, and a 25 percent reduction in CO_2 emissions, amounting to a benefit of over $2 trillion per year by 2030.[60]

A Regenerative Economy

While the circular economy approach focuses on resource use, a synergistic and perhaps more holistic approach toward "regenerative economics" has also been gaining attention. The basic idea is that much like a metabolic system (remember chapter 2?), a healthy economy must channel resources in self-renewing and sustaining internal processes that pay attention to diversity and resiliency, and create feedback mechanisms that recognize mutual dependencies and facilitate collective learning.[61] Remarkably, initiatives for promoting regenerative economies are coming from multiple sectors, including grassroots activists, communities of color, and even some corporate executives.

For example, the New Economy Coalition – a network of more than 200 nonprofits, mission-driven businesses, grassroots community organizations, and sectoral associations across the US and Canada – seeks to "support a just transition from an extractive to a regenerative economy by building the scale and power of the solidarity economy movement in Black,

Indigenous, and working class communities in every region of the United States."[62] They call specifically for "an ecologically regenerative economy that invests in a just transition away from fossil fuel-dependence for jobs and power and towards climate resilience and restoration."[63] This framing emerged through a two-year-long process of research and collaboration across multiple networks, policy experts, community organizers, and stakeholders, and is a key part of their "Pathways to a People's Economy."

At the same time, the excesses of the extractive economy are becoming clear even to those more likely to align with a capitalist perspective. In one illustrative example, former JPMorgan Managing Director John Fullerton left a twenty-year career on Wall Street, disillusioned by the fierce pressure of competitive capital markets and increasing consolidation in the industry. Fullerton founded the Capital Institute, which has launched a Regenerative Communities Network (RCN) designed to link together a global learning and action network of place-based regenerative economy initiatives.[64]

The RCN names a number of principles "to open spaces for deep transformation at multiple levels: individual leaders, organizations, ecosystems of organizations, networks, bioregions, and ultimately linked, multi-scale action networks."[65] One is "right relationship," in which there is no real separation between "us" and "it" – exactly the sort of reconnection between humans and nature that we talked about at the beginning of this chapter. Another is balance – between efficiency and resilience, collaboration and competition, diversity and coherence, small, medium, and large organizations,

and needs.[66] Another is the need for empowered participation, which emphasizes mutuality, recognizing the ability for all participants to negotiate for their own needs and to add their unique contributions to the well-being of the larger whole.

The circular and regenerative approaches share a commitment to transforming our current economic system in fundamental ways. But there are key differences in how various groups approach race and power. For example, the New Economy Coalition puts anti-racism and racial equity up front and has strong leadership by people of color, whereas the Capital Institute's leadership is predominantly white and finding a reference to race in the Capital Institute's publications is definitely a time-consuming research task.[67]

Perhaps more fundamentally, one perspective seeks to persuade through evidence and new social norms for business and civic actors; another understands that since some benefit from the current degradation, challenge and struggle will be part of the picture. We need elements of both approaches: bring along those we can, shift the power away from those who would resist change, and build the power of those who see their shared interests in widening the circle of belonging. For solidarity economics and a solidarity environment, we need solidarity politics, the subject of our next chapter.

All Together Now

The logic of this entire book may actually be neatly restated in terms of the ecological themes of this chapter. Chapter 2 was essentially about *recognizing* the commons

– about seeing the way that mutuality is present already in our economy and how fortifying it could lead to gains in well-being. Chapter 3 was about *reclaiming* the commons – understanding that the innovation necessary to advance our economy and address our needs is essentially based on our shared pool of knowledge. Chapter 4 was about *rewarding* the commons – moving from a notion of social welfare for those whom the market left behind to a social wage based on the idea that we are all contributors and should all be sustained.

This chapter has been about *restoring* the commons – recognizing that solidarity with the planet can create an ethos of care and place a value on the future that goes beyond the neoliberal vision of pricing our way into sustainability. Such a perspective also helps center equity, an issue put to one side in many neoliberal approaches; the emerging evidence that a focus on environmental justice pays off in the form of a healthier environment as well as healthier people suggests that to truly protect the planet, we must prioritize protecting each other and chart both a just transition and a transition to justice.

The challenge is that valuing the planet requires diminishing the power of those who would commodify it – and that requires a powerful political movement that takes into account class, race, and power. In our own state of California, for example, moving away from extraction toward renewables will require not just new technology but the rearrangement of contemporary politics. A case in point is Kern County, a region of California that has far outpaced other counties in the state in health-wrecking local oil production. When characterizing its economic arrangement, some have

argued that it is basically DOA – owned by Developers, Oil, and Agriculture – and that means that any good idea to transition away from that sort of economy is also DOA: Dead on Arrival.[68] Protecting health and promoting sustainability means that local organizers for economic and environmental justice must take on big businesses in multiple industries, not an easy task.

It is not just a struggle with capital. In California and elsewhere, some unions have allied with oil interests in order to capture jobs – putting worker income before community health – and so driven a wedge into the broader, emerging community–labor alliance that could move us toward greater environmental sustainability. Efforts to bring community and labor together – to explicitly resist the wedge and instead build a wave for change – exist in the Golden State and nationwide; in some places blue–green alliances have formed around efforts like energy retrofits and campaigns at the ports to clean up dirty diesel trucks and bring sole-proprietor drivers under the responsibility of logistics firms.[69]

Because of these complexities, securing our planet is not a question of the brilliance of one's rhetoric or the beauty of one's policy design. Moving from an extractive economy to a solidarity economy that holds the earth as a partner in our life and not a sink for our pollution will require new thinking and new collaborations. We need to address not just the systems that generate our (fossil-fuel reliant) power but the power that generates our (inequitable and unsustainable) systems. In short, if we want to restore the commons, we need to *retake* the commons.[70] And to do this, we need to consider another form of solidarity: that which exists in social movements for justice.

6

Solidarity and Social Change

> And when there is a promise of a storm, if you want change in your life, walk in to it. If you get on the other side, you will be different. And if you want change in your life and you're avoiding the trouble, you can forget it.
>
> Bernice Johnson Reagon introducing Sweet Honey in the Rock singing "Wade in the Water," Live at Carnegie Hall, New York, November 7, 1987

Our collaboration as researchers and authors (and friends!) began more than a quarter of a century ago. Benner was a graduate student at UC Berkeley, and working part-time at Working Partnerships USA, a new research and advocacy organization affiliated with the labor movement in Silicon Valley. Pastor was a professor at UC Santa Cruz, and director of the Center for Justice, Tolerance and Community (which we jokingly referred to as the Center for All Things Good). The labor movement in Silicon Valley was leading a campaign for a Living Wage policy in the City of San Jose and approached Pastor to see if he

could help Benner in analyzing the social and economic impact of the proposed policy.

The Living Wage movement in the 1990s was a nascent effort in cities across the country to make up for the federal government's failure to maintain the value of the minimum wage. By the time of our study in 1998, sixteen cities, including Baltimore, Chicago, and Oakland, had adopted Living Wage ordinances. But as Benner looked more into how Living Wages were structured, he became concerned by the limited impact of the policy. The Living Wage laws that had passed at the time only applied to businesses contracting with local government, and the proposed ordinance in San Jose also exempted nonprofit organizations, further limiting its impact – our study estimated that only 0.4 percent of workers in the city might directly benefit.[1]

Why pursue a policy with such limited impact, especially given the substantial political battle it would require to get it passed through the City Council?

"We're not just passing a policy, we're building power," explained Amy Dean, the dynamic and innovative head of the Central Labor Council who was leading the effort. Dean knew that the "living wage" principle – that work should land people out of, not into, poverty – could be applied to more ambitious efforts planned in the future, such as a city-wide minimum wage, and that success in San Jose would contribute to the growing nationwide network of labor and community organizations working to raise wages for low-wage workers in cities and states across the country. She also knew that for organizing efforts to be successful in the long term, people need real victories to build hope, instill confidence, and strengthen relationships between allies.

In what we have offered so far, we have stressed the importance of lifting up mutuality in our economy and emphasized how a system that stresses solidarity can actually exhibit better performance. But let's be honest: those who benefit from our current economy will often see equity as a burden rather than an opportunity. And so however elegant or persuasive a new theory of solidarity economics may be, we will not achieve justice without linking the vision that another type of economy is possible to the growing strength of social movements and power-builders who can make it so.

Our mutual friend Angela Glover Blackwell, founder of PolicyLink and the Radical Imagination podcast, reminds us that persuasion can be important but has its limits: during the Civil Rights movement, many unexpected allies came around to see the power of the beloved community, but one who did not was Bull Connor, the famous Birmingham lawman who sent attack dogs and fire hoses to counter young Black protestors. His was truly a lost cause – and what was needed in his case was to limit the power that he could have over others' lives. So argue for the commons, to be sure; widen the circle of allies, of course; but be aware that retaking the commons will require struggle.

In this final chapter, we look at how power operates in our economy in both obvious and more subtle ways. We argue that solidarity does not just naturally exist, but is strengthened through processes of working together in common efforts. We lift up lessons from a few of the movements in the US that have inspired us, where values, vision, and victories have come together in innovative ways to demonstrate the power of solidarity.

We conclude with a discussion of what will be needed to scale such efforts, in terms of both expanding the circle of human concern and strengthening movements for economic mutuality.

Taking Power Seriously

Throughout this book, we have argued that our economy is created by all of us; that people do, in fact, act out of mutuality and that we can design systems that reinforce those norms; and that most of us will benefit from such a reworking of an unfair system. We have argued that we need a narrative and frame that embraces these concepts and that progressives would benefit from an appeal to everyone's better angels. We have even noted an important role for business and the private sector in a more equitable and inclusive economy. So what is preventing us from getting there? The answer, of course, is that there are actors who profit from current arrangements. A minority of actors, perhaps, but a very powerful and wealthy minority.

Indeed, it is worth emphasizing some of the most striking indicators of how a few people and companies are benefitting from our current economy. As of January 2020, the world's 2,153 billionaires had more combined wealth than 60 percent of the world's population, a full 4.6 billion people.[2] Between 2017 and 2018, Jeff Bezos, founder and largest shareholder in Amazon, increased his net worth so substantially it was the equivalent of making about $8.9 million per hour. *Business Insider* explained it this way: if you worked at Amazon making $15 per hour you would have to work almost 600,000

hours – or about 300 years – just to earn what Bezos earns in one hour.[3]

And it's not just Bezos; since 1980, the top 1 percent richest individuals in the world captured more than twice as much income growth as the bottom 50 percent of the world's population combined.[4] Meanwhile, 69 out of the world's top 100 economic entities (measured by total revenue) in 2015 were corporations, rather than governments, and the world's top 10 corporations had a combined revenue of more than the 180 poorest countries combined (a list that included Ireland, Israel, Greece, and South Africa).[5]

Wealth and market power translate into political power. In his book *Republic, Lost: How Money Corrupts Congress – and a Plan to Stop It*, Harvard professor Lawrence Lessig documents how Congress members increasingly rely on fundraising, lobbyists essentially write laws, and legislation is actually being shaped with fundraising goals in mind.[6] Meanwhile, political scientists Martin Gilens and Benjamin Page looked at nearly 1,800 policy issues over a twenty-year period and found that, once you control for the positions of the thirty-five most powerful interest groups and the opinions of the top 10 percent of income earners in the country, the preferences of the average voter made essentially no difference in whether a policy was passed.[7]

In contrast to what the framers of the US constitution might have promised, this is pretty much all checks and no balances. It is becoming increasingly clear that we cannot guarantee political democracy if we do not have economic democracy. And it is equally clear, as Heather McGhee argues in *The Sum of Us*, that our nation's racial fault lines continue to prevent Americans

from seeing how they could benefit from banding together in a movement for both economic and political empowerment.[8] To combat zero-sum politics, we need a language of mutuality; to win the political battle, we need transformative solidarity.

Power and Ideology

While power is present in our politics, it is also rampant in our economy at the workplace, in leadership, and in ideology. For example, Bowles and Carlin, key to our discussion in chapter 2, show that once a worker's pay is set and the worker is in place, the level of actual work they do will either be driven by social norms and self-motivation or be coerced by fear and scarcity, depending on how power is exercised in the workplace.[9] In the latter case, work becomes not an expression of self but a loss of spirit.

And as in society as a whole, power in the workplace is also highly stratified by racism and other systems of oppression and exclusion. Black people, for example, often articulate that racialized social norms dictate the terms of their employment and shape their workplace experience. Social cues, microaggressions, and stereotype threats – particularly those in which peers and supervisors display fear or perceived lack of safety – are pervasive features of employment of Black, Indigenous, and other people of color.[10] Extensive research on intersectionality and interlocking systems of oppression makes clear that social norms affect in complex ways people who hold multiple oppressed identities across race, gender, disability, and sexuality, to name a few.[11]

These racialized and gendered micro-relationships both reinforce and are reinforced by the character of

leadership in major institutions across our society. The *New York Times* analyzed 922 of America's most powerful people – those who are passing laws, running newspapers, heading prestigious universities, and more. It found that only 20 percent identified as a person of color, with variations in their positions of power: 24 percent of the people heading the 25 highest-valued companies, 18 percent of the 100 senators, and 6 percent of the 50 state governors.

Perhaps even more remarkable, however, was the lack of diversity in the top institutions shaping our access to information and cultural representation. People of color accounted for 20 percent of the people who directed the top 15 major news organizations, 12 percent of the 25 people who ran top TV networks and Hollywood studios, only 4 percent of the people who headed the 25 top-ranked universities, and none of the people who edited the 10 most-read magazines or who had the most influence over book publishing.[12]

This narrowness of elite and concentrated leadership helps explain why neoliberal ideology – which is so at odds with the world but in tune with the preferences of the well-off – has persisted in both the academy and the broader society. This is key because ideology is not just about promulgating new theories but perhaps more importantly about firming up mental defaults. The fundamental economic frames and ideas circulating in these dominant institutions, including our TV and social media feeds, reinforce a limited understanding of what is economically possible. They continue to equate price with value, to celebrate competitive individualism, and to perpetuate a belief that there is no alternative to the economy as we know it. As a result, as Fredric

Jameson said, it has become easier to imagine the end of the world than the end of capitalism.[13]

Understanding Power

Imagining a different future requires ideas but it also requires a sense of power, a belief that you could join with others to make a new and fairer society. Power can be viewed negatively: some marginalized communities are wary of embracing power since their most common experience of it is as a negative "power *over* others." But as Steven Lukes argues, power can also be understood as the capacity to act, either alone or with others, and thus it can be "productive, transformative, authoritative and compatible with dignity."[14] Feminist thinkers have also conceptualized power as power *with* others to achieve justice and the power *within* to shape "self-knowledge" and esteem. These perspectives give us more tools to understand power not as a means of control and domination but rather as an expression of collective determination.

John Gaventa usefully writes about the *levels*, *spaces*, and *forms* of power:[15]

- *Levels of power:* This refers to a vertical dimension, from local to national to global, specifying not a hierarchy of importance but rather an appropriate level of action. Gaventa highlights the importance of connecting these levels, and the concerns among many progressive organizations about the lack of "vertical links between those organizations doing advocacy at an international level . . . with those working to build social movements or alternative strategies for change at more local levels."[16]

- *Spaces of power:* This refers to all those opportunities, moments, and channels where people can act to affect policies, discourses, decisions, and relationships that influence their lives. Gaventa emphasizes the importance of understanding *how* those spaces are created – from spaces designed by elites to exclude less powerful actors (e.g. corporate boardrooms), to spaces to which less powerful actors might be invited, though with different levels of participation (e.g. congressional hearings or city council meetings), to spaces either claimed by less powerful actors from power holders, or created more autonomously by those actors for social change.
- *Forms of power:* Gaventa makes a distinction between what he calls visible, hidden, and invisible power. Visible power is where there are clearly observable decisions being made, with different interests vying for influence in those decisions. Hidden power operates by shaping who gets to a decision-making table and what decisions are on the agenda. Finally, invisible power operates by shaping how people think about themselves and their place in the world. This last form of power highlights the importance of consciousness and processes of socialization in shaping what is considered normal and what possibilities exist (or do not exist) for changing the world.

We see social movements as being a particularly important vehicle for marginalized communities to develop and exercise power in all these dimensions. Social movements are most frequently thought of as resisting or fighting dominant actors, as when the US

Civil Rights Movement challenged segregation and disenfranchisement or when one of its contemporary manifestations, the Movement for Black Lives, calls attention to racist policing, particularly the state-sponsored killings of Black men and women.

But as Richard Healey and Sandra Hinson of the Grassroots Policy Project eloquently discuss, direct organizing to influence decision-making arenas is only the most obvious face of social movement power.[17] A second face involves the broader ecosystem of movements, that is, the network of organizations and social relationships that are aligned around shared goals and that can shape political agendas. And a third face of power involves the ways in which deep organizing helps make meaning for people in terms of ideology and worldview, that is, how people construct notions of themselves and tell stories about their world.

Indeed, as environmental justice leader and University of Michigan professor Dorceta Taylor has suggested, movements are not just constituted by social agents; they help to constitute the agents, by identifying injustice, stirring a sense of agency, and facilitating a "we" identity.[18] Sociology professor Rick Fantasia argues in his book *Cultures of Solidarity* that the sense of connection that is at the basis of collective action does not just exist *a priori* among people with similar economic disadvantages or marginalized positions in society. Rather it emerges through communication and sharing of experiences. When this sense of commonality is strengthened through efforts to change things, it changes people's sense of themselves as well as their sense of what is possible when they work with others.[19]

Making Us Who We Are

Understanding how movements make people and not just how people make movements is important to creating a sense of "radical imagination" about what our economy can become and who it can serve. The identities and frames that emerge in society and become widely accepted are tremendously powerful but can also be difficult to see. They become taken-for-granted ideas that melt into the background but nonetheless remain present. Notions like your sense of worth being tied to work, personal responsibility as our highest virtue, or hard work being the way to overcome any obstacle become the mental shortcuts by which we understand and undertake more complex decision-making.[20]

These taken-for-granted ideological frames also operate at a societal level. For example, promoting social support systems in the American context runs up against our sacred cows of hard work and personal responsibility – and it has been gendered and racialized: Black women exercising their rights to assistance have been portrayed as undeserving welfare queens.[21] But, as alternative rhythm and blues artist and political activist Andre Henry sings, "it doesn't have to be this way": in a Scandinavian context, welfare is a right intended to be generous and universal to further human freedom, something closer to the social wage concept we have offered above.[22]

For solidarity to become the behavioral norm, we need to change the mental defaults that neoliberalism has carved in our brains. We need to grow into our best selves, exercising our impulses for solidarity in the context of finding connection and purpose with others. In this sense, movements are not just instrumental to

change – that is, they are not just vehicles to mobilize people to put pressure on policy makers. Rather, they help to rewire our interpretive patterns and help to create collective identities.

As we noted in chapter 2, neoliberal policies – let the market fix our problems by allowing us to pay our way out of mutual obligations – help to make us into the selfish creatures that neoliberalism assumes us to be. This implies that movements need to instead cultivate an identity of solidarity and mutuality and help make us into who we want to be. If markets have made us selfish, movements can make us caring. If neoliberalism has made us more individualistic, movements can make us more kind-hearted. Movements are not just instrumental to changing policy; they are fundamental to changing who we are.

Movements for a New Economy

The good news is that there are many movement efforts seeking to reframe the conversation around our economy, cultivate a new sense of mutuality, and rebalance power to effect change. While they are not always discussed in the same breath, they do tend to have several common characteristics – which also points to what might be needed to achieve solidarity and make change on a national and international scale:

- they have a base in broad constituencies rather than just circles of experts;
- they tend to focus on transformative change rather than simply tinkering with existing rules;

- they understand that norms need to shift and so have a way to incorporate and inculcate values as well as reward good economic actors;
- they work on developing powerful narratives and identity;
- they are unafraid of scale in both organizing and systems impact;
- they offer a framework for action that gives a sense of practicality, not simply suggesting that another way is possible but making that visible and tangible; and
- they often have a steely-eyed vision of who is opposed, distinguishing between those who can be persuaded and those who must be constrained.[23]

Fighting for $15

One movement that has many of these elements emerged out of the Living Wage efforts we described at the beginning of the chapter. As Amy Dean and many other movement leaders hoped, the concept of a Living Wage began to capture the imagination of people across the country in the late 1990s. By the early 2000s, it was considered by many to be the most interesting grass-roots mobilization to emerge since the Civil Rights Movement, and within a decade, more than 100 living wage ordinances had been passed in local jurisdictions across the country.[24] Buttressed by this success, activists then began to push for cities to raise the wages not just of those working for businesses with city contracts but of those employed by any business operating within city boundaries.

In 2004, San Francisco became the first major city (excluding the District of Columbia) to implement such a municipal minimum wage.[25] Over the next decade and

a half, more than fifty other cities and counties followed suit.[26] The success of this local organizing contributed to movements at a state level, and between January of 2014 and 2020, twenty-seven states and the District of Columbia changed their minimum wage laws, resulting in a total of twenty-nine states and the District of Columbia now having a higher minimum wage than the federal minimum wage.[27]

Behind the policy change was a mix of community organizing and electoral strategies. Coalitions of labor, community organizations, and faith communities were important for many initiatives, such as in Baltimore, Los Angeles, San Jose, Milwaukee, Chicago, and Boston.[28] ACORN, a national network of neighborhood-based community organizing groups, stood out as critical to the success of many campaigns, and its national network provided a natural path for the sharing of experiences and strategies.[29] Living Wage ordinances were typically passed by city councils, so elected officials were also involved as were ordinary voters in many of the campaigns to raise state minimum wages.

This movement to lift the bottom of the labor market took its fullest form and most widespread impact in the "Fight for $15," an effort to raise the lowest wage in multiple so-called "low-skill" sectors to $15 dollars an hour. Initiated by the Service Employees International Union (SEIU) in 2012 and inspired in part by the success of the Living Wage and Minimum Wage efforts, operating at multiple scales and scaling up to effect change was always a key component of the strategy. Since the first walkout of the campaign started with 200 fast food workers over several worksites in New York, it has grown to be active in over 300 cities on six

continents and has included home health aides, child care teachers, airport workers, retail employees, and more.[30]

One of the most important aspects of the campaign was addressing the very nature and meaning of such low-wage work – that is, doing the ideological work of remapping our mental defaults. Just as teacher pay slipped as the profession became more female, so the growing concentration of people of color (particularly women of color) in food retail and service work has led to what University of Michigan economics professor Bruce Pietrykowski calls a "degradation" of that labor.[31] Value and price were construed to mean the same thing: that because this racialized and gendered work was becoming increasingly low-wage, it must also be "low-skill" and so undeserving of full reward. To avoid this race to the economic bottom, the campaign focused on the "worth and dignity of laborers who perform low wage work."[32] This "identity" work – the self-constitution of workers as individuals deserving of respect – was crucial, particularly since it also took seriously the dynamics of racism and sexism that have devalued the work.

Serving Justice

Another movement effort that has helped demonstrate the power of mutuality and solidarity in our economy grew out of the efforts of the Restaurant Opportunities Centers (ROC) United. ROC emerged after the 9/11 attacks on New York, initially as a way of providing disaster relief to workers, some of whom lost their lives and others of whom lost their jobs when a restaurant atop the World Trade Center was lost in the catastrophe.

ROC eventually set up a worker-owned restaurant called COLORS, building on the notion of cooperative alternatives to the capitalist economy.[33]

ROC quickly realized that it needed to influence conditions across the entire restaurant industry, not just help a few workers in one restaurant or one co-op. The industry is one of the largest and perhaps most influential in the country: it employs one in twelve private sector workers, and nearly 50 percent of all adults in the country have worked in the industry at least once during their lifetime. Yet five out of the ten lowest-paying occupations in the country are in restaurants.[34] The National Restaurant Association, a powerful lobbying group for restaurant owners and operators, wants to keep it that way: it has been instrumental in preventing the increase of the minimum wage at a federal level, and resisting any change in a separate "tipped minimum wage" set substantially below the normal minimum wage.

To address these conditions, ROC expanded nationally and developed a chapter structure, growing to now ten chapters in major cities across the country. They also developed a multi-prong strategy to transform the industry. One strategy is focused on helping individual restaurant workers improve their employment opportunities through improved training. Known as the COLORS Hospitality Opportunities for Workers (CHOW) Institute, its curriculum helps prepare people for the better-paying jobs that do exist in the industry, like waitstaff in fine dining restaurants, bartenders, and managers.

A second broad strategy involves helping to support high-profile and "high-road" restaurants under the

banner of RAISE (Restaurants Advancing Industry Standards in Employment). These restaurants have worked with ROC to develop a new model of doing business, including not just hiking wages and benefits but also addressing how prime frontline positions have too often excluded women and people of color. ROC has also embraced another strategy of engaging social norms in the industry: a consumer-oriented strategy via a National Diners Guide to drive business to those firms that treat workers well, have a record of promoting racial equity among their employees, and are committed to anti-sexual-harassment policies and training.

ROC has also engaged in organizing campaigns and policy advocacy. Some of this has actually been in concert with owners of good will; one effort combined research and publicity on the extent of racial disparities in the industry with a detailed racial equity toolkit to provide restaurant managers with practical resources for assessing, planning, and implementing steps toward racial equity.[35] An important part of this work is recognizing the complex ways biases of customers, workers, and employers alike can help reinforce racial inequalities, and the importance of working on changing these social norms, as well as outlawing discrimination and challenging discriminatory employers.

Another prominent initiative is ROC's One Fair Wage campaign, designed to eliminate the subminimum wage for tipped workers. The idea of a subminimum may sound odd – how can you pay below the minimum? – but US federal minimum wage policy allows restaurant servers to earn as little as $2.13 an hour, with the remainder of their income to be garnered through tips. While some states have passed legislation to eliminate

the subminimum, forty-two states and the District of Columbia have not.[36] The rule has racist roots and racist impacts: the US habit of tipping grew out of an effort to shortchange formerly enslaved Black workers, and it applies currently to a workforce that is disproportionately people (especially women) of color in the positions paying the least amount of complementary (and complimentary) tips.[37]

Enhancing worker power, offering cooperative alternatives, pushing for economic transformation, engaging consumer values, shifting business norms, organizing frontline workers, and working for governmental policy change – these are all the elements of solidarity economics as a political strategy. ROC has applied all these elements while also working for a narrative shift that wraps issues of economic justice in a frame that "heighten[s] forms of discrimination faced by workers for falling into specific identities both in and outside the workplace."[38] And they have worked for scale, launching chapters in multiple cities in the US and aiming to transform an industry of 10 million people.

Caring Work

Addressing power, social norms, and the role of the state have been key to the work of the National Domestic Workers Alliance (NDWA), as well. Led by the brilliant Ai-Jen Poo – who authored an influential book called *The Age of Dignity* that stressed the mutual benefits of providing high-quality care for the elderly and high-quality working conditions for their caregivers – the Alliance was founded in 2007 as a network of thirteen organizations.[39] It has now grown to have

over seventy-five local affiliates and chapters across the country, with more than 250,000 domestic workers connected to the movement, in all fifty states.

Domestic workers are among some of the least protected workers in our economy. Along with agricultural workers, they were excluded from the National Labor Relations Act in 1935, in a deliberate step to refuse protections to the majority of Black workers below the Mason-Dixon Line and maintain "the political economy of the racist South."[40] While the demographic makeup of domestic workers has shifted to include more immigrants and a broader range of ethnicities, for many, the conditions of disenfranchisement and disrespect remain. From health and safety concerns to wage theft, domestic workers face some of the most difficult working conditions in the country – and being in a highly dispersed industry often hidden behind the façade of the "private sphere" makes them particularly vulnerable.

One strategy the NDWA has pursued to address these problems is to encourage states across the country to adopt their own Domestic Workers' Bills of Rights. These Bills of Rights establish basic standards for wages and hours and the right to bargain collectively across the industry. By 2020, nine states and two cities had passed Bills of Rights, both providing concrete protections to these workers and helping raise their visibility to legislators, consumers, and the broader public. In 2019, a national Domestic Workers' Bill of Rights was introduced in Congress by then Senator (and now Vice President) Kamala Harris and Congress Member Pramila Jayapal. A key feature of this bill was the inclusion of anti-discrimination language and a

co-enforcement strategy in partnership with community organizations.[41]

Like the One Fair Wage effort, NDWA has also built interconnections between workers and consumers, in this case on the basis of shared values regarding the mutuality of care. Their Caring Across Generations campaign is full of policy ideas, including how best to expand care infrastructure, provide universal access to affordable family care, and create quality, safe, well-paid jobs for care givers.[42] But it is also focused on building alliances – indeed, solidarity – between an elderly population, that is disproportionately white, and those who care for them, who are predominantly women of color. It is shifting some of the most deeply held American narratives – from individual to collective, from self-sufficiency to collective care, from an America defined by its whiteness to an America realizing its multiracial future.

Leadership development is both a key value and a strategy for NDWA and Caring Across Generations. From the beginning, the NDWA centered the stories of domestic workers, asserting that those closest to the problem can craft the best solutions. As the organization grew, the Alliance also recognized the need to train grassroots leadership that could inspire other domestic workers, engage strategically in policy campaigns, and represent domestic workers in a range of multi-issue, multi-constituency coalitions. They developed a leadership training program based on an approach that fundamentally linked individual transformation with broader societal transformation.

For domestic workers, this included a deep process of overcoming the sometimes unconscious tendencies toward acquiescence and appeasement, developed in the

survival of difficult social and work conditions, toward developing the capacities and skills needed to assess, build, and leverage power. The training has resulted in measurable transformations – around commitment, interconnectedness, caring, resilience, and more – and emphasized the central point that social movements are about both transforming ourselves and transforming the world.[43] This is a clear instance where people making movements are themselves being refashioned and remade by the movements as well.

Scaling Up

All these efforts fit neatly into the solidarity economics frame, and together they may constitute the strands of a bigger set of possibilities. In the short term, it is heartening that the new Biden Administration has supported a $15-an-hour federal minimum wage (although it refused to fight for it to be part of the American Rescue Plan of 2021) and included a $400-billion investment in parts of the "caring economy" as part of its proposed infrastructure plan, a remarkable sea change in the way mainstream politicians speak about what is necessary to make our economy work.[44] But while the power of organizing and narrative has created the opportunity for these welcome incremental changes, the key question is: what will allow for a more radical reimagination that will propel us into something broader, bigger, and bolder?

Visions for the Future

Fortunately, there are nascent movements and seeds of movement activity that seek to connect a new economic

vision with a dramatically expanded sense of mutuality. Consider the New Poor People's Campaign, led by Reverend William Barber II, who also headed up a highly visible campaign called "Moral Mondays" that sought to challenge right-wing austerity measures in North Carolina. Based on the similarly named 1968 campaign led by Martin Luther King Jr., this campaign calls for a "Moral Budget" that would reallocate dollars from the military and policing, place higher taxes on the wealthy, and make investments in low-income communities of color. It has an authentic base and an action plan, and there are elements of scale, transformation, and narrative. But the framework is less clear on how mutuality would generate new sources of prosperity, something that may limit the impact as economic prescription and not just redistributive demands.

Another promising effort is the Right to the City Alliance. The narrative here is spot on: this is a set of groups largely based in communities of color that are employing the "right to the city frame" pioneered by French intellectual Henri Lefebvre to challenge gentrification and displacement in very grounded ways.[45] Originally founded in 2007 at a gathering one of the authors attended, it has now scaled to include affiliated members in at least thirty-eight metropolitan regions and twenty-six states.[46] It is grassroots to the core and transformative in fundamental ways: the group's leaders continually raise the need to move away from land speculation and toward social housing. The emphasis on housing and place has given the group a powerful laser-focus but it also means that its broader economic vision about job creation and economic prosperity is sometimes less apparent.

The New Economy Coalition (NEC) is an impressive national alliance of nonprofits, progressive business groups, community-based groups, and some intermediaries.[47] It explicitly calls for a "solidarity economy ecosystem" that would be grounded in community control – and it grew out of an early commitment to the cooperative enterprise approach. It emphasizes the need to change our measurements of success – as we argued in chapter 2 – and stresses the role of mobilization in rewriting the rules of the larger economic game. The group has a broad collection of over 200 organizational members, each with its own base, but the NEC is not itself a base-building organization. Its scale is wide but not yet deep.

There are numerous organizations focused on more inclusive economic policies that likely need a better connection to an organized base. The Washington Center for Equitable Growth has a plethora of ideas, most recently captured in former president and CEO Heather Boushey's very useful book, *Unbound: How Inequality Constricts Our Economy and What We Can Do about It*; the Center, however, seems to place its faith in convincing policy makers rather than animating movements.[48] The Roosevelt Institute has brought together scholars and thinkers working on new economic approaches – and has, refreshingly, placed significant emphasis on addressing racial disparities.[49] It is also more oriented than many think tanks to engaging significant movement actors in its development of theory and policy.

Perhaps the most interesting development – still nascent but quite promising – is the so-called Green New Deal (GND). The GND is admittedly a bit of a

Rorschach test: it has become everything to everybody (and also an object of scorn for conservatives) because it includes not just tackling climate change but also encouraging innovation, guaranteeing full employment, promoting public ownership, securing affordable housing, and many other policies along the lines we have discussed above. Up until recently, what has been less clear is the underlying economic argument behind the GND – but a new publication of essays edited by members of the youth-based Sunrise Movement is helping to both clarify their argument and make the case.[50]

The authors of this pioneering volume stress the mutual responsibility we have to each other. They argue that addressing the climate challenge requires economic mobilization and so the public sector is critical to getting to scale. Best of all, their plan is directly connected – as we argue above – to a plan to build political power and change the calculus of policy making. They also recognize that we are in the sort of transition moment between one economic regime and another – discussed by them as a moment of "realigning" – much as we highlighted in chapter 1. Moreover, because it is movement-connected, the authors understand that organizing creates identity and new norms of behavior.

Of course, reworking our economy and addressing the climate require an international component: We will not move to an economics of mutuality if countries with more advanced economies continue to exploit those still struggling to remove the shackles of colonialism and work their way up. The creation of the World Social Forum (WSF) in 2001 brought great hope, particularly with its slogan that "another world is possible" and its

explicit commitment to rejecting neoliberalism. And the WSF did gain in popularity over time and also helped to decenter the conversation about economic alternatives from being overly based on the issues and dilemmas of developed countries.

But as various authors have noted, the failure to arrive at a single shared vision – itself born of a commitment to a diversity of views, a focus on non-governmental organizations and social movements rather than political parties, and a sort of resulting reluctance to combine an outside strategy with an inside strategy – has led to the WSF's erosion over time as a voice for what that other world might look like.[51] In its wake is a bit of cacophony on the left, though with continuing evolution of positive possibilities signaled by increasing coordination around an economic vision embodied in the Intercontinental Network for the Promotion of Social Solidarity Economy (RIPESS).

We are hopeful that a bigger vision and a bigger movement can be constructed – or we would not have written this volume. At the same time, we are cautious. Offering critiques of an earlier draft of this book, two movement allies said that they were hopeful about the economic narrative, excited about the new language we offered, but quite sober about the political realities. They suggested that current social movements are not at sufficient scale, not sufficiently interconnected, and not clearly building the political narratives, policy alternatives, and organizing vehicles that can powerfully meet this moment. They wanted our optimism about the sprouting seeds of progressive action to be tempered by that reality – and for us to be clearer about the role of the state. They were right.

Retaking the State

Above, we have stressed the roles of mutuality, norms, and better behavior – and how so many can gain from restructuring the rules to coax out our impulses for working together. But any realistic program for action also needs to ensure that bad actors cannot, well, act badly. So, while we need to understand the state as an expression of our collective will to do better, the government must also seek to curb exploitation of people and the planet. Remaking the commons requires retaking the commons – and that requires retaking the state.

While pushing for policy change and new government action from the outside is essential, effective government action also requires people on the inside with shared values who can help develop, implement, and enforce solidarity programs and work to resist the ongoing forces of elite power daily operating in the halls of government. Building and sustaining a solidarity politics presence inside government is challenging because of anti-democratic elements in our political system, like gerrymandered districts and the unequal representation for voters in small states embedded in the Senate and Electoral College. Further complicating the scenario are increasing efforts to suppress the votes of communities of color that might be more sympathetic to an agenda that both tackled racism and promised prosperity.[52]

But the limits to power-building go beyond political rules and exclusionary schemes. Getting elected, especially at a national level, requires relationships with elites as well as money and influence. Government spending requires taxes, and the amount of taxes

depends on economic activity that is so frequently in the hands of business interests. Private property rights are inscribed in law and protected by the state, shrinking the commons on a daily basis. For these and other reasons, it is not simply that powerful elites have an outsized influence on government, but that the very structures of government create biases toward elites.[53]

Here, it is useful to distinguish between governance and the government. Governance refers to the broader processes governing society, not just the formal mechanisms of government. It includes norms, power relationships, and networks of relationships that shape decision-making power, including all of the lobbyists, think tanks, political parties, labor unions, media, and social movements that directly and indirectly affect government actions.

During the height of the Keynesian state in the post-war decades, broader redistributive policies were promoted by the labor movement that anchored the Democratic Party, but the policy package also incorporated corporate interests, primarily through a capital–labor accord that promised labor peace in exchange for a broader sharing of the benefits of economic growth. Of course, sharing wasn't for everyone: communities of color were largely excluded, and just as Civil Rights activists and community organizers began to break down the restrictions that held them back, that capital–labor accord and the economic underpinnings that sustained it began to unravel.

In the context of crisis, business sought to establish its dominance over labor even as white Americans sought to grab on to whatever security might be available in a shifting economy. The ascending significance of

race and its intersection with economic transformation is critical to understanding why the neoliberal turn since the 1970s managed to marry business interests, white evangelicals, and allied organizations in the New Right, as powerfully shown in political science professor Daniel Schlozman's book *When Movements Anchor Parties*.[54] While neoliberalism might disappear power and race in its economic analysis – individuals in economic modeling are faceless and so raceless, and competition is assumed to drive discrimination out of the market – the success of the neoliberal approach has been drenched in an appeal to maintain both corporate rule and white privilege.

The challenge today is that the governing forces of neoliberalism at a national level remain staunchly unified behind a conservative agenda with a tight relationship with the Republican Party. Meanwhile, the forces that could challenge neoliberalism are often fragmented rather than intersectional, and so remain challenged in cohering around a unified agenda. Moreover, the national Democratic Party has a remarkably inconsistent relationship with these broader forces for change. Summarizing the observations of Harvard sociologist and political scientist Theda Skocpol as he reviewed the details of the 2020 election, American Prospect co-founder Robert Kuttner noted that: "Democrats believe in collectivism, but their approach to politics is laissez-faire [while] Republicans believe in laissez-faire, but their approach to politics is Leninist."[55]

Despite the challenges, we see an increasing sophistication in social movement efforts in linking organizing with electoral and governing work, engaging both the outside and inside strategy. Much of this growing

sophistication has been honed through decades of work at local and state level, such as in California, as one of us (Pastor) has documented in *State of Resistance*. And there are now many examples of vibrant networks that combine local organizing with national governing influence – People's Action,[56] Community Change,[57] Alliance for Youth Action,[58] Jobs with Justice,[59] Partnership for Working Families,[60] and a number of faith-based networks,[61] to name a few.

However, for many of these efforts, the economic policy prescriptions and threading ideological positions are often less crisp and clear than they might be. The Center for Popular Democracy (CPD) is one possible exception, combining a base-building approach with economic justice efforts like its FED-UP campaign to persuade the Federal Reserve to prioritize full employment rather than price stability. But even CPD, as with these other efforts, tends to have more of a list of important issues than a fully articulated and coherent economic alternative. Solidarity economics may be one part of addressing that gap.

Expanding the Circles

Of course, for solidarity economics we need solidarity politics – and one element many of the efforts above agree on is that in order to achieve economic and political democracy in a multiracial society, we need to center the struggle against exclusion and expand our understanding of mutuality. After all, people are clearly social animals, but we also tend to feel more affinity for those who are most like us. It is easy to act out of caring and mutuality with one's family – parents are prone to adopt their children's needs as their own, and not just

because they are hoping the kids turn out to be high earners who can support them later in life.

But how far beyond the embrace of family can we extend the circle of human concern?[62] Including your neighborhood is reasonable for many people, but your county, state, or nation, much less the world, will require more than individually chosen norms and morality. It will require more conscious attention to creating institutions that build a greater sense of connection across difference, and in the American context, that means paying particular attention to addressing the institutions and attitudes that result in systematic racialized outcomes.[63]

Crossing racial boundaries and challenging white privilege are particularly important given the brutal history and continuing legacies of genocide, slavery, and racism that shape US society and discourage transformative change. In his fascinating book *Dying of Whiteness*, professor of sociology and psychiatry Jonathan Metzl notes that white privilege is literally killing those who are supposedly benefitting from it: dying from poor health care, gun-related morbidity, suicide, and other diseases of economic despair while enthusiastically supporting the anti-government, anti-tax, anti-Affordable Care Act, and pro-gun politics of white racial resentment that exacerbate their economic problems. Metzl argues that "couching politics in racial mistrust also makes it harder for white America to see how we – and I include myself as a white American here – would benefit self and country far more by emphasizing economic, legislative, and everyday cooperation rather than by chasing the false promise of supremacy."[64]

And this resonates today not just in our persistent racist structures of education, economic opportunity,

and policies but also in the way that immigrants without proper documentation are left outside the systems of care we put in place for others, making the US-born feel just a bit better about a health system that fails us all. Trumpian appeals to whiteness and xenophobia may seek to divide us but when the boundaries of belonging are drawn so tightly, even poor whites and citizens with supposed rights find themselves left out. When negative outcomes are concentrated in certain populations, there is a false sense that they are partitioned. They are not.[65]

And this is one reason why we insist that overcoming the economic and class divides in our society requires paying more attention to race rather than less.[66] Moreover, creating a sense of mutual fate across race is critical for those bearing the brunt of the burden and, perhaps surprising to some, also for those who are told that they benefit from it. At its heart, bridging the chasms that exist in our societies involves breaking down "us versus them" frameworks and building a bigger "we."

The bridging work required to create this sense of a bigger "we" is not about ignoring difference or "same-ing," as the work of the Othering & Belonging Institute at UC Berkeley has helped us understand more deeply. Smoothing over difference as though it does not matter simply bypasses the needed work of repairing the harm of unequal treatment, prejudice, and discrimination.[67] Instead, we need to strive for the construction of a larger "we" that recognizes both differences and similarities, building compassion and care through a recognition of common humanity.

Our hope is that the solidarity economics frame might help provide part of the connective tissue *and*

help address the aforementioned lack of a unifying economic alternative. Of course, we realize (thanks to critiques from movement colleagues) that we are offering here less a full-fledged philosophy and more the initial steps of a new vision and narrative. Indeed, our main goal has been to take the disparate threads of progressive alternatives and package them in a simple set of messages: this is our economy and we have the right to remake it; when we do that with mutuality in mind, we will almost always get better results; and because some people benefit from the current state of affairs, powerful intersectional movements will be necessary to realize our dreams and remake our lives.

In short, while books are often full statements of a realized theory, we confess to offering here more an invitation to a dialogue. We see this volume as starting rather than ending a conversation that must be had: why we should embrace others, why we should design for mutuality, and why we must fight together for economic justice and well-being.

What's Ahead?

In one of the many writing sessions to develop this book, we stayed at a retreat called Mesa Refuge.[68] The place is delightfully outfitted with books – a dying breed in an era of Kindle – and one caught our attention. Entitled *This Changes Everything*, it was a series of articles about Occupy Wall Street – which, in retrospect, did not change all that much.[69]

For those defenders of the Occupy movement, let us reassure you: we very much acknowledge that Occupy

dramatically shifted the dialogue by highlighting the common interests of the 99 percent, emphasizing the outsized role of financial capital, and demonstrating the importance of visibly occupying city spaces. Indeed, one wonders whether Piketty's *Capital* would have been received with such fanfare had not the ideological ground been softened by the taking of Zucotti Park in downtown New York. But there remains an important mystery to be unraveled: why did such a powerful narrative pitting the 1 percent against the rest fail to result in broad change?

Social movement scholar and participant Zeynep Tufekci acknowledges the impressive mobilization, but attributes the slip to several factors, including the failure of Occupy activists to build ongoing organizations, offer policy specifics, and engage in electoral politics.[70] If Occupy started from a big idea with the potential to move to concrete implementation, this book reflects a different path. As noted in chapter 1, we have long worked with economic and racial justice proponents who have had highly specific goals and strategies – and we have often offered the data and analysis to help make their case. We are based in California, a place where a progressive institutional infrastructure has used the tools of organizing to turn out new and occasional voters, particularly voters of color, and so change the political calculus behind policy choices.[71]

But we and our allies have realized that policy alone will not make the change – we need to also change the mental defaults that lead so many to believe that we act out of self-interest, that corporations should set the terms of market exchange, and that no other arrangement is possible. This book is an attempt at an

alternative unified approach – solidarity economics – rooted in the lived experience and struggles of people working every day to envision a global society where people and the planet matter. It reflects the recognition of something that organizers, activists, and communities know in their bones: that we are creatures of connection, that those connections make us stronger, and that it will take us coming together to build the power to make change.

We believe that we are in a moment of potential transformative change, when it is indeed possible to envision and enact a different economic and social order. We can imagine living in a world in which everyone's potential is valued and supported regardless of race, gender, identity, or ability, in a world without borders where there is no such thing as undocumented brothers and sisters, in a world with clean air, clean water, and a healthy environment for all. We also know that the work is never done: as we move up to higher levels of justice on that journey, we'll be able to get a glimpse in *that* "beloved community" of what additional steps we need to take to more fully include people, to help our movements and society move to the next and higher level of our imagined future.

So there remains much to be done, but there is also much to build on. Perhaps the solidarity economics approach offered here can be one piece of achieving a more just and prosperous society. We have stressed here a more true-to-life view of human nature, a vision of how equity can positively impact prosperity, and a commitment to measure well-being beyond GDP. We have offered a celebration of the public nature of innovation, a view of social supports rooted in our

connectivity, and a sense of how to cultivate caring for the planet and future generations.

And we have suggested that none of these good things will come to pass unless we have the vibrant social movements that can help us not just remake our politics but restore our sense of mutuality. And so, we end this project where we started: in awe of the activists and movement thinkers who asked us to undertake this effort, who have informed and supported our thinking throughout, and who are likely to be fundamental to the visions, values, and victories ahead.

Notes

Chapter 1

1 Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (Oxford: Oxford University Press, 2008).

2 Rutger Bregman, *Humankind: A Hopeful History* (New York, NY: Little, Brown, 2020).

3 While much of his analysis addressed the problems of monopolies created by government decree for trading companies or statutes of apprenticeship, he also failed to anticipate that markets themselves could result in monopolies, and indeed might even be an inevitable result of the system he sought to celebrate, a point we take up more forcefully in chapter 3. Adam Smith, *The Theory of Moral Sentiments* (Salt Lake City, UT: Gutenberg, 2011; reprint of 1790 London edition).

4 Frederick Douglass, "The Significance of Emancipation in the West Indies," (August 3, 1857), https://rbscp.lib.rochester.edu/4398.

5 Much of this historical framework draws from the literature on "social structures of accumulation" (SSAs). In keeping with the tone of this book, we eschew

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