

Book Reviews

Break 'Em Up by Zephyr Teachout

For over twelve years I backed up our three family computers to a cloud service called Mozy.com. Friendly interface, about \$60 a year per computer. Then in February last year, Mozy vanished, replaced by something called Carbonite, at over double the price. Too busy to deal with it, I let it pass. But this May, Carbonite began sending urgent messages, “80% of capacity used. Add storage to avoid interruption.” What? That would have cost a few hundred more dollars. On checking, I found I had been moved into their “Safe Pro” service for small business up to 20 computers, instead of their “Safe Home” at half the price with unlimited storage. After a month of tough emails and phone calls, Carbonite relented and downgraded me to “Safe Home.”

Two takeaways: First, I realized that Carbonite probably switched me to “Pro” because they knew I could easily afford it. How? Because e-commerce knows everything about me. Well-heeled professionals live in fear of such sneaky rip-offs. Is Amazon showing me higher prices than it would to a shopper in Allentown? Is Uber adding a markup to my fare? How could I know? Second, I found that Carbonite is engaged in a “roll-up”, in which a private-equity financed niche company seeks to buy up or force out all the competition in order to create a monopoly. Roll-ups in the pharmaceutical business have sent prices of vital generic drugs so high that diabetics are dying for lack of insulin.

My little dustup with Carbonite hardly compares to the way powerful US monopolies and oligopolies screw less fortunate people. That's the theme of Zephyr Teachout's chilling and infuriating new book, **Break 'Em Up: Recovering Our Freedom from Big Ag, Big Tech, and Big Money**.

She begins with “chickenization.” Three processors, Tyson, Pilgrim's Pride, and Perdue, have divvied up the American chicken market between them. Chicken farmers have no choice but to sell to the one who “owns” their geographical area. That processor dictates where they get their chicks, how they build their chicken houses, what feed and medications they give, and

REVIEW BY: POLLY CLEVELAND

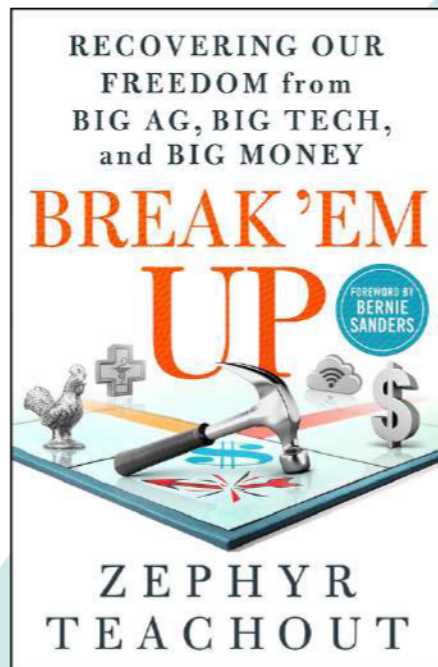
when they deliver their fattened birds. Farmers must blindly accept whatever prices the processors give them on delivery. They are banned, on pain of being cut off, from comparing prices and conditions with other chicken farmers. In short, chicken farmers lead the lives of medieval serfs, or worse, because at least the serfs could complain to each other about the lord!

Chickenization isn't just for chicken farmers. Grain farmers are serfs to Archer Daniels Midland (the buyers), Monsanto (supplier of seeds and fertilizer), and John Deere and Caterpillar (equipment). Chickenization isn't just for agriculture. It's long been the business model of Walmart, and more recently of Amazon. These behemoths constrain their suppliers, specifying details of products, limiting their distribution, changing prices at will, and punishing those who resist or complain by cutting them off. Uber chickenizes its drivers and deliverymen. McDonalds chickenizes its franchisees, even requiring them to make their employees sign “non-compete” agreements, so they can't switch to working for Burger King.

Monopoly damage extends beyond chickenization: it has destroyed journalism, especially local journalism. Twenty years ago, there were lots of local newspapers. Many operated on a shoe string, funded by local business ads, reporting police blotter of course, but also misdeeds by local officials and bigwigs. The local businesses are now mostly gone, rolled up by chains. Remaining advertising dollars now go to precision-targeted ads on Amazon or Google or Facebook. (When I looked up cotton T-shirts on llbean.com on my desktop, and then picked up my cell, up popped H&M T-shirts.)

Big corporate monopolists' roll-up of small businesses has also weakened a major source of support for Black activism: Black-owned businesses and Black business associations. It was indeed Black business persons who led and helped fund the desegregation efforts of the 1960s. Growing monopolization also explains the wage mystery that so long baffled most economists: Until forty years ago, wages and productivity rose together. Then, as productivity continued to rise, wages stagnated.

Worst of all, flush with monopoly profits, large corporate PACs increasingly control politics. Teachout



BOOK REVIEW (CONT.)

reports that when she ran for Congress in New York's 16th district in 2016, her real opponent wasn't Republican John Faso, who won. Rather, she was massively outspent by mystery PACs who even used a body double—a woman who looked and dressed like her—to misrepresent her agenda.

To defeat monopoly, we must **BREAK 'EM UP**, conceptually simple, but politically unattainable without a mass movement. During the New Deal, FDR successfully used old anti-trust laws like the 1890 Sherman Antitrust Act and the 1914 Clayton Antitrust Act and new laws like the 1932 Glass-Steagall Banking Act to break up monopolies and shrink the power of finance. But starting with the Reagan Administration in the 1980s, and continuing under Democratic administrations, enforcement slowly ground to a halt. Bill Clinton eagerly

presided over the repeal of Glass-Steagall. We need new laws too, reforming campaign finance, raising taxes on the wealthy, and banning the secret information-gathering that sent me a plague of T-shirts.

In 2009, journalist Barry Lynn sounded a lonely alarm with *Cornered: The New Monopoly Capital*. Ten years later, Barry and the daughters and sons of Barry—Zephyr Teachout, Lina Khan, Matt Stoller, David Dayen, Gilad Edelman, Franklin Foer, Phillip Longman, Tim Wu and so many others—have captured the progressive wing of the Democratic Party, including Senators Elizabeth Warren and Bernie Sanders and the redoubtable Congresswoman Alexandria Ocasio-Cortez. If the senator from the Corporate State of Delaware triumphs in November, progressives will drag him to an aggressive new New Deal.

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