

Speaking to the mountain:

One man's bid to dismantle the power structures that threaten our freedoms, security and prosperity

Peter Warburton in conversation with Barry Lynn

Over the past two decades, Barry Lynn has pioneered an understanding of how the monopolies of the 21st century threaten our democracy, individual liberties, security, and prosperity. His warnings on structural flaws in international systems anticipated the supply chain crises that unfolded in 2020-21. He argues for the breaking up of private international monopolies and the redistribution of risk and power to ensure that vital supply lines remain open when disaster strikes.

Mark 11:23 "Truly I tell you, if anyone says to this mountain, 'Go, throw yourself into the sea' and does not doubt in their heart but believes that what they say will happen, it will be done for them."

Introduction

I first met Barry about fifteen years ago in his adopted city, Washington DC, after reading his first book, *End of the Line*. His quiet and relaxed demeanour conceals a crusading spirit that has propelled him to write and speak boldly and influentially about his consuming passion, to correct what he perceives as the subversion of corporate America and its echoes around the developed world. I have met Barry on numerous occasions since and often wondered about the origin of his convictions and the sources

of inspiration that have sustained him in his personal quest for economic and social justice. Last summer he agreed to an interview, over Zoom, and this article is drawn from his responses.

Barry was born in Miami, his mother a Jewess and his father a Southern Baptist, who grew up in Lynn Town, central Georgia, where his grandfather established a church called 'Little Flock'. His father's family were independent farmers until they lost the farm in the Great Depression. His father grew up as a sharecropper, a tenant farmer who

gives a part of each crop as rent, picking strawberries in Florida.

This family narrative left a strong imprint in Barry's life. His father had a feisty disposition, but his anger was based not on the politics of envy, but on the consequences of the selfishness of the privileged. Barry's anger is similarly shaped by an understanding of the stupidity and want that results from selfishness.

Barry has a gift - at times he has wondered if it were a curse - to notice



Picking strawberries in Florida

Photo: Florida Strawberry Growers Association



Income Inequality

Photo: Chris Humphrey

things that others do not. His innate understanding of power structures helps him to identify modern instances of the abuse of power and sources of economic injustice. This sense of indignation, coupled with an overwhelming desire for change and restoration, has strong resonances with the Old Testament prophets. In Isaiah 58, the prophet writes “Shout it aloud, do not hold back. Raise your voice like a trumpet. Declare to my people their rebellion and to the house of Jacob their sins.” Isaiah sets out the principles of true fasting: “to loose the chains of injustice and untie the cords of the yoke, to set the oppressed free and break every yoke”. The fruits of this repentance are set out plainly in verse 12. “Your people will rebuild the ancient ruins and will raise up the age-old foundations; you will be called Repairer of Broken Walls, Restorer of Streets with Dwellings.”

In three influential books, published over the past 20 years, Barry has highlighted how important structural changes in industrial organisation¹, amplified by globalisation², have delivered supply chain³ fragility (typically with the largest adverse impacts on those least able to bear them), on a truly epic scale. This fragility is manifest mostly in the slow strangulation of supply, but occasionally as catastrophic

shutdowns of international systems. Covid-19 was merely the latest in a series of disruptive events, including SARS, 9/11, the global financial crisis (GFC) and the 2011 Tohoku earthquake in Japan, that have exposed the inadequacies and vulnerabilities of the global trading system.

Barry traces these structural flaws back to the radical political and economic changes that occurred in US and Britain at the start of the 1980s. These are sometimes described as the neo-liberal revolution, the reappearance of 19th century ideas associated with free-market capitalism. However, while free-market economics is characterised by a celebration of competition and choice, enterprise and opportunity, neo-liberalism comes with a twist of “authoritarian leadership, gross inequality and the manipulation of information”, according to Mathew Guest’s *Neo-liberal Religion**.

Neo-liberalism is based partly on the notion that the marketplace itself has a form of divinity (an invisible hand) or a force of nature. It displaces and redraws the boundary between the secular and the religious and cloaks itself in high ideals while hiding behind an authoritative secular façade.

While many would argue that the main thrust of 1980s policy revolution was

successful in invigorating economic growth and individual opportunity in America and Britain, there were plenty of harmful side-effects, including higher unemployment and income inequality. A critical component of the neo-liberal policy revolution was a softening of anti-monopoly law, which facilitated the mergers of large businesses into behemoths, pooling their capital resources and increasing their concentrations of economic power. Arguably, we now live in a world dominated by immense global oligopolies that impose constraints on the flexibility of our economies and, by implication, our personal freedom within them.

In the mid-1990s, as the North American Free Trade Association (NAFTA) and the formation of the World Trade Organisation (WTO) established a new framework of law, large corporations restructured in a rush to consolidate, to outsource, and to offshore. The impact of this restructuring was the replacement of vertically integrated⁴ supply chains – in which large companies each had their own largely dedicated production and distribution capacity – with horizontally integrated⁵ chains – in which all large companies depended on common sources of production and distribution. Simultaneously, globalisation

dismantled the vertical integration of nation states. These developments fostered the hyper-concentration of industrial capacity, particularly in countries with mercantilist leanings, such as Germany, Japan, China, Korea and Taiwan.

The restructuring of the global production system has allowed a combination of monopoly power⁷ and mercantilism to concentrate production within corporate structures and in specific locations, creating the potential for disruptive events to have far more wide-ranging consequences than in previous generations. When we had vertically integrated corporations and vertically integrated nation states, these were jointly responsible for managing system risks, specifically to avoid capacity shutdowns. In pooling capacity for key inputs to the production process, rivals share their dependency on the same component manufacturers and materials suppliers. Competitive risk is eliminated as everyone's supply lines are at similar and coincident risk of disruption.

The wake-up call

The wake-up call for this brave new world was a seemingly remote earthquake in Taiwan in September 1999. Taiwan had already established a dominant global market position in semiconductors. The earthquake – which killed 2,500 people – disrupted the power supply to Taipei's airport, preventing the export of semiconductors needed by assembly plants in California, Texas, Japan and Europe.

This demonstrated two things: that even 24 years ago we had already concentrated this one type of egg in one basket and that this basket was far away. Moreover, this basket was sitting on a physical fault line and on a political fault line off the coast of China. Common sense would suggest that this was a fundamentally flawed production structure. There was no resilience in the system, so that when there was a shock in Taiwan, the shock became global. This was arguably the first industrial crash – a cascading event in which the global

supply of critical components shrivelled up, leaving businesses unable to meet their customers' demands.

By the time he had finished his first book, *End of the Line*, in 2005, Barry concluded that this new approach to political economy carried with it serious systemic threats. His next book, *Cornered*, published in 2010, was a much more straightforward description of monopolisation and the many threats it poses, not only regarding the potential instability of complex systems but also the threat to our political and economic well-being and even the security of our societies.

Triumphs and troubles

Monopoly issues emerged from the shadows when senator Elizabeth Warren highlighted the attendant dangers in a speech in June 2016, Warren asserted that the US has a monopoly crisis that poses an economic and political threat that goes to the heart of its democracy and individual liberty.

Google, Facebook and Amazon have some great technologies and services, but they also pose major societal threats, which need to be confronted. Since then, monopoly issues have been addressed by the US Congress and Senate, the European Parliament, the Director-General for competition in Brussels and the authorities in Germany, France and the UK.

Probably one of the most significant developments was in 2021 when the Biden administration issued an executive order on monopoly, which renounced the radical changes imposed by the Reagan administration in the early 1980s and heralded a return to traditional approaches to competition policy.

In the quest to challenge monopoly power and the mercantilist mindset, Barry and his colleagues have encountered a great deal of opposition. The very first article he wrote about

supply chain fragility in 2002 drew him into conflict with the “Chinese project”, the wholesale transfer of production by large US corporations to China to take advantage of low labour costs. Later, Barry turned his attention to traditional monopoly issues, examining the effects of Walmart's concentration of power – specifically, its stranglehold over its suppliers – in an article called ‘Breaking the Chain’ (published by Harpers magazine). An excerpt came out in July 2006, when he was employed by the New America Foundation and sparked a furious reaction from colleagues at the Foundation who were working with Walmart that nearly cost him his job.

In 2017, Barry and his research team at the Foundation took aim at Google, arguing that its near-total dominance of internet search had turned the firm into a 21st century informational gatekeeper, controlling unprecedented quantities of data and building giant – if unseen – entry barriers that make it impossible

'The US has a monopoly crisis that poses an economic and political threat that goes to the heart of its democracy and individual liberty'

for anyone to mount a challenge to them. Yet because these dangers are posed by companies offering services to consumers that are either free of charge, or very inexpensive, they fly under the radar of current anti-monopoly policy. At that time the New America Foundation was receiving significant financial support from Google as a

corporation and from other members of the executive at Google. The company demanded that New America dismiss Barry's team and succeeded in removing them in summer 2017. However, the team managed to keep things together to build an independent institution, the Open Markets Institute, and keep going.

Building a movement

After a year of walking his first book around the corridors of power, Barry concluded that the international elites in the US and Europe had been too corrupted by money and seduced by neo-liberal ideas to be able to fix

the problem. He made it his business to point out all the ways in which monopolies harm individuals, their families and their communities, and help them understand that competition policy is a tool that can be used to fix those harms. When power is this entrenched, the only way it can be disrupted is through a movement. This was the origin of the anti-monopoly movement, a campaign to reclaim anti-monopoly law and use it to set a different course.

In preparation for writing *Cornered*, Barry sought inspiration from the Old Testament, seeking to understand how the people of Israel had over time dealt with the issue of monopoly power, and what were the Judeo-Christian foundations of modern democracy. Then in *Liberty from all Masters*, he argues that the origins of anti-monopolism in the Anglo-American tradition are religious – the desire to spread wealth around, decentralise control and distribute capacity.

A key inspiration was John Milton (1608–74), the author of *Paradise Lost* and *Paradise Regained*. Barry considers that Milton’s anger and outrage at monopolisation and control is intellectual; it’s against people who would prevent him and his family, friends and fellows in society from engaging with one another and their God in the ways that they chose. Milton was very close to Jonathan Edwards, the founder of the colony of Rhode Island, who played a huge role in the US in establishing the thinking that leads to separation of church and state. He was incredibly influential in Americans coming to understand slavery as immoral and unacceptable.

Barry concluded that the only way to understand anti-monopolism and the role that it plays in enabling us to build democracy and human liberty was to recognise the foundations in the teachings of the Judeo-Christian tradition and the role that seeking

God played in leading people to create these tools in the first place, to protect their ability to discover the truth for themselves. In the final chapter of *Liberty from all Masters*, Barry quotes Moses from Numbers 11: 29, “I wish that all the Lord’s people were prophets and that the Lord would put his Spirit on them!”

The larger goal of the book is to help people to understand the degree to which the neo-liberal revolution has diminished us as human beings, has reduced our sense of what the world is, our sense of who we are, our sense of the spirit within us and around us and of our abilities. In this age of global corporations and global supply chains, economic and political power has become highly concentrated. The ranks of the disenfranchised and marginalised are multiplying. Barry invites us to believe that this powerlessness can be addressed and calls us to awaken to a larger spiritual and political reality in which we can all thrive. 

Glossary of terms

- ¹ **Industrial organisation** is concerned with the workings of markets and industries, in particular the way firms compete. Industrial organization emphasises the study of the corporate strategies that are characteristic of market interaction: price competition, product positioning, advertising, and research and development.
- ² **Globalisation** is the growing interconnection and interdependence of the world’s economies, cultures, and populations, brought about by cross-border trade in goods and services, technology, and flows of investment, people, and information.
- ³ **A supply chain** is the network of all the individuals, organisations, resources, activities and technology involved in the creation and sale of a product. A supply chain encompasses everything from the delivery of source materials from the supplier to the manufacturer through to its eventual delivery to the end user. Supply chains are managed by supply chain managers, who monitor lead time and coordinate the processes in each step to maximise customer satisfaction.
- ⁴ **Vertical integration** is when a firm extends its operations within its supply chain. A vertically integrated company will bring previously outsourced operations in-house. The direction of vertical integration can either be upstream (backward) or downstream (forward). It can be achieved either internally by developing an extended production line or externally by acquisition.
- ⁵ **Horizontal integration** is a competitive strategy where business entities operating at a similar scale within the same industry merge to increase the production of goods and services, expand into new markets, diversify product offerings, and reduce competition.
- ⁶ **Mercantilism** is economic nationalism for the purpose of building a wealthy and powerful state. Most mercantilist policies were the outgrowth of the relationship between the governments of the nation-states and their mercantile classes. In exchange for paying levies and taxes to support the armies of the nation-states, the merchants induced governments to enact policies that would protect their business interests against foreign competition.
- ⁷ **Market power** and **monopoly power** are not separate and distinct concepts but should be understood to refer to the same phenomenon, the ability to price above the competitive level for a sustained period. The crucial distinction is not between market power and monopoly power, but between two fundamentally different ways in which a firm or group of firms may exercise anti-competitive economic power: either raising their own prices or raising competitor’s costs. Anti-competitive economic power is the power to control prices or exclude competition.

*Mathew Guest, *Neoliberal Religion: Faith and Power in the Twenty-First Century*, Bloomsbury, 2022



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