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## Anti-Monopoly Money: Behind Millions in New Funding to Battle Bigness

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Last month, Facebook co-founder Chris Hughes announced the launch of a \$10 million anti-monopoly fund (AMF). The fund is housed at the Economic Security Project, which Hughes co-founded in 2016, and which, until now, had been primarily focused on promoting a guaranteed income. ESP is still pursuing its guaranteed income objective, however, the organization now aims to supplement that work with its anti-monopoly efforts.

Hughes has long been vocal about his concern regarding the concentration of power in the industry he was once a part of, specifically, the company he helped create. Earlier this year, he published a scathing —yet at times warmly sympathetic—*New York Times* op-ed calling for the breakup of Facebook. Hughes highlighted both the immeasurable power and immense pressure that come part and parcel with Zuckerberg’s role as King of Facebook (Zuck controls 60 percent of the company’s voting shares, so “King” isn’t that far off). Hughes describes in great detail his former college roommate’s quest for world domination, and how that has led to Facebook becoming a social media monopoly.

Yet according to Hughes, when it comes to exhibiting a monopolistic impulse, Facebook is hardly alone. “The more that I’ve learned, the more I’ve engaged in

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itself that have been made to concentrate power in the hands of corporations, and increasingly, monopolies,” he told me recently. “And this disempowers everyone else.”

Over the next 18 months, give or take, the new anti-monopoly fund will invest in projects that facilitate academic research, policy advocacy and grassroots organizing. The fund will support both existing players in the anti-monopoly space, as well as newcomers with bold ideas who lack the financial and social capital to launch. Given the complexity of the anti-monopoly issue, Hughes says that he doesn't champion a single approach. In fact, there will likely be no silver-bullet solution, but rather a range of bespoke solutions—each confronting a unique societal harm imposed by monopolistic behavior.

“We're not the ones to pick the winners,” Hughes says. “Our focus is on funding a range of strategies over the coming months. We're still in the nascent stages of these conversations, and want to support a broad range of strategies and find the best approach or approaches going forward.”

## **Big-Name Backers**

So far, several major foundations have committed support to the anti-monopoly fund, including Open Society, Ford, Knight and Nathan Cummings. Maybe most striking is news of the Omidyar Network's \$1 million grant to AMF. After all, Pierre Omidyar is one of the founding fathers of Big Tech, having launched eBay in the early 1990s—where he still serves on the

steadfast “break-up-Facebook” principal underscores growing fissures within the tech world. (Craig Newmark, the founder of Craigslist, is also backing work that challenges the power of Big Tech, as we’ve [reported](#).)

According to Anamitra Deb, Omidyar’s global lead for responsible technology, the funder’s support for AMF reflects its evolving priorities. “Omidyar Network was founded on the belief that tech can be a force for tremendous good when it comes to access and inclusion. But over the last couple of years, we’ve become increasingly aware that there is a dual side to tech. If not stewarded well—especially at scale—it can lead to a bunch of societal harms that are becoming more evident every day.”

This explains Omidyar’s recent pivot—[which we outlined here](#)—to a new strategy that includes “reimagining capitalism” and promoting “beneficial technology.” Current initiatives include work on digital identity, tech’s culture and decision-making, and rethinking how to amplify workers’ voice and power. Omidyar is also part of an effort led by the Hewlett Foundation to critique the prevalent neo-liberal paradigm and develop new economic thinking. Deb says that Omidyar’s funding strategy in this area looks to “double-down on existing organizations doing great work, while also finding nascent ideas that are more experimental and creative, which would round out and diversify core strengths in the space.”

Omidyar has joined forces with the Economic Security Project on its guaranteed income work in the past. The

for efficient and smart funding to players who would otherwise have to go through lots of different organizations for grants,” explains Deb. Likewise, the pooled fund “builds a shared understanding and identity among researchers, organizers, campaigners, policy specialists and advocates in the space; people who are leading with different approaches. AMF can bridge networks and form coalitions to get at this problem with a common language and set of goals.”

According to Taylor Jo Isenberg, executive director of the Economic Security Project, the level of enthusiasm for AMF was evident from the moment her organization began engaging in conversations with lead actors in the corporate social responsibility space. “Some foundations— like Nathan Cummings and Ford —have been tackling the role of corporations in society for a long time,” says Isenberg. “So there was a real interest in tackling anti-monopoly specifically, from those who are predisposed to tackling deeply ingrained challenges.”

The timing is also right. Confronting monopolies is one of the few issues right now where there is bipartisan support (as relates to Big Tech, anyway). It certainly seems Republicans and Democrats can’t agree on much at the moment until someone mentions breaking up Facebook—then suddenly, America doesn’t seem so divided. It’s worth noting that breaking up Big Tech is only one tool in the anti-monopoly toolkit. Others include a ban on future acquisitions, the release of IP, an agreement not to enter into nascent fields, interoperability requirements, etc.

Silicon Valley. They want to target other industries where monopolies are a growing concern, such as agriculture and aviation. “One of the things we discovered during this process is the level of concentration in the economy,” says Hughes. “Three-quarters of industries in the U.S. economy have become more concentrated in the past 20 years.” Hughes notes the pernicious effects that corporate concentration has on pricing, entrepreneurship, productivity rates, wage levels, and perhaps most problematically, political discourse.

### **Open—Or Not So Open—Markets**

Perhaps no one in the policy world agrees with Hughes’ point more than Barry Lynn. Lynn runs the Open Markets Institute, and has long been a critic of Big Tech. He was one of the first to sound the alarm bells about the concentration of power in Google, Facebook and Amazon, and [had been calling for the breakup of Facebook](#) long before Hughes’ op-ed made international headlines.

Lynn explains that the problem dates all the way back to the Reagan administration, when the U.S. altered its philosophy toward implementing anti-monopoly law, which itself dates back to the country’s founding.

“Anti-monopoly ensures that we have a democracy and individual liberty,” says Lynn, “then there was this change that happened in the beginning of the Reagan administration that said ‘you know all of those political considerations, they’re getting in the way of efficiency and production of goods, so let’s do anti-monopoly differently so we can promote greater efficiency.’”

and control in the hands of a small cadre of corporations. “We didn’t change any of the laws,” he notes, “we just changed the philosophy by which we interpret those laws.”

Lynn defines the politically and economically motivated ideological shift that took place during the Reagan administration as “Stage One” of the lead-up to our current moment. “Stage Two” was the advent of Big Tech, which, of course, no one could see coming at the time. These platforms have disproportionate control of our communications, and they are not neutral intermediaries, instead connecting their users in ways that promote their own interests. They exert a degree of control over our information system that is unprecedented in the history of this country. “We went from a slow-motion threat to democracy in America to a very fast-moving, very dangerous and immediate threat to democracy in America,” Lynn says.

Lynn certainly doesn’t mince words when discussing the threat posed by Big Tech. [As we reported in 2017](#), his unbridled enthusiasm for reining in top Silicon Valley companies may have landed him in hot water, potentially leading to his ousting from New America, the think tank that hosted Open Markets. Lynn claims that after he publicly cheered the European Union’s \$2.7 billion antitrust penalty against Google, Alphabet’s then-CEO Eric Schmidt complained to Anne-Marie Slaughter, the head of New America. Lynn and Open Markets were ousted shortly thereafter. (Slaughter denies that Lynn’s dismissal had anything to do with this statement, and claims it stemmed from his lack of collegiality). Whatever the reason, Lynn’s

cemented. Hughes is considering Lynn as a funding recipient of AMF.

## **The Road Ahead**

When I asked Hughes what types of organizations he's looking to fund, he outlined three broad categories:

- **Researchers and academics:** AMF wants to document the rise of corporate concentration, its impacts and consequences.
- **Activists:** AMF wants to beef up enforcement, increase public oversight and change laws.
- **Storytellers:** AMF wants to ensure that the problems posed by monopolies are front-of-mind for policymakers and everyday people alike. To that end, AMF aims to support documentaries, public opinion research, and other creative or outside-the-box approaches that might help this issue become mainstream.

Hughes readily admits that a lot that needs to happen over the next year and a half in order to turbo-charge the anti-monopoly movement from where it is now to where it needs to be. Yet Hughes and his team are convinced that with enough public pressure, the U.S. can establish a more robust and supportive ecosystem for competitive markets, a vision of capitalism that the vast majority of Americans support. At the same time, a key challenge is that most Americans currently seem oblivious to the threat posed to that vision of capitalism. Even as the public suffers the growing costs of monopoly—including higher prices, lower wages and



With prominent foundations supporting AMF, and \$10 million to work with, Hughes is dead-set on remedying that.

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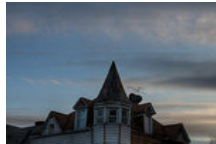
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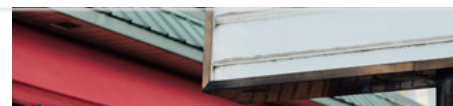




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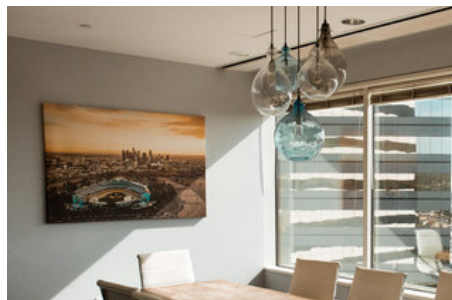
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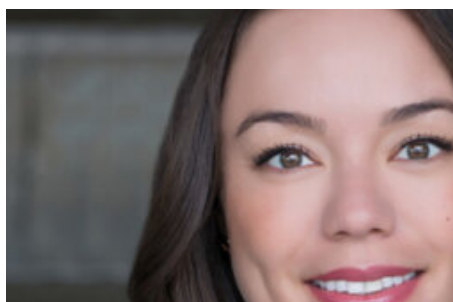
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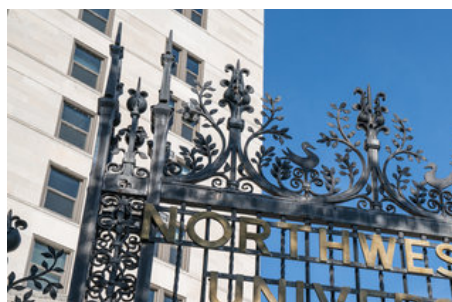
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