

The Great Simplification

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[00:00:00] **Stacy Mitchell:** These companies are a kind of governing force in our lives, right? We now have big corporations who decide who wins and loses in this economy, which community's gonna do well, which community's gonna lose. This is not a free market, that is an entity or set of entities that are strong arming the system and using their power to drive out better competitors.

And if you start looking, what you see is that exact same story in different forms is going on in one sector after another. And it is the reason that locally owned businesses in many cases, are disappearing. It's not that they can't outcompete, there are ways in which they actually outperform. They are disappearing because we have allowed large corporations, monopolies, if you will, to essentially strong arm parts of our economy.

[00:00:49] **Nate Hagens:** Today I am joined by Stacey Mitchell, who is the co-executive Director of the Institute for Local Self-Reliance. Stacey's work focuses on dissolving concentrated economic power and building thriving communities and a healthy democracy. Through her advocacy work, Stacey has advanced policies that expand community self-determination, as well as build happier, more prosperous and resilient places in the United States.

Her research has been heavily influential at the national level in including forming a congressional investigation and a 2023 antitrust lawsuit against Amazon. She has also worked extensively at the local level, helping communities craft policies that support local entrepreneurship and vibrant communities.

In our conversation, Stacy unpacks the current policy and regulatory frameworks that make it more difficult to achieve strong local communities. Stacy and I

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discuss why policies that support strong local economies are vital to building resilience for what we're facing in coming decades, including for creating strong ecological and social networks.

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Stacy Mitchell, welcome to the program.

[00:02:32] **Stacy Mitchell:** So great to be with you. Thanks for having me.

[00:02:34] **Nate Hagens:** You are in Maine. I spent five years in Vermont, getting my PhD. And believe it or not, I have yet in my life, never crossed the state border into Maine. It's one of the few places I haven't been.

[00:02:48] **Stacy Mitchell:** Oh, wow. Well, it's an incredible place.

I feel very lucky to have grown up here, and to live here now.

[00:02:54] **Nate Hagens:** Yeah.

[00:02:55] **Stacy Mitchell:** And Vermont and Maine have a very, close relationship. We both like each other a lot, so I think you would enjoy the state.

[00:03:03] **Nate Hagens:** Well, that, that's, that's important and actually part and parcel of the topic we're going to, Take a deep dive in today.

so I'm looking forward to this. So, most of what we hear, in the news or from leading economists, in the media is focused on the health of the national

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economy, the United States. And in contrast, your work at the Institute for Local Self-Reliance is focus on how we can foster the health and resilience of local and regional economies, which is why I invited you.

It's something that I personally think is at the core of preparing for upcoming societal turbulence. So why do you think it's so important to focus on the strength of local economies rather than solely focusing on top down national level?

[00:03:55] **Stacy Mitchell:** Well, lemme start with the risk, which you sort of alluded to, but I also wanna move into.

What, there is to gain by focusing on local and regional. So at the risk level, you know, we learned this very vividly during the height of the pandemic, which is that these, highly concentrated long distance supply chains are incredibly vulnerable. We can have a single point of failure that has this cascade of effects.

You know, we had one slaughterhouse go down during. The height of COVID and there were supermarkets all over the country that didn't have beef on the shelves. You know, we had a, baby formula, opera, a plant go down, and suddenly there were shortages of baby formula. It is an incredibly vulnerable system that we have built.

You know, when you think about what nature does, you know how nature, deals with risk. Nature deals with risk by having an incredible amount of diversity and lots of redundancy. And we've built an economic system that is designed to minimize redundancy and minimize diversity and really concentrate things, and that makes us extremely vulnerable and not very adaptable or resilient.

I also wanna touch on another risk that I think is on many people's minds today, which is we all live in our day-to-day lives, in, in, in ways in which we are largely, we and our communities are largely controlled by the decisions made in a handful

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of distant boardrooms. You know, whether or not you're gonna get a medical procedure approved that you need approved is controlled far away and not by you.

all of these decisions about the wellbeing of our community, whether someone is gonna put a grocery store in your neighborhood, or whether you're not gonna have a grocery store, are, have been over the recent decades, increasingly moved out of community, moved out of our local control. And the corporations that drive those decisions not only have a lot of economic power, they have incredible political power.

And we see them commandeering government and driving their agenda through our government. And what that has created is an incredible sense of powerlessness. People feel powerless over their lives. They feel powerless over what's happening in their local communities. And powerlessness is poison in the veins of a democracy?

It is poison. And where you see that go is, I've lost faith in democratic institutions being responsive to me and therefore I need a strong man. I need a bully, kind of bully in chief, if you will, to try to get my agenda done. Because the institutions don't work anymore. You see ideas of, well, it, our systems don't work.

I don't have a voice. Maybe I need to turn to violence. Right? So this is very caught up in the kind of fraying of demo democracy that we're feeling how this loss of local power. I also just say briefly that the getting out of like the terrible things we need to avoid. there's also just huge opportunity, and, ways of making our lives much more meaningful and creative and joyful.

If we think about building an economy, I mean, imagine living in an economy where, your local doctor's offices and pharmacies were owned by pharmacists and doctors who made decisions about care and about those businesses. From

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the, from. From being embedded in healthcare, you know, and being embedded in wellbeing.

If the banks that ran our economy were local banks whose prosperity and, wellbeing depended on the health of the local economy. If instead of having a, book industry where we have a handful of giant publishers and Amazon who honestly don't care about the spread of ideas, they control so much of our books.

Imagine if we had local bookstores and independent publishers whose who are dedicated to the idea of ideas and creativity. if our local music venues were locally controlled as opposed to Live Nation. I mean, you can just go on down this list and imagine a world where we control our, own economies and where what that unleashes in terms of meaning and joy in our day-to-day lives.

[00:08:08] **Nate Hagens:** So you're actually describing a lot of the downstream effects of the, global biophysical macro framework that I've put together, which is that in, the trade-off between efficiency and resilience, which you alluded to, our economic system has been geared for efficiency and profits and fungibility of changing dollars or euros or yen into power and things.

and we've in very much many ways become like the Borg, in Star Trek that. what I haven't talked about and thought about as much that you bring up is the lack of agency and the powerlessness that this economic system engenders. And in, in my work, I'm particularly interested in how stronger local economies could, also facilitate strong social networks.

So is that a fair connection to make? And, if so, why are those two things? Local economies and local social networks. So entangled.

[00:09:17] **Stacy Mitchell:** Yeah, that's a very good connection to make. I think it's very accurate. when you have more local businesses, more community controlled

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economic systems, more regional systems, you have like the day-to-day, you know, the, ex the everyday exchanges.

and our economic system embedded in human relationships, face-to-face relationships, it's a set of people who share the same geography and who are connected not only by that economic exchange, but by the fact that their kids go to the same school or they live in the same neighborhood. And so you create, you know, by focusing on kind of local systems of connection and exchange you, strengthen and enhance those social connections that, that those systems of exchange can build.

It's also about what it means to, To have businesses that are really embedded in the community and the sense of the kinds of decisions that they're making are governed not only by. The needs of their business, but also by the health of the place that they're part of. It changes decision making in, a way that I think is really socially beneficial.

And finally, I would say it, it opens up a lot of space for, you know, face-to-face, like businesses, like literally create physical space in our communities where we run into our neighbors, whether it's waiting in line at the local hardware store or, buy bread at the local bakery. I mean, there is a, an actual contact that comes, out of having an economy that is more rich and vibrant at the local level.

[00:10:54] **Nate Hagens:** So that makes sense to me. but what we've seen is a walmartization of the world because the system doesn't really care about the environment or the wellbeing or the social capital of people. It cares about profits, which is what our cultural mandate. Is so with the goal of, increased local social capital in mind, what has historically been the role of small businesses in creating these strong and resilient local economies, and how could they possibly compete if price is the decision point in our culture?

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[00:11:35] **Stacy Mitchell:** Yeah, I mean that's a com that's a interconnected set of questions

[00:11:40] **Nate Hagens:** that you could probably spend the next hour just talking about that. I know. But yeah, give it a shot.

[00:11:46] **Stacy Mitchell:** yeah, I mean, small businesses used to be not that long ago, a much more significant part of our economy. you know, whether you're talking about food production, whether you're talking about retail, I mean, as recently as the early 1980s, Americans, bought more than half of their groceries at local independent grocery stores.

you know, our banking system, you can go on down the line, small. Independent, local or regional businesses used to be the lion's share of our economy. We also had some big businesses and there are certainly parts of the, our economy that depend on a certain level of scale and manufacturing. So, you know, not to suggest that we're every community is gonna attend to all of its needs, but there is real possibility of, going much more, more local with that.

you know, there have been on the social ties front, you know, there's good research on this from sociologists who have found that people who live in places where there are, where a larger share of the economy is held locally by small businesses and, co-ops and other sort of community enterprises.

That, in those communities, everything else. Being equal there. Those are communities that are more likely to have neighborhood organizations. People are more likely to belong to community groups, to know their neighbors. There are more civic and social institutions, by a significant degree, and people are actually even more likely to, vote and to attend, like public meetings if they live in an economy that's like that versus living in say, a town that, you know, kind of a

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classic example of like, there's no businesses left on Main Street, it's just Walmart, you know, a regional chain.

Bought up the hospital and closed it. And you know, just that kind of what we see in a lot of the country today, that kind of economy where there's not much left at the local level and it's controlled from afar. You see a real breakdown in the civic and social networks and structures, that, that exist in that community.

[00:13:45] **Nate Hagens:** I ask you a difficult systemic question that just came to mind. I forgot who it was I had on the show, Robert Lustig or someone who was talking about food. And the reason that we have so many preservatives, and chemicals and packaging for food is because the, where the food is grown is not where the people live.

So how much of this walmartization of all the things that we buy and we assume and take for granted as part of the American, way of life is a function of today's 8 billion humans and 330 million Americans. There's so many people spread out so many places that it's not like the 18th or 19th century where you had a town with a general store and a pharmacy or, whatever it is.

Like how much of this is a product of just the scale of the human enterprise?

[00:14:44] **Stacy Mitchell:** I think very little of it is actually a product of the scale of the human enterprise. I think that it is a product of policy choices that we, have made. And I think when you look back in the history of the us we had a, from the very beginning we had a strong, sense that if you were gonna have a democracy, that you actually had to, decentralize not only political power, but economic power.

And from the very beginning of the country, this was a, notion that we had, you know, you can look at things like the Boston Tea Party, you know, those ships

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were owned by the East India company, the most powerful global corporation of its day. A huge dominating force, very closely interconnected with British Parliament.

And at that time. The British Parliament was trying to, maintain the dominance of the East India company, in part by imposing taxes on local tea traders in the US but, but, not imposing those taxes on the East India company. And so dumping all that tea into Boston Harbor was an act of rebellion, not only against the king, but the idea of this concentrated economic system, that was imposing on local economies.

And I say that just to say this sort of thinking of how these things are interrelated goes all the way back. And we had for many years, states with strong corporate controls, we then had the rise of, as we began to have economies that crossed national borders. We, excuse me, economic systems like railroads, corporations that crossed state borders.

We had the rise of antitrust law in the late 19th century and really through many decades of the 20th century. Approach through the New Deal, and, really embraced in, in, in many respects by both conservatives and liberals of policies that. Dispersed economic power that deliberately ensured that a lot of our economy was small scale and diverse, and that bigness was held in check.

And in the early 1980s, we made a decision to abandon a lot of those policies and to adopt a lot of policies that have favored consolidation, have favored scale, and a kind of ideology took over at that time.

[00:17:03] **Nate Hagens:** Could you list one or two of those policies that were started in the eighties?

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[00:17:09] **Stacy Mitchell:** Yeah. So in the early 1980s, we abandoned antitrust enforcement to a large extent.

Our antitrust laws are very strong and they're actually still on the books. But within the Reagan administration, there was a decision to alter how we interpreted the meaning of those laws. And so, instead of looking at antitrust as a tool to disperse economic power, this idea of efficiency, began to take over, really led by Robert Bork, who many people know as the kind of failed Supreme Court justice.

he was Nixon's Solicitor General, and then he played a pivotal role within the Reagan administration and really driving this ideological notion that we shouldn't be concerned about power, we shouldn't be concerned about who makes decisions about. Local economies about re none of the things that you and I have been talking about, none of that matters.

The only thing that matters is efficiency. Bork wrote a book about this called The Antitrust Paradox, and drove this idea. and, so therefore, the thinking was, the assumption was that bigger businesses, bigger scale equals more efficiency. And therefore our policies should all favor bigness. So we should undermine our antitrust laws.

We should put in place a tax code that heavily favors the biggest businesses. small businesses pay effectively higher tax rates, and it filtered all the way down to the local level. We have given hundreds of millions of dollars in subsidies to the biggest businesses in the name of economic development, while imposing a host of rules and impediments on small local businesses.

So we've really tilted the playing field quite dramatically.

[00:18:50] **Nate Hagens:** So the focus on efficiency itself, isn't a problem. It's the context and the framework with which it's embedded in. Because a more efficient

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technology, for instance, will mean that things are cheaper. the, challenge here is the, productivity gains from efficiency, don't go to the wellbeing of people or the protection of ecosystems because those things aren't priced in as our goals.

They just filter up to the top or the modern equivalent of the East India company, right.

[00:19:25] **Stacy Mitchell:** Yeah, I mean, I wouldn't say that a system in which, large amounts of day-to-day goods are made very far away and shipped long distance and sold through big box stores is an efficient system. If you measure that holistically,

[00:19:42] **Nate Hagens:** we have to talk about what is efficient and, you know, like is it human demand for life, basic needs, energy and food and medicine, or is it getting us goods, many of which we don't need at a lack of social capital and resilience and all the things you mentioned.

So we have to talk about what is efficient, and usually it's aggregate profits is the benchmark. Yes.

[00:20:10] **Stacy Mitchell:** Yeah, I think that's right. And sort of, I think what you're alluding to is whether we're talking about whether the, goal should be efficiency or what it is that the economic system, how well it performs and how, well it delivers what we actually need it to deliver.

[00:20:24] **Nate Hagens:** Yes. That, I guess that's a separate question, but that is what I'm ultimately asking.

[00:20:28] **Stacy Mitchell:** Yeah. And we have created a, as you say, as we have created a system that, optimizes in every way for efficiency as defined by

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maximum output and maximum corporate profits, and disregard whether this system is actually serving the needs of people.

and our society.

[00:20:49] **Nate Hagens:** It's actually maximum profits. And then downstream from that is how they're distributed. And it so happens that most of them go to corporations and the people that own them. yeah, some small, point. So, I have so many questions, but let me just get back to that. What would the, just speculating, What would the modern day equivalent of a Boston Tea Party look like?

[00:21:14] **Stacy Mitchell:** I dunno quite what that would look like. Where my mind goes with that is big tech. You know, big tech, Amazon, Google, Facebook. These companies are a kind of governing force in our lives, right? Like, you know, if you're a business and you need to be able to reach customers, you have to go through this gatekeeper called Google or this gatekeeper called Amazon who can, with a change in an algorithm, decide your fate.

Or you look at Facebook, Google, they control the flow of news and information what you and I are exposed to. I mean, it's an incredible amount of power.

[00:21:50] **Nate Hagens:** It's a little bit different than just not caring if I have tea, this is much more embedded in our lives, in this interconnected system. I mean, to be honest, if, I didn't have this podcast

I would be completely off of social media.

I've learned how bad it is, for my life and broader society. But I'm trying to spread this message of the biophysical macro circumstances, tethered to science, civil dialogues and all that. So I have to use social media, but maybe it's some version

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of that. I mean, these companies. In some ways they're the dealers and we're the users.

But in other ways they're actually, like you said, they're creating the rules and the system that show us that, offer the menu options. So we're, there's a compulsion that, and a lack of agency, and, empowerment that comes with it.

[00:22:48] **Stacy Mitchell:** Yeah. So maybe a, six month, ban on the use of social media would be a nice thing, equivalent to a kind of Boston Tea Party.

[00:22:57] **Nate Hagens:** Would it be a ban or would it be, you and I and millions of others just deciding not to use it? Those are two different things.

[00:23:06] **Stacy Mitchell:** Yeah. And it gets into this question of like, how do we make change? I think it's very hard to make change as consumers. I think it's very hard to do. It's hard to get enough consumers together with our individual decisions aimed all in one direction to actually have an impact, especially given that we're facing a variety of things that we might wanna protest, not just social media, all the things that are upsetting about the way companies do business.

I think one of the ways that. The last 40 years, this sort of shift into this ideological shift that we've been talking about. Part of that was also really training us to see ourselves as consumers, not as citizens, not as members of a society. And corporations love this. They love to, oh, the consumer is king.

They love to say that, right? Because they know that when we're in that mindset, we are very weak. But when we exercise our citizen muscle, we are very powerful. You know, a friend of mine, we, I was talking about the social media thing with a, colleague of mine yesterday, and he was saying, you know, the analogy he used was like cigarette smoking.

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You know? And I'm old enough to remember when, you know, there were ashtrays at the end of the, every aisle at the grocery store, right? Like smoking was And on airplanes. Yeah. Airplanes, restaurant. It was pervasive. And how did we turn that around? Part of it was. Individual action and stopping smoking and people kind of recognizing what they were doing themselves.

But there were a lot of policy choices that enabled that. We put heavy taxes on cigarettes. We used that money to fund, anti-smoking campaigns and support for people to, you know, get help in quitting smoking. I don't think we could have done it simply as a consumer movement. I think it required both.

And so I, when I think we think about big tech, we have to think about, well, what are the policy levers that we have local, state, and federal? and we have some pretty powerful ones that have been sitting in a drawer for a long time that I think we ought to use.

[00:25:03] **Nate Hagens:** So backtracking, a little bit, and this dovetails with my, recent podcast with a Vermont, gentleman who happened to be my PhD advisor, Josh Farley, where we talked about the 10 myths, still being taught in business schools.

And one of them is that there is a upward sloping, supply curve that is bunk. They're actually downward sloping, almost all of them. So if small businesses are so critical, why is there this common economic idea that big businesses because of size and economy of scale, are better for the economy and for meeting people's needs?

'cause I think most people just naturally assume that's the case.

[00:25:48] **Stacy Mitchell:** Yeah, A lot of it I would suggest is that when you have an ideology that takes hold or a worldview, however you wanna describe it, that

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takes hold so pervasively, everyone is kind of looking, we, you know, looking out of that lens and seeing that world from that perspective.

And so when a small business disappears, we think, oh, well they couldn't compete. They weren't as efficient. Right? That's why they've closed. You know? And so it becomes kind of self-reinforcing in some ways it can be. My organization, ILSR has done a lot of studies on different sectors of the economy and found that in many cases, smaller scale independent businesses actually outperform big companies.

If you take off the kind of ideological blinders and really look, objectively, let me give you an example because I think it could be helpful to get concrete instead of talking about these things. Maybe in, in abstract terms,

[00:26:39] **Nate Hagens:** please.

[00:26:39] **Stacy Mitchell:** So, a number of years ago, a. I mean, we all know we live in a world where independent pharmacies have been disappearing, and we look around and we see CVS and Walgreens, we see the pharmacy at Walmart.

but finding a local pharmacy in many regions of the country is hard to do, and there are fewer and fewer. That didn't used to always be the case. A number of years ago, I ran across this fascinating fact, which is the state of North Dakota bans corporations from owning pharmacies. You are not allowed to operate a pharmacy in North Dakota unless you're a pharmacist.

You have to own, the pharmacist has to own the pharmacy. So other than there's like three or four hand, what do you call it, grandfathered. This was passed in the 1960s. So there's a few grandfathered, chains, like I wanna say about six. But other than that, every pharmacy in North Dakota is an independent, locally owned pharmacy.

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And I thought, well, that's fascinating. Like this is a really interesting test case of like, well, if, you know, if chains are so much better at doing pharmacies, then North Dakota, you know, residents there should be suffering worse outcomes. And so we went and studied it. We looked at data on drug prices and we found that North Dakota has some of the lowest prescription drug prices in the country.

We looked at number of pharmacies per capita. North Dakota has more pharmacies per capita than the rest of the country. They have significantly more pharmacies than all of their neighboring states. And we did a really close study of. North Dakota versus South Dakota. 'cause those two places have similar kind of geographic, you know, population distribution.

It's mostly rural. There are a few cities. and so we did a close comparison of those. If you live in the most, in the smallest, population census tracts in North Dakota, you're twice as likely to have a local pharmacy than similar tracts in South Dakota. And we found that in North Dakota, there's a much higher level of care that pharmacies are providing.

They're providing more, free screenings and like, sort of a variety of, healthcare services as well. And you look at that and you think, okay, well if independent pharmacies can outcompete the chains in North Dakota, why aren't they out competing the chains in New York or in new bras, in Nebraska?

And the answer, if you go digging into this industry, you discover that there are these entities called Pharmacy benefit managers, PBMs. And these are some of the most powerful companies in the healthcare industry that people have never heard of. They are middlemen. They, are hired by your insurance company to manage your prescription drug benefits.

And so back in decades ago when these companies were first created, they played an actually kind of legit role in the system. Like they, they basically handled

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sort of billing and managing formularies. They played a sort of, kind of simple functional role, but over time they've become very powerful.

And there are three PBMs that control more than 80% of, all of the prescription benefits in the country. The largest of those PBMs is CVS. Oh, CVS is our largest retail pharmacy. They also own a major health insurer, Aetna, and they own the biggest PBM. All three of the PBMs have their own mail order pharmacies.

And so what happens? Well, the PBMs say, yeah, they sometimes will steer, people away. They'll say, yeah, if you wanna get a nine, you need to get a 90 day supply. And you can only do that by going to CVS. They will also under reimburse independent pharmacies, so they will pay below cost reimbursement rates to independent pharmacies in order to drive them out of business and ensure that CVS or their mail order pharmacies pick up that kind of market share.

When you explain this to someone, it's like you look at that and think that is absolutely not how fair competition is supposed to work. That is an entity or set of entities that are strong arming the system and using their power to drive out better competitors. And if you start looking, what you see is that exact same story in different forms is going on in one sector after another, in our economy.

And it is the reason that locally owned businesses in many cases, are disappearing. It's not that they can't out compete, there are ways in which they actually outperform. They are disappearing because there are entities that we have allowed large corporations, monopolies, if you will, to essentially strong arm, parts of our economy.

[00:31:25] **Nate Hagens:** So does North Dakota allow those PBMs?

[00:31:28] **Stacy Mitchell:** Yeah. So, in North Dakota, pharmacies still have to negotiate with PBMs, but because they're the only game in town, they actually

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have some leverage, you know, anywhere else in the country. If you're an independent pharmacy, it's take it or leave it, you know, cv S'S PBM says to you, yeah, this is the terms, these are the reimbursement rates I'm gonna give.

And you either say, well, I'm not gonna accept any of that insurance, meaning a bunch of my customers aren't gonna be able to come here. Or you accept these low ball reimbursement rates in North Dakota because there isn't really another chain option. The PBMs are actually, it's more of a, there's a fair negotiation, because of that.

And so as a result, it's kind of provides this mitigating effect.

[00:32:10] **Nate Hagens:** Yeah. The pharmacy situation is beyond bizarre and I, mean, we could spend a whole episode Yeah. Just on that, because what you're talking about is the actual distribution of the medicine. Something I'm concerned about, and we don't have to talk about this, but around 90% of the active pharmaceutical, ingredients that are the precursors that end up being, created into medicines are made in China and, India. and we import those. So talk about the trade-off between efficiency and resilience, and how many people in our country require medicines.

We actually have four and a half percent of the world's population and 50% of the world's medical prescriptions. So we're either sicker or we're babies, or the medical system. The doctors are prescribing things more often, than the rest of the world, or some combination of the three. but then you layer in this other, middleman, the PBMs on top of that, and it makes it even more complex and difficult.

[00:33:15] **Stacy Mitchell:** That's right. And I know less about drug manufacturing than I do about PBMs and retail pharmacy, but I know enough to know that part of the way this system perpetuates itself is that the PBMs and the drug makers sort

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of trade, the fruits of these ill-gotten gains between them, and sort of both reinforce their own power.

[00:33:36] **Nate Hagens:** So there are various lenses with which we can view this story. What you're talking about is, having a local hardware store instead of a Walmart, and the benefits from that are we can still buy our hammer or get some insulation or some paint instead of going to Walmart or Home Depot or Lowe's or something like that.

so there's, that, but there's also the, where is this stuff produced, part of the story. So to localize everything would imply. Much higher prices for everyone, and we, wouldn't be able to afford everything. So there's like, there's two, there was at least two components to this. There's the governance and the policy and the rules.

There's the distribution, which is what we've talked about so far. And then there's the actual, where's this stuff made and produced, and combined. do you have any, thoughts on that?

[00:34:36] **Stacy Mitchell:** Yeah, I mean, I certainly think that we should have, an industrial policy and a set of anti-monopoly laws and trade policies that better support, production in the US and local and regional production where it makes sense.

I think it makes sense in a lot of, parts of the economy that it doesn't currently happen. And I think how we measure cost is important there. so in the case of like our food system, you know, and to, can sort of connect the dots between the distribution and the production, a little bit more, one of the reasons I focused a lot of my research on like the retail and distribution level is that's where we've seen some of the.

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Most extreme consolidation. and when you have consolidation there, it affects the entire supply chain so that as Walmart has grown to dominate, Walmart now captures one out of every \$4 that Americans spend on groceries. And it's much higher in certain states. There's some states where it's one out of every \$2.

certain metro areas where it's 80% of grocery sales are Walmart. When you have that kind of consolidation among at, the grocery level, it causes consolidation among the food processors. so the dairy and the meat and the, all the companies that manufacture the food, they merge and get big because Walmart only wants to deal with other big companies.

And those companies in turn wanna deal with giant farmers and giant, you know, concentrated agriculture, you know, giant feedlots and, all the way up. And so. When you have kind of concentration in one part of the, sector, in the supply chain, it tends to be, you know, cause concentration in the others.

And I say that because I think there's, there can be a lot of focus on, oh, we need to have local food systems, local farms and that sort of thing. And yes, but if we don't actually deal with a consolidation at the retail level, those farms face a dead end when it comes to how does their production actually get distributed and, you know, into, people's H houses.

[00:36:44] **Nate Hagens:** So it's a chicken or the egg sort of problem.

[00:36:47] **Stacy Mitchell:** Yeah. And I, you know, I, think the retail level in some ways is the most important to be focused on, because that's the gatekeeper between eaters and ultimately farmers on the other end, right? Like, there's two sets of entities that stand between us and the people who actually, the, in the human people who actually produce our food.

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And that's the retailers and then the processing companies both highly consolidated.

[00:37:10] **Nate Hagens:** You know, it's, kind of ironic 'cause where I live, in Eastern Minnesota. There are like probably five grocery stores. And the only one that has, a large organic section, is Walmart.

Yeah. Yeah.

So that's the only time I go there. yeah. So can you put some numbers on this in, the past few years in the United States? what, what, are we talking about? What do the numbers look like in terms of small and local businesses in comparison to large ones, whether those are national chains or big box stores or, some other definition.

[00:37:46] **Stacy Mitchell:** Yeah, I mean, and, across the economy, I would say, you know, in the early eighties we had, nearly half of all of economic activity was, happening among businesses with fewer than a hundred employees. Nearly half today, it's down to about 20%. And so that's just sort of economy wide. And then we can look at individual sectors.

So, you know, I mentioned Walmart. One out of every four grocery dollars there are Walmart. Together with the next, three or four chains has about 60% of all food sales in the country. the banking sector, you know, in 1994, more than half of our banking assets were held by local community banks. then we had some of the policy changes that Bill Clinton made, to our banking system.

Massive consolidation today. Community banks, small, local community banks are down to about 15% of the market nationally. whereas we have four mega banks that are, almost half hold, almost a half of all banking assets, which is just

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extraordinary. we're seeing this in healthcare. We see it in a lot of, food production beer.

About 70% of all the beer that we drink is just two companies.

[00:39:04] **Nate Hagens:** What are those companies?

[00:39:06] **Stacy Mitchell:** Yeah, it's Ab InBev, an Anheuser-Busch, AB InBev and Molson. yeah, they own a lot of different brands, including many craft brands, and so there's in a lot of these sectors a kind of illusion of choice, like when you go to the rental.

Car section at the airport and you're like, oh, look at all these different counters. Yeah. There's three companies that control all of those different brands. Oh. When you walk down the, a supermarket aisle and you see all these different brands of cereal or all these different brands of chips, it's actually just a couple of companies that own all of those different brands.

[00:39:41] **Nate Hagens:** So it's the, can cannibalistic effect, where you want to compete. So create another brand to compete with you, and gain market share, but you own both of the brands.

[00:39:54] **Stacy Mitchell:** Yeah, in a way, to kind of hoodwink. Sort of people, you know, because it looks like, oh, there's choice. If I don't like, enterprise, I can go to national.

Well, yeah, they're actually the same company, you know? and it's a kind of secret way that consolidation has gone on. And, you know, if you're a big conglomerate, you're like, oh, well we're gonna make this brand to appeal, to that particular demographic, but there's no actual diversity and therefore you lose the actual

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benefits of competition in terms of innovation, in terms of a company that's like, oh, we're gonna do this completely differently.

You know, we don't get that because it's just three companies moving in lockstep.

[00:40:30] **Nate Hagens:** So how do you, at your institute for local self-reliance and in your research, I assume that you have cataloged and discovered how this shift towards the dominance of large scale businesses in our nation has affected the wellbeing, and life experience of the average individual living in this country.

[00:40:51] **Stacy Mitchell:** Yeah. Yeah. Well, I mean, we can start with our livelihoods. You know, one of the things that researchers have discovered in recent years as consolidation has started to be more studied and the, sort of, blinders about efficiency have, begun to loosen a little bit. People have been looking at this more objectively.

One of the things they've discovered is that consolidation doesn't just affect. Kind of what's available to us as consumers. It also affects what's available to us as people who need to make a living, who need to work. And so a, as there has been more, as companies have combined, they've gained power over more power to set wages, that there is less competition in the labor market, that people have fewer choices about where to work.

And economists have shown that this in fact is, held down wages. And that a significant share of the rise in income inequality is actually a product of this phenomenon of consolidation. And so people have lost incomes

[00:41:50] **Nate Hagens:** because the efficiency went upstream to the big corporations that owned all the brands.

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[00:41:56] **Stacy Mitchell:** Yeah. Or to put it in like more concrete terms. If you're a nurse and you live in a metro area where one company has consolidated control of all of the hospitals, you don't really have an ability to say, oh, I don't really wanna work for you. I'm gonna go work for this other employer. Yeah. And make more money.

[00:42:11] **Nate Hagens:** Oh my gosh.

[00:42:12] **Stacy Mitchell:** Yeah. So like tractor repair, you go down to all the, like a ton of occupations. Now if you look at them in the geographic area where people live, they don't actually have any options anymore. and so there, there's this power and, that, you know. What you get paid. and, what's happened to wages is a very, you know, is a, is an expression of that, but there's other ways that gets expressed.

So take Amazon, you know, Amazon, has completely transformed the warehousing sector. Like, because we have lost so many other companies. Amazon now dominates warehousing and they set the terms for labor and they, their warehouses have significantly higher injury rates than other warehouses. Why do people go get jobs there?

Because they often just don't really have any other options. Like, you know, because Amazon is so dominant in this sector, that, you know, people are kind of at the mercy of an employer that mistreats them, and sort of lives with these high injury rates. So this is like, and I, would add to that just to stay on the economic thing for a minute.

We also have much less of an opportunity to start a business. I mean, the thing we've been talking about, you know, it used to be that you had two pathways to the middle class, two pathways to, you know, have a measure of control over your

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livelihood. You could go get a good job, maybe a union job where you had some voice, you know, on the job that way.

Or you could start a business. You know, and control your own livelihood that way. And you know, back, if you go look at the structure of the US economy, in that period of the forties, fifties, sixties, when the middle class was expanding and there was less extremes, poor and rich, that was a period where we had like.

Rising levels of, high wage, often union jobs and rising levels of small businesses. that was the way we created a middle class. And we have cut off those, both of those avenues. And so it has that very real effect on people's wellbeing in terms of their, just their economic wellbeing

[00:44:20] **Nate Hagens:** in our country.

You, if you want something, a book or some vitamins or some gadget for your house, it's quite easy now to just get online and order something and two or three days later, a brown truck shows up, with your product and it seems great, and relatively inexpensive because of efficiency, but.

One thing that goes beyond the economics is the loss of, I imputed social capital. That happens from that because you never have to leave your house, you never go to a local market or like you say, the general store, the hardware store or local businesses and meet and talk with your neighbors. How radical an idea would it be to, instead of having people make choices based on the strict economic cost, which is the cost of production plus delivery, plus a markup for the company where we added a 20 to 30%, local patriot tax or something that I would be willing to pay 20% more if the entire supply or a, majority of the supply chain was within Minnesota, North Dakota, Wisconsin, Ontario for instance.

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because. Two things. One, it, it might change the governance and the, retail supply chain that you mentioned. And two, it's an educational thing to show that we're, what we're paying for is not only this product But the entire system and social capital is vital to any resilient, thrive, thriving futures.

I, I just thought of this right now. what are your reaction to that idea? Or more broadly?

[00:46:14] **Stacy Mitchell:** Yeah. I mean, I think a lot of people would, like more of that kind of a system. I, think the modification I would make to, your sense of how to get there is, I don't think we actually need a 20%. tax.

I'm on it in the sense that I think the question to ask ourselves is, why is it that Amazon, I mean, we are 30 years into Amazon, right? They were founded in 1995. And so, this is a company that has dominated online shopping for 30 years, and now dominates much of the retail sector. How is that possible?

[00:46:52] **Nate Hagens:** Please tell us how is that possible?

[00:46:55] **Stacy Mitchell:** It is because Amazon has used a set of tactics to monopolize the market tactics that are illegal. but we have not enforced our antitrust laws for much of that period. And, to understand, I guess just to understand a little bit about. Your notion of a 20% tax, like a 20% tax on Amazon deliveries, is that how Well

[00:47:16] **Nate Hagens:** it, it wouldn't, I mean, it wouldn't even have to be a tax, maybe it would just be an educational campaign that says when you buy this product, vitamins or a book, it's not just the book that you're buying.

It's the entire ecosystem of where you live and what you're not paying for is the loss of social capital, and that should be worth something. So make that, part of

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the decision of where you shop, something like that. Yeah. It wouldn't actually be a tax necessarily. I'm, I'm just calling out the fact that we use too narrow of a boundaries.

That the price of, a, razor isn't just. To shave, it's also the entire system. that I use to, prepare before podcasts. I have to shave, to TMI for my viewers, but do you know what I mean? I mean, there's There's a wider boundary sense of where we are and our decisions matter and we're just squeezing out all the social relationships locally and regionally in our current system.

[00:48:23] **Stacy Mitchell:** Yeah, I think that's right. But I think the way I, think we can actually shift a lot of this by actually just creating a level playing field,

[00:48:32] **Nate Hagens:** and how would we do that

[00:48:33] **Stacy Mitchell:** if we held a Amazon to account in terms of what our antitrust policies stay, and I, should say. The federal government, you know, there has been a revival of antitrust under the Biden administration and we've now got a lot of state attorneys general getting involved in antitrust as well.

And so there has begun to be a return to this, including a major monopolization lawsuit that was filed against Amazon that is now underway. I think the, thing to know is that Amazon isn't dominant. Hasn't remained dominant for 30 years, because it is just inherently better at doing this than anyone else.

I think they have remained dominant in, in part by taking advantage of a lot of public policy favors in their early years that gave them this huge headstart. the biggest one of those is that they didn't have to collect sales tax, which gave them an enormous advantage for many, years over local businesses who did have to collect and remit sales tax.

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they also benefited from a lot of subsidies and other things. And then as they gained momentum and became more dominant, they have now begun to use their monopoly power in a way that deliberately blocks competition. So, for example, You know, businesses that sell on Amazon, you know, more than half of their sales are these sort of third party sellers, who sell on the platform.

Amazon has a policy that says if you offer a lower price on another website, we're gonna penalize you. And now you're not gonna be in the buy box. You're gonna be way down in the search results. And by the way, we're gonna impose increasing fees on you. So over the last 10 years, Amazon's fee seller fee has gone from about a 19% cut of every dollar that a seller makes to almost 50% a almost wait minute, a minute, 50%.

[00:50:23] **Nate Hagens:** If I sell a product on Amazon Almost 50% of the sales price goes to Amazon.

[00:50:29] **Stacy Mitchell:** Yes. And this is an enormous, this is, I would guess

[00:50:32] **Nate Hagens:** it was 5%.

[00:50:34] **Stacy Mitchell:** Nope. No. It, went from, about 19% to 50% in the last 10 years. it's an enormous cut, and it's a, it's evidence of monopoly power. So the way that Amazon uses its monopoly power is by charging these exorbitant fees to the businesses that it's a gatekeeper.

You know, if you wanna sell online, because most Americans start their shopping on Amazon and not on a search engine. If you're a business, you're a manufacturer, you're a retailer, you wanna reach people online, you have two choices. You can either open your own website, it's like hanging out a shingle on a dirt road.

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There's like two people walking by. Or you can sell on Amazon, but Amazon's gonna take a 50% cut of every dollar you make, and you're not actually gonna be able to stay in business that way. And so most of the sellers on Amazon are based overseas. It is just a kind of, way to have low cost goods come into the country through that system.

Amazon says to sellers, if you offer a lower price on another website, we're gonna penalize you. And suddenly, you know, Amazon's so dominant that sellers, they depend on Amazon for 70, 80% of their business. They can't lose that. They can't risk displeasing Amazon because it's a monopoly. And as a result, other websites, other platforms that might have gained that traction, never do because.

All goods have to be higher priced on Amazon. I know I'm getting into the weeds of this, but I think some of the, we need to start like really understanding how these monopolized systems work and get out of the framework of assuming that corporations are outcompeting, when in fact they're manipulating.

And, you know, one of the things that, that has happened, and there's beginning to be real evidence of that, is that as Amazon has become more dominant, forcing other companies to elevate their prices online, that actually consumer prices have gone up and the experience of shopping on Amazon has become worse.

More and more of those search results pages are ads. And in fact, a lot of them are what, Amazon itself refers to as junk ads. They're not even geared to meet your search 'cause Amazon gets paid through all of those things. And, you think about it, why is it in a country as large and diverse as we are, that we have one company that dominates all of e-commerce sales?

And there's been no innovation. I mean, Amazon's website is like the same as it was years and years ago.

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[00:52:54] **Nate Hagens:** How does this compare to other countries? I know your focus is on the United States, but is does this rhyme in Europe? In Asia?

[00:53:04] **Stacy Mitchell:** Yeah, it's a great question there. I'm not familiar with every part of the world.

I will say that, countries in Europe, they also have a fair amount of Amazon dominance, not nearly what we do. And there is a bit more competition. They're also struggling or, you know, wrestling with the sort of policy issues. And we have seen, Europe does not have the same anti-monopoly traditions that the US has.

They are not accustomed to breaking up companies, which, you know, we haven't done really in a long time. But historically, America's done a lot of that. Like we, we know how to do that. So Europe is, you know, they're, they have passed a number of regulations around digital markets and they are starting to get more and more aggressive about this stuff.

But we'll see if they catch up. I think the kind of economy you're talking about, where we have more local businesses, more. smaller scale or regional producers and makers of things that are able to succeed. Like, I don't think we actually have to have a, tax necessarily to achieve that. I think what we have to really think about is how do we actually have a real level playing field?

'cause I think those businesses can hold their own. If we set up a system where co the actual costs of consolidation are real, where we don't allow these monopolization tactics where we don't have an uneven tax system. I mean, Amazon pays no taxes. Your local bookstore pays 25% of its income. Right. You know,

[00:54:27] **Nate Hagens:** so we used to have strong antitrust laws.

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And you said that started to unravel, with Robert Bork and, the Reagan administration. If we had stronger, antitrust laws, would some of the issues that you're describing, be resolved?

[00:54:47] **Stacy Mitchell:** Absolutely. I mean, one of the outcomes of the monopolization case that's been brought against Amazon, brought under the Biden administration we're, you know, hoping that the Trump administration will continue it.

It's gonna go to trial, in a year and a half. One of the outcomes of that could be that the court decides to break up Amazon. And it could be spun off into multiple companies, which would eliminate its ability to engage in the kind of tactics that I'm talking about and suddenly open up a lot of possibility for competitors, including local and regional companies to succeed.

[00:55:22] **Nate Hagens:** So can you briefly steal, man, the other side of this argument? Someone listening to this program who's in favor of the way that the system is now and doesn't want more antitrust. What's the best argument they could put forward and what would your response to that be?

[00:55:39] **Stacy Mitchell:** Yeah, I mean, I think typically what you hear is, this, system is serving consumers well, that we should only be focused on consumers and efficiency and sort of low prices.

We shouldn't worry about these issues of power and diversity and, that sort of thing, and that the system serving consumers well and that these markets really aren't all that consolidated. They would probably say in the case of Amazon, oh well, you know, another competitor could come along and give them a run for their money.

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You know, competition is what you'll hear. Competition is just a click away. And I think my response to that is, I think on the. Consumers are doing well. I think when you look around at how people are doing, I don't think most people are doing very well. Like, I think I would agree. I think people are struggling.

Yeah. to make a living. They're struggling to afford things, they're struggling to have access to things. I don't think our economy is working very well. I mean, we have like, you know, a, documented lack of innovation. We have these very brittle supply chains. there are lots of sectors where we are not outperforming, we are underperforming clearly, in terms of just the production and delivery of goods and services.

So I don't think this notion that we're doing well is supportable by the evidence that is all around us.

[00:57:00] **Nate Hagens:** Well, there's a, difference between the median and the mean. the mean might look like we're doing well, right. But that's because of some outliers. The median is not doing so well.

[00:57:10] **Stacy Mitchell:** Right. When we have the billionaires of the world that are pulling the average income up, that doesn't actually speak to what. Most people are experiencing. I think that's right. But then the other part of, what they say, competition is just a click away. It's like, well, it's not really a click away.

If Amazon essentially has the power to manipulate what the choices that are made by other market participants. Those market participants are so dependent on it that it, they basically do what it says, you know? And that's true for all major manufacturers and suppliers. I mean, if you're a big publisher of books or a big maker of any type of consumer goods and Amazon says, guess what?

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You're gonna give us lower prices and sweetheart deals and access to product, and you're gonna deny the local business down the street. Those same things. What do those manufacturers do? They say, yep, Amazon, we're gonna do your favors and we're gonna help you dominate. And that's what we see across the economy.

[00:58:08] **Nate Hagens:** I get that. And it's not just Amazon, it's banking and retail. And groceries and everything. And rental cars. Are there any industries where having this sort of outsized dominance of large businesses has had a stronger downstream effect on the health of the broader economy and why

[00:58:25] **Stacy Mitchell:** not?

Everything can, you know, can be done at a local or regional level? Right. And, we shouldn't want that, or imagine that's the case. I think what my organization is arguing for is that there are places where that actually makes more sense and has all of these extra benefits in terms of, you know, the things that we've been talking about.

but there are things that are naturally, Exist at scale. So I, think network industries is one of them. So you think about, like tech, well you think about tech is one, and, maybe we can come back to that, broadband, you know, you're only gonna have one company that runs cable into your house or runs fiber into your house.

[00:59:06] **Nate Hagens:** Is that the case? Is that true? We have only one.

[00:59:09] **Stacy Mitchell:** Yeah, I mean, when it comes to laying that infrastructure, it doesn't make sense to have 10 competitors who are each running fiber across, the country because of the high cost of that infrastructure. So, so, so the better way to think about that is either as a public utility.

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And so my organization has helped hundreds of, cities and towns build community owned, broadband networks. Many of them, fiber based, that are run publicly, in general are cheaper and provide better service, than that provided by the dominant ISPs. Yeah. all of the fastest, cheapest is internet service providers in the country.

almost all of them are small and local. back to the question of is, wow, are the efficiencies of scale real, one of the fastest, best. cheapest, ISPs in the country is in rural North Dakota. It's a co-op. and despite being low density, it turns out that if you have community control, you can actually achieve, a sort of a better performance than, these big companies have.

So, just going back to the question, you know. I think in those situations where you have something that is a network industry. Another example would be a railroad. You know, back in the day, railroads were one of the things that led to our earliest antitrust laws, because what was happening was that railroads were gatekeepers and you, railroad companies recognized that they could, you know, part of how Standard Oil built its monopoly was, a, connection that John d Rockefeller had with, the railroads and being able to deny access to competing oil companies or make them pay higher prices in order to move their goods on the rails.

And that's how he ended up dominating oil. So it was this nexus between the railroads and domination and other sectors. And what we did with the railroads is we heavily regulated them. We said. You're gonna have no price discrimination. We're gonna reg, we're gonna regulate your rates. We do this with another example is electric utilities.

You know, so the distribution of energy is done, by a single company in your, area. But we regulate what they can do and what they can charge. So I, to your question, I think when it comes to, areas where we do need scale, then we have

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to think about if we don't have competition and diversity as the kind of force that keeps companies honest, what's then the public role in making sure that we keep those companies honest?

[01:01:43] **Nate Hagens:** So getting to the issue that I'm quite concerned about, we already mentioned that the median person in this, the United States, one of the on paper, technically richest countries in the world, the economy's not working. but I think this is probably going to get worse for a variety of factors that we discuss, on this platform.

But if there were to be an economic downturn, a recession, or even further what I call a great Simplification in the coming decade, how will local economies support communities better than big businesses would?

[01:02:22] **Stacy Mitchell:** Yeah. Yeah. That's such a great question. I mean, I'll share some of my thinking. I'd love to hear yours as well as I know you've actually thought about that probably more deeply than I have in many respects.

But, you know, I think ultimately as we look at the kind of, challenges that, we may face, There's often a focus on, you know, how are we gonna meet basic needs, you know, water, food, that type of thing. I would say that there's an overarching thing that's really gonna determine how well any place succeeds, which is how well are we able to, work with our neighbors to solve collective problems. And I think having a more local economy where we have more capacity, more wherewithal, more resources, more ability to direct and channel, the production of things and the distribution of things, the more that is, available to us at a kind of community and regional level, the more we're gonna be able to work together with our neighbors to adapt and solve problems.

[01:03:30] **Nate Hagens:** Fully, agree. I just don't know how to get there.

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[01:03:32] **Stacy Mitchell:** I mean, I'll tell you how we work on it and I mean, no one obviously has like the magic answer to all of this. but we were actually working on it at two very different levels. So my organization, the Institute for Local Self-Reliance, we work a lot at the grassroots level working alongside.

community organizations in actually building alternative systems. So I mentioned we've built lots of, community controlled broadband. We work with communities to build, community controlled solar and, you know, sort of get disconnected from the larger grid and have more of a localized production of, power and distribution.

We work on, community composting and sort of local agriculture. we do work around like what are the systems of finance and money and local banking. And we do a lot of work around local business. Like we've helped communities, support initiatives to build local grocery stores and rebuild Main street businesses of all kinds.

[01:04:30] **Nate Hagens:** Is this just in Maine or is this all over the United States?

[01:04:32] **Stacy Mitchell:** No, we're a national organization. historically we have offices in Minneapolis, and Washington, dc but our staff is everywhere. We were founded in 1974. We're a staff of about 35. we work across these four broad program areas, but we work in, other parts of the economy as well.

So yeah, we're, kind of everywhere. And yeah. And then we also, you know, so in addition to doing this grassroots work, we work to change state and federal policy that we think is really either inhibiting the vision we wanna see or could potentially enable it if we can make those changes.

And what we found, like, sort of why we tie those two things together as part of our strategy is we sort of recognize that the local is incredibly important. And

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having people having tools to take action right now in their own backyards, is, hugely important. But that's not gonna be enough to add up to the change that we need if we continue to have these larger structures always working against local systems.

And so we do need to have monopolization lawsuits against, major tech companies and we do need to have some of these other things altered. and so we work with many of those folks on the ground as kind of allies to tell their stories to lawmakers at the state and federal level and have had a pretty good track record of, moving things.

[01:05:56] **Nate Hagens:** So I looked at your website, based on what you were just saying, and you focus on making changes at all the different scales from the local and state all the way up to federal. So like, what is the role of each of those scales and what specific policies are you hoping to see enacted, at each of those scales?

[01:06:14] **Stacy Mitchell:** Yeah. And you know, as a team of 35 people, we work a lot in partnerships, right. You know, so a lot of that change happens because we're deeply connected to people who are organizing at the local level or the state level, and we're working coalition. And so, to just, say that, you know, at the local level, there's just an incredible amount of untapped authority that cities have, to address things.

you know, cities have, a lot of power to make rules over all these sectors of the economy, that, that. We don't always see them using. you know, planning and zoning rules can be really important tools, for example, for, limiting or imposing, various parameters on say commercial development, big box retailers, Amazon warehouses, and also to put in place the kinds of rules that can really, create this sort of, habitat at the local level that's really good for local entrepreneurship and local businesses.

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states have, full authority over our antitrust laws, so state ags can enforce not only state antitrust laws, they can enforce federal antitrust laws. so states are very powerful actors when it comes to addressing monopoly power.

[01:07:31] **Nate Hagens:** So, could states intervene on some of the things you mentioned Amazon earlier is not following all the rules.

Could a state intervene in that situation?

[01:07:42] **Stacy Mitchell:** Yeah, a couple of states, California, Arizona, also Washington DC have filed their own monopolization lawsuits against Amazon, and there are 17 states that are signed on to the federal one. So if, you know, I, hope this doesn't happen, but if the federal government were to step away from that lawsuit, those 17 states can carry it forward.

got it. And in fact, I don't know how many people followed. You may have followed the Kroger Albertsons proposed merger last year. That was, you know, two. Enormous supermarket, chains looking to merge. It was the first time in decades that the federal government, any government has challenged a, major supermarket merger.

It was challenged by the federal government and by two states operating independently. and the two states won, their lawsuits, and so they would've stopped it on their own, absent federal power. So yeah, there is just an incredible amount that states do. States are also the primary actors when it comes to setting up policies that govern our, electricity system.

So when we think about, electrification and MO moving to renewable power, the most pivotal actors on that front are at the state level. And so we do a lot of work there, as well.

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[01:08:52] **Nate Hagens:** So we've got the federal situation, we've got the corporations, which are spinning through this aggregate, smorgasbord of efficiency, surplus control, and influencing their own system.

We have state, we have local, and then downstream we have us the individuals and. You've been saying a lot of important things that I didn't know before about the economy, And efficiency and, such. The biggest takeaway that I've felt in my gut in this conversation is what you talked about earlier, is the feeling of powerlessness and the lack of agency that individual humans living in this culture, they might not even voice it as such, but it's felt, and it influences our lives.

So at not the federal scale or the state or the, local scale, but what can individuals who are listening to this show, and resonate with what you're saying and feel inspired, what can they do to get involved in this work? Especially at, where they live, at the local level?

[01:10:02] **Stacy Mitchell:** Yeah. I think, you know, we don't.

As individuals, you don't have to know how to solve a problem. What you do have to know how to do is to call up two people that you know and say, will you come have coffee with me to talk about this problem in our community? Oh, I love, that. And that's where, yeah, it's really where it starts is because it is that, it is beginning a conversation with our neighbors and those two people, they know other people.

And you begin to say, how is it that we can have a local grocery store in our neighborhood that doesn't have a grocery store or whatever the thing is that is on your mind, might be. and it goes from there. and we have a lot of resources and tools. You know, we have all kinds of how-to tools.

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We have a huge library of local ordinances, policies that your city can pass. We have, you know, we provide a lot of technical assistance, you know, so we're on the phone all the time with sets of, you know, community. Folks who've gotten together and said, you know, we don't want Live Nation to come in and open a huge entertainment venue.

We wanna protect our local music scene. How do we do that? We can help you. But it starts with your engagement with your neighbors. And what I also, I think this is so important for like our politics too, because you know, the, we feel such a sense of isolation in our lives. There is so much loneliness and a sense of fear and isolation that if we can reconceive our civic lives as being not about.

Yelling on Twitter about something, but instead having coffee with a neighbor and figuring out how do we have a larger meeting about this and who do you know and what are the networks that, in and of itself is rewarding. Like you may achieve the thing, which is great. Exactly. But the joy of being in face-to-face relationship with your neighbors and the social benefits of that and the mental health benefits and the meaning that creates is its own reward.

[01:12:01] **Nate Hagens:** Exactly. The social capital is real capital. yeah. Not a, I mean in a, in an on top of and separate from financial capital. So I, fully agree that is the way to start is call up to friends, have coffee, talk about the local grocery store or whatever it is. But downstream from that, can you give us some success stories, from, your work of people that started a process with a couple phone calls and coffees and then resulted in something.

[01:12:33] **Stacy Mitchell:** Yeah, so let me, stick with the grocery store one. so, you know, we got a call, quite a few years ago, I wanna say back in 2018 or so, from a woman who lived in North Tulsa, the northern part of, the city of Tulsa in Oklahoma. And her neighborhood is, it's kind of a large neighborhood, geographically, sort of spread out.

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No grocery stores for Miles, hadn't had a grocery store in a long time, and inundated with Dollar General and Family Dollar Stores, very predatory companies, that, you know, can, really cause a lot of harm to a community. And she said, you know, her neighborhood, the life expectancy of people who live in that neighborhood was about nine or 10 years less on average than people who live in the rest of Tulsa.

And she felt that this was really linked to the fact that. That this was a food desert and that people were often doing their grocery shopping in Dollar General, where the only choice was sort of the processed packaged foods on the shelves and this lack of fresh food. And she felt there was a real connection in that.

So she began to campaign for a ban on dollar stores and in Tulsa, That's not a place that has a history of kind of using land use policy. This is not Vermont. Right. You know, this is Oklahoma. And she ended up running for city council and she won in that district and won on the basis of we need a healthy food policy.

And she continued to campaign on that along with a bunch of people in the neighborhood and got it, grew in momentum and she succeeded in passing the ban on dollar stores. We, sort of helped write that policy with her. And then, she continued to work and began to piece together some financial resources from local economic development folks and, entities, you know, began to persuade other people on the city council and just kept doing the work, backed by a lot of people in her neighborhood that she had helped organize and was kind of the center of who would show up en mass at local meetings.

And they managed to finance and they found a local. Owner, managed to finance this beautiful grocery store called, it's called Oasis, fresh Market. And it's this gorgeous grocery store that's been open for several years now, run by Aaron Johnson, who's a local person. And the store is so much more than a grocery store.

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It is a community gathering spot that is, you can sort of wa they have a wonderful, like, we've been trashing social media, but they have a wonderful Instagram, you know, you can watch sort of videos of the store and really get a feel that they help people in that community who need help in various ways that go beyond buying groceries.

[01:15:20] **Nate Hagens:** So, so your message there is anyone listening to this program in Topeka, Kansas or North Seattle, Washington or Red Wing, Minnesota, could do their version of that?

[01:15:32] **Stacy Mitchell:** Absolutely we're here to help. And, but it's that local organizing and building those connections to your neighbors, and doing that work, which is, you know, is so rewarding in of itself.

We've, also been doing, lately, our broadband team has been doing tribal broadband bootcamps. So we've been, we've worked now with over 75. Native tribes across the country to do, and these are places that have been bypassed in many cases by the major, internet service providers. And you know, people, you know, as all people in America are, there's a sense of like, well, we just have to wait for some big company to solve this problem for us.

And it's like, no, actually you could just build your own broadband network. So we do boot camps where we bring together local folks who have no. Technical expertise, nothing. You know, they come in because they wanna be there and it's like, here's how we do this. and you know, and here's how you get this financed.

And not only do people go on to build a broadband network, but then it's like what you see happen through this process is, oh, if, we could solve this thing that seemed unsolvable, what else might we be able to do collectively? You know,

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[01:16:36] **Nate Hagens:** the recipe for how to build a local broadband network applies to many other, potential things like groceries or Pharmacies or whatever. Yes. Yeah.

[01:16:46] **Stacy Mitchell:** Yeah. It's, basically the same set of things.

[01:16:49] **Nate Hagens:** Could you outline briefly what those things are? Like a brief checklist?

[01:16:54] **Stacy Mitchell:** Yeah. I mean, I think it's the local organizing, so it's creating a group that then begins to bring other people into the group. and so you get that sort of the people power and people coming together.

It's. Influencing, the, governing bodies that have some type of role. So it could be the city council for example. And in that process of organizing conversations, turning people out to meetings, that sort of thing. it's, I, it's the technical expertise, which you can often get external. We can provide it, other people can provide it of like, well, how exactly do you do this?

Or, what's the actual policy language that we need to pass? Or, where does one get financing for this? So there's a set of those types of questions that you have to answer, but there are often resources and people who can help you answer those questions. And then I guess the, other thing I would say, I mean, the other two things that come to mind is, you know, there is something about.

It's important to be able to communicate the vision that you have and the possibility. And so using stories from other places that have overcome the thing you're trying to overcome. Because I think, honestly, I feel like a, in a, big, well, in, in some ways you could say our biggest barrier as a society to a different world is our inability to imagine it or our, feeling that it's impossible or we can't even visualize it.

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And so part of what ILSR does and sort of encourages every, you know, other community groups to do is, to really document and tell those stories of other places that have succeeded. 'cause then it's like a light bulb goes off. And people are like, oh wow, this is actually possible. and then there's the, final thing I'll say is the doggedness, right?

Like, these change is not always fast and you know, it's the steady pursuit of that. that's really important. But as I was sort of alluding to before, a lot of what's been on my mind lately is how do we make. That sort of work be embedded in something that's a lot of fun.

[01:19:01] **Nate Hagens:** And this is nonpartisan, right?

I mean, yeah. I mean, the grocery store example you said in Tulsa that helps people of all political stripes. So what you're talking about more, local resilient, businesses, there's, it's not political.

[01:19:19] **Stacy Mitchell:** No. We work all over the country. We work in rural places and urban places, red places, blue places. everybody gets this, like once you get down to the practical level.

You know, the people don't have any divisions. We all want the same things essentially in terms of, you know, wanting to have a sense of, say, over our own lives, you know, wanting to have a sense of freedom, wanting to have our basic needs met, you know.

[01:19:44] **Nate Hagens:** Well, where I was going with that is this seems like, an, entree, building more local resilient, small businesses and local economies that aren't the big box, Monopoly type of things will have the benefit of creating the grocery store. But the secondary benefit is the social capital and the conversations with people you normally wouldn't be talking about. And ultimately

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in what I expect is going to be, our future, which would be more local and regional economies and less material intensive lifestyles that social capital is gonna be.

Really important. So this is like a gateway to that.

[01:20:26] **Stacy Mitchell:** Yeah, absolutely. It is the process of building that social capital. I think that's absolutely right.

[01:20:31] **Nate Hagens:** So this, has been, really informative. I hadn't thought about this angle. like what is your, just outta curiosity, you are obviously incredibly busy.

Like what does a day in the life for you look like and what, what excites you right now? What project are you working on that you're, super enthused about?

[01:20:54] **Stacy Mitchell:** Yeah, so I mean, I'm the co-executive director of the organization, so some of my days spent thinking about like, what is our. Broader strategy.

What are the big picture choices that we need to make, you know, managing the organization as well. some of the, and then I'm also very hands-on, engaged in a lot of the work. and, you know, I do research, I write, I speak, I collaborate with my colleagues, on various kind of advocacy campaigns and to support the technical assistance work we do at the community level.

You know, one of the things I'm excited about, I've spent a lot of time as you could tell in this conversation, I've been circling around food and grocery stores a lot in recent years, and I, came to that in part because it's. it's a way to make the conversation about monopoly and about local business, concrete and meaningful to people.

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Like it's a way to sort of get traction, if you will, with that conversation in a way that doesn't necessarily work at the abstract level. If, that makes sense. And because these problems are so evident, I mean, we have almost 40 million Americans who live in places without grocery stores. I mean, that's a daily hardship and indignity in your life not to be able to buy groceries close to home.

And it has this terrible set of effects up the supply chain. and a lot of that is due to, I mean, a huge causal reason, you know, factor behind that is. Concentration and the decision to, stop enforcing our anti-monopoly laws. And, you know, we didn't used to have food deserts. You go back to the 1970s, we didn't have food deserts, poor neighborhoods, small communities.

They could count on having a grocery store and often had several and many of them were locally owned. It was a policy decision that we made that led to all of this. And so what I have found is some success in moving the monopoly conversation apart by working with communities locally on the, grocery issue and then using those stories and those.

Local allies, to change how policy makers at the state and federal level think about antitrust. And when you go in and tell those stories and you say, we have this great grocery store in North Tulsa that's this amazing place. Go visit it. Go look at it. And by the way, for this grocery store to survive, we, actually need to enforce some of our antitrust laws and stop allowing Walmart to take advantage.

So I, I feel like I've gone a little bit long and around the bend with you asked me about the day in the life, but to say something that I'm really excited about and kind of passionate about at the moment. That's it.

[01:23:36] **Nate Hagens:** What's your response when people at these meetings, react with, that's anti-free market and anti-capitalist, your pathways?

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[01:23:48] **Stacy Mitchell:** Yeah. I mean, these companies are. A kind of governing force in our lives, right? All this time that conservatives especially have been worried about big government, well, we now have big corporations who exert an incredibly powerful, they decide who wins and loses in this economy

[01:24:04] **Nate Hagens:** in many cases, more than the government.

[01:24:06] **Stacy Mitchell:** Absolutely. Which community's gonna do well? Which communities gonna lose? Is your business gonna be able to succeed or is Amazon gonna block you from the market? Walmart can make a decision that absolutely, you know, their power over the food system is greater than any power. The FDA or the USDA exerts, you know, if they say we can, I've never thought about that.

Accept, stakes of this size, that's gonna go all the way up the food chain and it's gonna change the cows that people, you know, that people, ranchers farm, you know, like that's the kind of power Walmart has. This is not a free market. This is a market that is, really, dictated to by a set of monopolists.

Many conservatives see that and kind of recognize, that monopoly power is in fact a problem that we have to address.

[01:24:51] **Nate Hagens:** Yeah. This has been, fascinating. if you were to come back a year from now, do a future episode. some aspect, maybe not directly related to your day-to-day or the conversation we just had, something about our world, that you are particularly interested in and passionate about.

And would it be willing to take a deep dive? Is there such a topic?

[01:25:17] **Stacy Mitchell:** There are ways to go deeper. And get into what I think are very interesting weeds on a lot of the things that I've covered.

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[01:25:23] **Nate Hagens:** What's the most interesting weed of the things we've covered that you want to, unearth?

[01:25:29] **Stacy Mitchell:** I have a hard time 'cause I think they're all interesting.

I mean we could, for example, actually talk nuts and bolts about antitrust law and how it works. We could talk about Amazon in a deeper way and its history and how it came to be where it is.

[01:25:44] **Nate Hagens:** Thank you for your important work. I'm glad that there are organizations like yours, working on this because I do think the future's going to need more local bioregional, economies and the things that comprise them.

Do you have any closing words of wisdom for people watching and listening who understand and agree with what you've laid out here today?

[01:26:06] **Stacy Mitchell:** Well, I, just wanna thank you for having me on. This has really been a, great conversation and I've enjoyed it so much and really appreciate, you engaging on these topics and the work that you do.

And, you know, we just invite everyone to, you know, check out our website and think about ways, to get involved and how, we can help you on, on, on the project that you have in your community.

[01:26:28] **Nate Hagens:** Thanks so much, Stacy.

[01:26:30] **Stacy Mitchell:** Thank you.

[01:26:31] **Nate Hagens:** If you enjoyed or learned from this episode of The Great Simplification, please follow us on your favorite podcast platform.

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