

RESEARCH SUMMARY

The Globalization of Antitrust: Spreading the Consumer Welfare Standard Worldwide

Although antitrust laws were first enacted in the United States, today almost all nations have adopted “competition laws,” as they are generally known. In “[The Globalization of Antitrust: History and Prospects](#),” Alden Abbott argues that the spread of these laws has benefits and risks. Washington should engage with multilateral institutions and other countries to promote antitrust policies that advance economic growth and innovation.

PUTTING US CONSUMERS FIRST

Antitrust laws are designed to curb efforts by firms to reduce competition in the marketplace or to create monopolies. Since the mid-1990s, US antitrust policy has been guided by a bipartisan consensus that consumer welfare is the chief consideration. Under this consumer welfare standard, aggressive competition that promoted expansion of output was acceptable and harm to individual competitors was of no legal consequence.

By 2016, arguments for highly interventionist antitrust rather than the consumer welfare standard began to emerge. Critics asserted that the US economy was suffering from excessive market concentration and that giant firms were monopolizing key sectors. They also claimed that concerns other than consumer welfare (e.g., fairness, democracy, labor rights, and environmental problems) must factor into enforcement decisions.

Abandoning the consumer welfare standard would do substantial economic harm. It would discourage or prevent business transactions that could enhance consumer welfare and would reduce incentives for firms to innovate.

PROMOTING A CONSUMER WELFARE-BASED ANTITRUST POLICY WORLDWIDE

The globalization of antitrust is becoming increasingly important to the economic welfare of many nations as major businesses (in particular, digital platforms such as Google and Facebook) encounter growing antitrust scrutiny by multiple enforcement agencies around the world.

Three key policymaker takeaways for antitrust policy are as follows:

- a) The economics-based consumer welfare standard that has traditionally been the basis of antitrust policy in the United States has performed well in promoting competitive markets—and can advance economic growth and innovation globally.
- b) US antitrust agencies interact with foreign enforcers on a daily basis. These agencies should strenuously promote the consumer welfare standard through their engagement with multilateral institutions (e.g., the

International Competition Network and the Organisation for Economic Co-operation and Development) and with other jurisdictions.

- c) The United States should respectfully oppose recent efforts in Europe, Australia, and elsewhere to implement a more interventionist system that seeks to regulate digital platforms while also advancing many objectives beyond consumer welfare.