



The Daily Dish

Biden, Khan, and the Data

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Upon taking office, President Biden issued a sweeping executive order on [Promoting Competition in the American Economy](#). It was premised on the purported disappearance of such competition and read in part:

...over the last several decades, as industries have consolidated, competition has weakened in too many markets, denying Americans the benefits of an open economy and widening racial, income, and wealth inequality. Federal Government inaction has contributed to these problems, with workers, farmers, small businesses, and consumers paying the price.

Not everyone was buying it, of course. Early on, AAF's Fred Ashton [pointed out](#) an awkward fact: The data showed no particular trend toward concentration that might yield less competition and worse economic performance. He noted:

...newly released data from the *2017 Economic Census* shows almost no evidence that oligopolies and monopolies are the predominant market structure in the U.S. economy; most industries operate in a low-concentration, highly competitive environment.

And also: “Based on the report’s data, this study finds that the distribution of industries with low, medium, and high levels of concentration remained largely stable between 2002 and 2017.”

Nevertheless, the administration charged forward, putting Lina Khan in charge of the Federal Trade Commission, jettisoning the [consumer welfare standard](#), raising the obstacles to mergers and acquisitions, and generally making a hash of the standards for competition policy. The administration has not been successful in court, which is perhaps the ultimate rebuke, but shows no signs of learning from these losses.

But let’s get back to the data and facts. A new [paper](#) by Carl Shapiro and Ali Yurukoglu concludes:

We explain that the empirical evidence relating to concentration trends, markup trends, and the effects of mergers does not actually show a widespread decline in competition. Nor does it provide a basis for dramatic changes in antitrust policy. To the contrary, in many respects the evidence indicates that the observed changes in many industries are likely to reflect competition in action.

That’s quite a rebuke coming from Shapiro, who was the Deputy Assistant Attorney General for Economics of the Antitrust Division of the Justice Department from 2009 to 2011. Maybe, just maybe, the administration’s problem is with the facts, not the competitive landscape.