

ABA Section of Antitrust Law, Competition as Public Policy (2010)

This valuable and insightful book arises out of a May 2009 symposium examining competition as a fundamental policy. By coincidence, the planning of the conference preceded the global financial crisis but the symposium itself took place in the middle of the ongoing crisis when the value of competition has been under attack more so than any time since the Great Depression of the 1930s.

The conference featured three key note addresses from William Lewis, former head of the McKinsey Global Institute; Carl Shapiro, the current U.S. Deputy Assistant Attorney General for Economics; and the legendary economist Alfred Kahn. The program included a series of panels addressing the value of competition as a public policy from a variety of perspectives including:

- A historical overview of the role of competition as public policy in the United States;
- Deregulation and the legacy costs of market regulation;
- The financial crisis: market failure or regulatory failure?;
- Healthcare: Capable of a market-based solution or an arena in which competition cannot work?;
- State aid: Can markets recover from intervention by the visible hand?

The book itself contains all three keynote addresses, selected papers from each of the panels, and the edited transcript of the presentation from all the panels. A particular treat was Alfred Kahn's paper on a modest proposal to reverse the ranking of Type 1 and Type 2 errors in predation errors. Professor Kahn, now in his 90s, has been a key figure in both competition and regulatory policy since the 1950s, but has rarely written on pure antitrust matters. This short paper is a wonderful example why Kahn remains a first rate economist and a key figure in the history of competition policy in the 20th century and beyond.

The symposium and the resulting book are a welcome opportunity to pull back from day-to-day practice concerns and think through from first principles why competition matters and where the limits to competition policy may lie in times of crisis.

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