



The Daily Dish

Don't Let the Techlash Alter Antitrust Principles

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Eakinomics: Don't Let the Techlash Alter Antitrust Principles

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The House Judiciary Committee will hold a hearing Wednesday with the CEOs of four of America's most successful tech companies as part of its ongoing investigation into competition and digital marketplaces. This hearing comes as the COVID-19 pandemic has given many of us a new appreciation for the [benefits of technology](#). Whether it is the ability to work remotely, stay connected to friends or family while physically distant, or quickly order the supplies we need delivered, the ability to socially distance was more tolerable thanks to innovative technology. This upcoming hearing is best understood as part of a broader "techlash" rather than clear evidence of anti-competitive behavior.

Technology remains an incredibly competitive and dynamic market. Not only do companies such as Google, Apple, Facebook, and Amazon often compete against one another for consumers or advertisers; the market itself is evolving in new and often unpredictable ways. After all, less than two decades ago, similar claims about monopoly market dominance were levied against then-giants America Online, Yahoo, and MySpace. In other words, dominance today doesn't mean dominance tomorrow; successful companies must continually reinvest and innovate to meet consumer demands. According to the annual Boston Consulting Group survey of the [Most Innovative Companies](#), more than half of the most innovative companies were headquartered in the United States, including four of the top five. Such innovation shows the continuing response to competition and how American companies must continuously improve to maintain leadership and competitiveness in the global marketplace.

Nevertheless, critics often claim that "Big Tech" has too much power or is inherently bad. The result could be a dangerous step away from the objective consumer welfare standard and a return to previous eras of antitrust enforcement. As I discussed in my recent Insight, "[What is the Future of Antitrust and Calls to Break Up Big Tech?](#)," shifting away from the consumer welfare standard to address non-competition related concerns "would allow for rapid swings in the use of competition law, creating uncertainty for innovators and potentially depriving consumers of beneficial mergers or expansions." The consumer welfare standard remains up to the task when it comes to examining dynamic and innovative markets, and antitrust enforcement should remain focused on competition policy. When it comes to other policy concerns about technology such as online speech, misinformation, or data privacy, these are better addressed with targeted and carefully considered policies rather than used as an excuse to intervene broadly in a competitive market. Not to mention, the remedies available through antitrust enforcement would not solve these policy problems and in some cases could even make them worse.

The hearing is likely to be more of an airing of grievances from certain policymakers regarding their frustrations with the choices of technology. But coupled with the ongoing investigations and the overall political climate in which they are occurring, this hearing should raise concerns about a shift from the current principled and objective approach to antitrust to one that is far more subject to political preferences. Instead of focusing on

problems with technology and questioning the merits of success, policymakers should consider the many benefits that this incredibly dynamic and competitive market has had on our lives and how to continue ensuring those benefits reach us.