Press Release

Excessively Burdensome Regulation Negatively Impacts Competition

PAULINA ENCK | MAY 9, 2023

On July 9, 2021, President Biden issued an executive order on Promoting Competition in the American Economy that asserted, among other things, that over the last several decades, industry consolidation caused by government inaction has negatively affected workers, small businesses, startups, and consumers. In a new insight, Competition Economics Analyst Fred Ashton examines this claim and finds that businesses are far more burdened by the administration’s aggressive regulatory approach than by a lack of federal antitrust enforcement.

Ashton concludes:

> President Biden’s efforts to promote competition in the U.S. economy has been thwarted, in part, by his administration’s continued onslaught of regulation. New regulatory costs of $318 billion and more than 218 million hours of paperwork during the first two years of his term have added to government-created barriers to entry.
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> These regulatory barriers are negatively associated with firm births, limiting new competitors from entering the market. Furthermore, these barriers have provided incumbent firms with increased profit margins.

Read the analysis