Distributive Justice and Consumer Welfare in Antitrust

Opening up the Debate!

UCL - 13 July 2011

Amelia Fletcher
Chief Economist
OFT
Areas to Cover

1. Some additional reasons for CW not TW
2. Possible tensions between CW and effect on competition
3. Some thoughts on distribution between consumers
4. Some wider issues around 'public interest' objectives
Areas to Cover

1. Some additional reasons for CW not TW
2. Possible tensions between CW and effect on competition
3. Some thoughts on distribution between consumers
4. Some wider issues around 'public interest' objectives
The “Inverted-U” (Aghion et al, 2001)
Areas to Cover

1. Some additional reasons for CW not TW
2. Possible tensions between CW and effect on competition
3. Some thoughts on distribution between consumers
4. Some wider issues around 'public interest' objectives
Possible tensions between...

- Consumer welfare objective
- Protecting competition objective
Areas to Cover

1. Some additional reasons for CW not TW
2. Possible tensions between CW and effect on competition
3. Some thoughts on distribution between consumers
4. Some wider issues around 'public interest' objectives
Areas to Cover

1. Some additional reasons for CW not TW
2. Possible tensions between CW and effect on competition
3. Some thoughts on distribution between consumers
4. Some wider issues around 'public interest' objectives
A 2D spectrum of possible PI objectives

<table>
<thead>
<tr>
<th>Long run</th>
<th>Investment and innovation</th>
<th>Environmental change</th>
<th>Media plurality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short run</td>
<td>PQRS (incl. SR efficiencies)</td>
<td>USO Financial stability</td>
<td>Employment</td>
</tr>
<tr>
<td></td>
<td>Direct economic impact on CW</td>
<td>Indirect economic impact on CW</td>
<td>Indirect wider impact</td>
</tr>
</tbody>
</table>
Distributive Justice and Consumer Welfare in Antitrust

Opening up the Debate!

UCL - 13 July 2011

Amelia Fletcher
Chief Economist
OFT