Tim Büthe and Cindy Cheng

Law, Economics, Politics: U.S. Antitrust Enforcement and Economic Globalization 1960-2010

ABSTRACT:

Antitrust law, which in the U.S. goes back to 1890, provides a powerful set of instruments, ostensibly to be used safeguarding markets against cartels, collusion, and other manipulations or abuses of market power. But what happens when, in the process of economic globalization, the boundaries of the market increasing extend far beyond the borders of the jurisdiction? Does law enforcement, no longer able to be effective to safeguard market openness, perversely get captured by uncompetitive domestic interests for protectionist purposes, as some have argued? Or do antitrust regulators adjust to focus on goods and services for which the market remains mostly domestic, as some others have argued? Or do regulators adjust to maintain effectiveness in global markets through more sophisticated analyses, transgovernmental collaboration with other antitrust law enforcers, etc.? This paper examines these questions by analyzing a new, original dataset that we have created by encoding more than four thousand U.S. Department of Justice antitrust enforcement actions over more than half a century. It allows us to trace changes in antitrust enforcement over time, taking into account that U.S. integration into global markets started much earlier in some industries than others and has increased slowly over time.