

COMPETITION AUTHORITY  
SUBSTANTIVE STANDARDS AND SOCIAL  
WELFARE BY  
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# Total welfare standard vs. consumer standard

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- Competition policy...
  - protects competition, not specific competitors
  - no one side of transactions should have advantages *ceteris paribus*
  - if there are some exemptions or indulgences than they should be based on the well-being of the whole society...
  - ... especially as we do not know exactly who are consumers and where are their benefits
- But if we promote total welfare standard it does not necessarily mean that outcomes will follow our ideas...
  - firms have their own expectations and responses

# Main findings

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- Consumer surplus standard is generally more hostile towards potentially anticompetitive actions, and its use brings threats to total welfare
  - an action may be prohibited or accepted under each set of standards – here is no difference
  - sometimes, an action may be prohibited under CSS but accepted under TWS; so, TWS is better
- But sometimes consumer surplus standard in antitrust will be better even in terms of total welfare
  - if there are two different actions to choose between them
  - both of them may be prohibited or accepted under both standards
  - both of them may be prohibited under CSS but at least one accepted under TWS; so, TWS is better
  - both of them accepted under TWS, only one – and more efficient but less profitable – under CSS: here CSS is better
- Different levels of efficiency, monopoly power, price-raising effects affect the prevalence of CSS over TWS

# Questions

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- If we switch between standards depending on conditions of specific markets (environments)...
  - ▣ ... perhaps, costs of this switching will be too high (more analysis is needed)
  - ▣ ... and it adds more legal uncertainty
- Does the outcome depend on the market structure and the model of interaction of companies?