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One of the most under-appreciated trends in politics right now is the extent to which the FTC, and competition policy thinking more generally, are trending in an illiberal, populist direction. That may seem innocuous. It isn't. Thread 1/
First let's take a look here at something current FTC chair @linakhanFTC said in 2018. This neatly captures much of her thinking on competition. That same turn against 'market forces' can easily be seen among populists on the right too, i.e. @HawleyMO, @GovRonDeSantis, etc. 2/ <https://t.co/IMwPhuSXX4>

5) *There are no such things as market 'forces.'* The Chicago School assumes that market structures emerge in large part through 'natural forces.' The New Brandeisians, by contrast, believe the political economy is structured only through law and policy. This is of vital importance, as it means that—unlike many Chicago Schoolers—Brandeisians do not recognise any form of organisation or any type of power as inevitable. Technological advances may upend existing balances in ways that facilitate consolidation, but just as government can structure the political economy to encourage innovation, it can also ensure that the fruits of innovation are not used to capture private control over markets.

What they are saying is that independent economic actors do not exist in a sphere largely outside of politics but rather that politics is supreme to economics, that an economic actor is valuable only insofar as they promote certain desired political ends. 3/

This drive for political supremacy runs roughshod over two principles that make liberal democracies liberal: the separation of the public and private sphere and the related belief that individuals and by extension firms have economic rights not subject to democratic diktat. 4/

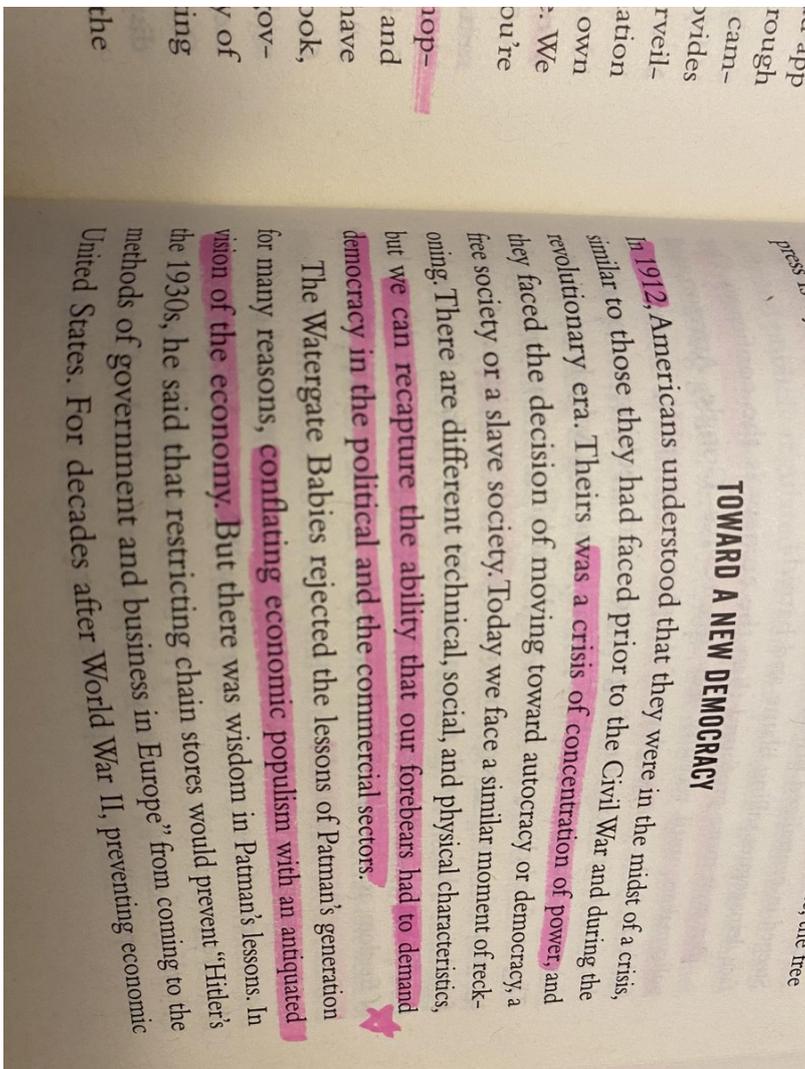
For both classical liberals and classical conservatives, government should have limits because politics should have limits. For both, politics is merely one area of society with plenty of others largely outside its reach. 5/

For classic conservatives, the middle layer of society above the individual but below the state (churches, civic organizations, sports leagues) provide community, belonging, and structure for the citizenry and they do it mostly outside the purview of government. 6/

For the classical liberal, the self-evident sanctity of individual rights is the north star of politics; government exists not for its own sake but to safeguard those rights. For both, a firm should be able to prosper w/o needing to act as the teacher's pet to the government. 7/

Populists blithely ignore these constraints on their power. For them, every nook and cranny of society is subject to politics; there is no distinction between what government has say over (the public sphere) and where it has at most a very limited place (the private sphere). 8/

This is what @matthewstoller is getting at when he argues that "we can recapture the ability that our forebears had to demand democracy in the political *and the commercial sectors*" (emphasis mine). 9/ <https://t.co/VfVmFC3tLL>



'Democracy in the commercial sector' is another way of saying that the commercial sector should operate under the thumb of the public sphere and by the same rules as the public sphere. It does not conceive of a business as private property at all but as another public arena. 10/

To the left populist, the classical liberal's defense of the primacy of the individual -and of the private property and free exchange rights that go with that- is merely a disguised neoliberalism. At best, it's naive. At worst, it's exploitation behind a veil. 11/

To the right populist, the classic conservative's defense of society's middle layer, including businesses, is also naïve and weak-willed. 12/

To the right populist, defeating their enemies in the culture wars is the goal of politics and if a business Goliath exists, and that Goliath is not with the right populists who claim to be the true voice of the people, that Goliath must be brought down. 13/

In connection with that belief, both left and right populists have a weak, distorted sense of economic liberty. To them, market forces ought to always be directed by the political interests of the majority. But a liberty only to defer to the group is no liberty at all. 14/

To the left and right populist, if a firm, especially one that they have already demonized as elite, wants to do something that they (the self-appointed mouthpieces of the people's will) disagree with, those firms simply shouldn't be allowed to do that. 15/

Any firm refusing to toe the line politically will be prevented from succeeding commercially. In other words, populists are as interested in politicizing markets as they are in politicizing the private sphere. For them, everything is public and everything is political. 16/

In such a view, there is no end to government's reach and there is no escape from politics. Concepts like pluralism and liberty are either jettisoned or twisted beyond recognition. It's democratic diktat all the way down and notably without the balancing forces of liberalism. 17/

Populists frame Big Tech, and big business more generally, as inherently public sphere and inherently political as a way to obfuscate that they are recommending that government get much larger, that the economic liberties of private sector actors be dismissed.... 18/

...that the commercial implications of their recommendations be ignored, that consumers pay more and get less, that businesses be demonized and bullied, and that liberalism itself be abandoned. That these are ascendant ideas on left and right should worry us all. End/