

Optimal Antitrust Enforcement, Dynamic Competition,
and Changing Economic Conditions

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Abstract: The recent financial crisis and recession provide an opportunity to reexamine the dynamic versus static efficiency tradeoff in antitrust enforcement policy. We examine implications of the optimal antitrust enforcement model when dynamic efficiency is incorporated. The “dynamic enforcement model” examined here provides a positive theory of Section 2 doctrine, some suggestions for modifying enforcement in light of its dynamic costs, and implies antitrust enforcers should put a greater weight on dynamic efficiency during recessions.

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