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ARTICLE

Should Antitrust Pursue Multiple Policy Goals?

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Abstract. Some scholars argue that antitrust should abandon the consumer welfare standard and adopt a "welfare dashboard" that considers not just competition, but all social values that antitrust could possibly influence, including democracy, inequality, and small business protection. Recently, some advocates of this approach have argued that it is firmly grounded in modern economics. As this Article will explain, the opposite is true. Economic policy research virtually never employs broad welfare frameworks like this because they are unworkable. Among other problems, resolving tradeoffs between diverse phenomena like competition and democracy requires assigning them "welfare weights" that no one knows how to specify. The sheer impracticality of this approach means that it inevitably collapses into subjective speculation.

While consumer welfare has well-known limitations, most of them are minor in single-market antitrust analysis, and those that remain can be addressed using better methods to measure welfare. A key benefit of consumer welfare is that it provides a sensible means of aggregating the different variables associated with competition (e.g., price and quality) using observable data, without requiring subjective welfare weights. In antitrust's adversarial system, this provides a shared normative framework for resolving policy disagreements objectively. By contrast, a dashboard allows each side to assert different (often incommensurable) normative values with no way to resolve the conflict.

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Introduction

Antitrust's job is to prevent firms from doing things that undermine competition. But this is harder than it sounds. Many practices that "restrain trade" in some way result in *better* market outcomes (e.g., lower prices or higher quality). Additionally, many practices generate tradeoffs between different market variables. For example, some restraints stimulate supply (thus increasing output) at the expense of higher prices.[1] As a result, it is often not clear whether a given business practice is "anticompetitive" in the sense that its overall impact on competition is good or bad. How can we even talk about a practice's "overall" impact when it affects different market variables (e.g., price and quality) in different ways?

Antitrust's solution has been the *consumer welfare principle*.[2] This says that to determine whether a practice is anticompetitive, we should ask whether it leaves consumers in the relevant market worse off (collectively). This exploits the fact that consumers care about all the different variables typically associated with competition, things like price, output, quality, product diversity, and innovation. As a result, consumer welfare allows aggregation of these different variables into a single measure of welfare to resolve tradeoffs (e.g., between price and quality) in a logical and simple way.

However, as a welfare metric, consumer welfare has limitations, which are discussed below. It is narrow by design; it considers only how market outcomes contribute to a person's wellbeing. And simple metrics for consumer welfare typically fail to account for income-related phenomena, such as the impact of price changes on real income.

In recent years, a number of populist scholars and advocates have argued that antitrust should not focus myopically on competition. Instead, they argue, it should pursue a range of distinct policy goals in addition to promoting competition, such as protecting democracy, reducing inequality, and protecting small businesses.[3] However, these authors are not economists, and they do not attempt to ground their

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[1] *See, e.g.*, Benjamin Klein & Kevin M. Murphy, *Vertical Restraints as Contract Enforcement Mechanisms*, 31 J.L. & ECON. 265, 291 (1988).

[2] It is also commonly called the consumer welfare "standard." *See generally, e.g.*, Steven C. Salop, *Question: What Is the Real and Proper Antitrust Welfare Standard? Answer: The True Consumer Welfare Standard*, 22 LOY. CONSUMER L. REV. 336 (2010) (discussing the same theory under the term "standard"). For a discussion of how welfare metrics are used in antitrust, see generally Joseph Farrell & Michael L. Katz, *The Economics of Welfare Standards in Antitrust*, COMPETITION POL'Y INT'L, Autumn 2006, at 3.

[3] *See, e.g.*, Zephyr Teachout & Lina Khan, *Market Structure and Political Law: A Taxonomy of Power*, 9 DUKE J. CONST. L. & PUB. POL'Y 37, 40 (2014) (arguing that curbing political power of large firms should be an antitrust goal); Sandeep Vaheesan, *The Evolving Populisms of Antitrust*, 93 NEB. L. REV. 370, 373 (2014) (arguing that decreasing inequality should be an antitrust goal).

arguments in economic theory or methods. A group of academics, primarily Professors Mark Glick, Gabriel A. Lozada, and Darren Bush ("GLB"), try to justify this multiplicity of goals on economic grounds. They argue that antitrust's focus on consumer welfare is misguided and out of step with welfare economics.[4] Instead, they propose a "dashboard" approach to antitrust policy. Under this approach, antitrust would attempt to account for all of the ways that antitrust could conceivably impact society. As GLB put it, "*all* contributions to well-being, pecuniary and non-pecuniary alike, are considered."[5]

Under a welfare dashboard, traditional competition considerations are not abandoned. They are merely demoted to one item in a long list of factors that antitrust would consider. Across their papers, GLB propose that antitrust enforcers and courts should weigh the preservation of political democracy and the dispersion of economic and political power,[6] the protection of small businesses and entrepreneurship,[7] income inequality and distributional effects,[8] firm size and corporate bigness independent of any competitive effects,[9] privacy and misinformation,[10] and environmental sustainability,[11] all in addition to whatever remains of traditional competition-focused consumer welfare analysis.

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[4] GLB have published extensively on this topic. Their most comprehensive statement is Mark Glick, Gabriel A. Lozada & Darren Bush, *Antitrust's Normative Economic Theory Needs a Reboot*, 54 INT'L J. POL. ECON. 1 (2025) [hereinafter GLB, *Reboot*]. Earlier versions of the argument appear in Mark Glick, *An Economic Defense of Multiple Antitrust Goals: Reversing Income Inequality and Promoting Political Democracy* 1–68 (Inst. for New Econ. Thinking, Working Paper No. 181, 2022) [hereinafter Glick, *Multiple Goals*], https://perma.cc/F52T-GPGE; Mark Glick & Darren Bush, *Breaking Up Consumer Welfare's Antitrust Policy Monopoly*, 56 SUFFOLK U. L. REV. 201 (2023) [hereinafter Glick & Bush, *Breaking Up*]; Mark Glick, Gabriel A. Lozada & Darren Bush, *Why Economists Should Support Populist Antitrust Goals*, 2023 UTAH L. REV. 769 [hereinafter GLB, *Populist Goals*].

[5] GLB, *Populist Goals*, *supra* note 4, at 811 (emphasis added).

[6] This is the most developed factor across GLB's work. *See* GLB, *Reboot*, *supra* note 4, at 33 ("[P]reserving political democracy through dispersion of the economic and political power of big business . . . ."); Glick, *Multiple Goals*, *supra* note 4, at 3–4; Glick & Bush, *Breaking Up*, *supra* note 4, at 203–04.

[7] GLB, *Reboot*, *supra* note 4, at 33 (citing studies from Germany, Switzerland, the U.K., and the United States claiming self-employed persons report higher life satisfaction); GLB, *Populist Goals*, *supra* note 4, at 778–79 n.38.

[8] GLB, *Reboot*, *supra* note 4, at 33 ("[I]ncome inequality lowers well-being . . . ."); Glick, *Multiple Goals*, *supra* note 4, at 1 (using the subtitle "Reversing Income Inequality and Promoting Political Democracy").

[9] GLB, *Reboot*, *supra* note 4, at 36 ("[A] corporation's size is not a factor in the Merger Guidelines, but it is an important factor in the ability of a company to distort political democracy."); Glick, *Multiple Goals*, *supra* note 4, at 3–4.

[10] Glick & Bush, *Breaking Up*, *supra* note 4, at 204 ("Today, one would have to add concerns about privacy and misinformation to that list," referring to antitrust goals; the claim receives no further development in the paper).

[11] *See* Glick, *Multiple Goals*, *supra* note 4, at 40–41.

GLB's effort to ground populist antitrust proposals in economics is commendable. But this Article argues they are seriously mistaken. The biggest problem with a welfare dashboard is that it is simply unworkable. It suffers from a severe indeterminacy problem: To evaluate a policy, one must be able to resolve tradeoffs between the many different variables being considered. As GLB acknowledge, this requires assigning "welfare weights" to the different variables being considered, although they concede that nobody knows a good way of doing this.[12] The upshot is that one cannot apply a dashboard without first mathematizing all of society's views on a wide range of economic, moral, and political issues.

As a result, it is not possible to make objective statements about what a welfare dashboard implies about a given policy proposal. The conclusions one draws are determined entirely by one's personal normative intuitions, not by any objective or scientific method. To invoke a famous antitrust metaphor, the dashboard approach is a "wishing well, into which, it sometimes seems, one may peer and find nearly anything he wishes."[13]

Consumer welfare endures in antitrust economics not because it is perfect, but because it is a logical and practical tool for evaluating competitive behavior. It offers a natural means of aggregating (combining and trading off) the economic variables associated with competition using observable data, avoiding the need to assign subjective welfare weights.

GLB are correct that consumer welfare has limitations. Most of them stem from "income effects" and have been well understood for a long time.[14] But antitrust cases center on firm behavior in a *single market*, in which case income effects are typically small.[15] While some limitations persist in most simple models—most notably, a blind spot to distributional effects—the solution is to employ better methods within the welfare paradigm. Economists are already making progress in that direction.

The limitations highlighted by GLB do not provide a rationale for shifting to a dashboard framework. Measuring welfare is hard, and all of these limitations reflect some underlying methodological challenges. But GLB do not offer any alternative methods that might resolve them.[16] As such, they do not provide any credible reasons for thinking a dashboard approach might fix these problems. On the contrary, by vastly expanding the scope and complexity of our welfare analysis, the dashboard approach

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12 GLB, *Reboot*, *supra* note 4, at 33 (noting that "one needs . . . a way to trade off dashboard components," but acknowledging this "is an unsolved problem . . . .").

13 Berkey Photo, Inc. v. Eastman Kodak Co., 603 F.2d 263, 273 (2d Cir. 1979).

14 *See infra* Part II.

15 *See infra* Part II.

16 For example, GLB note that consumer welfare analysis usually ignores wealth inequality and distributional effects. But that is because measuring welfare while accounting for distributional effects is highly complex, and GLB offer no methods for resolving those difficulties.

would transform an already-hard problem into a hopeless one. That is not an improvement.

I. The Trouble with Welfare Dashboards

Here we outline the problems with broad welfare dashboards and the reasons why economic policy research (even beyond antitrust) does not use them.

A. *Dashboard-Like Approaches in Welfare Economics*

Within welfare economics, there are two main frameworks that can be used to account for a wide range of factors that contribute to a society's wellbeing, including both economic phenomena (e.g., price levels) and noneconomic phenomena (e.g., democracy). Both frameworks could thus be described as facilitating a dashboard approach to welfare.

First, in the social welfare function approach, one specifies an explicit function that accounts for how such factors affect welfare.[17] This function provides a means of *aggregation*—combining and trading off all the different things that contribute to society's wellbeing. However, the theory does not tell us what the "correct" function is. Thus, to apply the theory to real-world problems, one must comprehensively mathematize society's views about the relative importance of different economic and ethical phenomena. As Paul Samuelson put it, "You cannot obtain an ethical result without already putting an ethical premise in the proposition from outside."[18] For this reason, proponents of an antitrust dashboard recognize that the social welfare function approach is "not realistic for antitrust."[19]

The second framework is the "capabilities approach" introduced by welfare economist Amartya Sen and further developed by philosopher Martha Nussbaum.[20] lt attempts to provide a broad, normative account of welfare that is based on the "capabilities" available to a person—essentially the opportunities or freedoms they have to achieve different outcomes. For example, things like democracy and antidiscrimination laws can

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[17] *See, e.g.*, P. A. Samuelson, *Reaffirming the Existence of "Reasonable" Bergson-Samuelson Social Welfare Functions*, 44 ECONOMICA 81, 83 (1977).

[18] Kotaro Suzumura, *An Interview with Paul Samuelson: Welfare Economics, "Old" and "New", and Social Choice Theory*, 25 SOC. CHOICE & WELFARE 327, 336 (2005).

[19] GLB, *Populist Goals*, *supra* note 4, at 811.

[20] *See, e.g.*, Amartya Sen, *Development as Capability Expansion*, 19 J. DEV. PLAN. 41, 41 (1989); Martha C. Nussbaum, Musings, *Creating Capabilities: The Human Development Approach and Its Implementation*, HYPATIA, Summer 2009, at 211, 211.

contribute to a person's wellbeing in ways that are not captured by conventional economic approaches to welfare.[21]

However, the capabilities approach has no built-in means of resolving tradeoffs between the different phenomena that affect welfare. To evaluate policies generating tradeoffs between the different welfare-relevant factors in the theory, one must first assign "weights" to all of those factors. But Sen emphasized that his theory cannot tell us what the right weights are. Instead, he proposed that they be determined through public reasoning.[22]

B. *The Indeterminacy Problem*

Whether grounded in a social welfare function or the capabilities approach, any welfare framework that attempts to account for a broad range of economic, ethical, and political phenomena inevitably suffers from a critical indeterminacy problem.[23] To answer real-world policy questions, one must be able to trade off all the different welfare-relevant variables being considered. But neither framework provides any guidance on how to do that, as emphasized above.

Thus, any attempt to implement a broad dashboard requires one to give a comprehensive specification of society's views on a wide range of economic, moral, and political phenomena, including a specification of their *relative* importance to society. For example, how much weight should we assign to economic growth versus democracy? There is no objective, scientific methodology we can use to answer such questions. Ten perfectly reasonable people might give ten different answers, which in turn might lead to ten different policy conclusions.

As such, one cannot speak objectively about what a dashboard approach would conclude about a given policy proposal. The dashboard approach can give *any* answer, as one need only adjust the welfare weights to reach a different conclusion.[24] And there is no objective basis for saying what the "right" weights are.[25] Indeed, as Marc Fleurbaey and Didier

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[21] *See* Sen, *supra* note 20, at 41–42; Nussbaum, *supra* note 20, at 212.

[22] Sen, *supra* note 20, at 45–46. He similarly says that public reasoning should be used to determine what capabilities are considered.

[23] To be clear, we are not criticizing the social welfare function ("SWF") approach in general. Almost all SWF-based scholarship falls outside the scope of our critique. Our criticism is limited to empirical, policy-oriented applications that rely on an SWF to account for a very broad set of economic and noneconomic variables.

[24] Aside from the subjectivity of welfare weights, people will inevitably disagree strongly over what social values should be included.

[25] Moreover, even if the weights could be determined, it is hardly clear how one might measure the causal impact of specific economic policies (e.g., antitrust interventions) on phenomena like democracy, which are hard to quantify.

Blanchet note, "no serious proposal has been made to articulate a theory of the weights."[26]

Dashboard proponents partially acknowledge this problem. They recognize that policy tradeoffs require welfare weights, and that the determination of such weights is an "unsolved problem."[27] But they suggest that "social science research" (e.g., surveys) could be used to assign weights to different variables. However, for several reasons, this is not possible. For brevity, this Article mentions just three of the reasons for this. First, while GLB do cite some credible research suggesting, for example, that democratic institutions contribute to welfare,[28] those studies do not provide any guidance for assigning social welfare weights, which must necessarily reflect *relative* value. Merely saying that a certain phenomenon is socially valuable does not tell us how much more or less it contributes to social welfare than other things.

Second, social-scientific evidence about what *individuals* care about does not necessarily shed much light on the determinants of *social* welfare. As Fleurbaey and Blanchet explain:

> Individual preferences cannot be relied upon [to identify social welfare weights] because they do not bear on such objects (who could express a personal preference over unemployment versus inflation?), and therefore there is no hope of making the population vote or express preferences in a meaningful way about the construction of such indicators. . . . This is why, currently, the art of building such indicators still evokes the culinary metaphor of adding up apples and oranges.[29]

Third, even if one could obtain welfare weights, that is not enough to resolve the complex tradeoffs implicated by different economic policy decisions. Before one can apply a dashboard to a particular economic policy question, one must determine the causal relationship between the economic activity implicated by the policy and all of the different variables that contribute to welfare in one's dashboard model. This is because one cannot resolve a tradeoff without knowing the magnitudes of the effects being traded off. And determining all of those magnitudes may be highly complex, if not impossible.

For example, even with welfare weights in hand, resolving a tradeoff between softer competition and stronger democracy requires measuring how much a given antitrust policy promotes democracy—a causal effect that is remote, hard to quantify, and nearly impossible to measure reliably.

Some economists have argued that one can avoid the indeterminacy problem altogether in some cases. Emmanuel Saez and Stefanie Stantcheva argue that it is possible to account for broader moral values like fairness through a "localized" analysis that avoids the need to specify

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[26] MARC FLEURBAEY & DIDIER BLANCHET, BEYOND GDP: MEASURING WELFARE AND ASSESSING SUSTAINABILITY 240 (2013).

[27] GLB, *Reboot*, *supra* note 4, at 33.

[28] *See id.*

[29] FLEURBAEY & BLANCHET, *supra* note 26, at 240.

a full ("global") social welfare function.[30] However, as Itai Sher recently demonstrated, these approaches are internally inconsistent.[31] Sher further shows that even "conservative modifications" of utilitarian weights, small departures from the utilitarian benchmark designed to capture exactly the kind of broader values GLB want, cannot escape this inconsistency problem.

C. *Use in Economics*

Dashboard proponents suggest that their dashboard approach is firmly grounded in "modern economics," whereas the consumer welfare approach is economically unsophisticated.[32] This is precisely backwards, as this Section explains.

As noted above, the closest thing to the dashboard approach is Sen's capabilities approach. While influential within welfare economics, this framework has faced sharp criticism from the broader economics profession.[33] Few economists actually apply the framework to real-world problems. A partial exception is development economics, which studies whole societies and is interested in both their economic and noneconomic characteristics. Development economists sometimes use simple metrics that are often associated with Sen's capabilities approach. The leading example is the "human development index" ("HDI"), which rates a country's state of development by assigning equal weight to life expectancy, education, and average income. But even these simple metrics have been heavily criticized for being contrived and arbitrary.[34]

GLB claim that modern economics rejects Marshallian consumer surplus ("CS") and related welfare approaches, including the use of output as a welfare measure.[35] The opposite is true. In many fields—including

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[30] *See* Emmanuel Saez & Stefanie Stantcheva, *Generalized Social Marginal Welfare Weights for Optimal Tax Theory*, 106 AM. ECON. REV. 24 app. at 14 n.10 (2016).

[31] *See* Itai Sher, *Generalized Social Marginal Welfare Weights Imply Inconsistent Comparisons of Tax Policies*, 114 AM. ECON. REV. 3551, 3552–53 (2024).

[32] *See* Mark Glick & Darren Bush, *The Chicago School, the Post-Chicago School, and the New Brandeisian School of Antitrust: Who Is Right in Light of Modern Economics?*, 30 GEO. MASON L. REV. 935, 938 (2023) [hereinafter Glick & Bush, *Modern Economics*].

[33] *See* Robert Sugden, *Welfare, Resources, and Capabilities: A Review of* Inequality Reexamined *by Amartya Sen*, 31 J. ECON. LITERATURE 1947, 1961 (1993) (book review).

[34] *See* T. N. Srinivasan, *Human Development: A New Paradigm or Reinvention of the Wheel?*, 84 AM. ECON. REV. (PAPERS & PROC.) 238, 241 (1994).

[35] *See* Glick & Bush, *Modern Economics*, *supra* note 32, at 958.

macroeconomics,[36] trade,[37] finance,[38] public finance[39]—output (or total consumption) is often the *only* welfare-relevant variable in the model. Industrial organization routinely uses consumer welfare as a welfare measure, which accounts not only for output, but also for things like quality and product diversity.[40] Other applied fields often use CS and equivalent variation ("EV") to measure welfare when their data support it.[41]

Even when economists face explicitly value-laden tradeoffs, they keep their models narrow. For example, public economists studying inequality use a social welfare function with a single ethical parameter (inequality aversion). They do not attempt to account for everything else that matters to society. Similarly, the Federal Reserve is supposed to maintain both price stability and maximum employment. Even this bipartite objective is highly complex and generates significant policy debate,[42] despite being far narrower and less complex than a welfare dashboard.

In sum, broad welfare dashboards are wholly out of step with how economists study real-world policy issues. The profession sacrifices breadth for reliability and objectivity. Attempting to resolve intractable tradeoffs across a long list of economic, moral, and political phenomena would yield no well-supported conclusions at all.

D. *Implications for Antitrust Litigation*

Antitrust focuses on consumer welfare, which is much narrower than a full-blown dashboard. However, even with this narrow ambit, antitrust is a difficult field, because it is often hard to determine how a given practice or merger is likely to affect competition and consumers. At every step of the analysis, the two sides will present sharply contrasting

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[36] *See, e.g.*, Robert E. Lucas, Jr., *Macroeconomic Priorities*, 93 AM. ECON. REV. 1, 4–5 (2003) (measuring the welfare cost of business cycles entirely in consumption-equivalent units).

[37] *See* Costas Arkolakis, Arnaud Costinot & Andrés Rodríguez-Clare, *New Trade Models, Same Old Gains?*, 102 AM. ECON. REV. 94, 94 (2012).

[38] *See, e.g.*, Robert J. Barro, *Rare Disasters, Asset Prices, and Welfare Costs*, 99 AM. ECON. REV. 243, 244–45 (2009) (computing the welfare cost of macroeconomic disasters entirely in consumption-equivalent units).

[39] Peter Ganong & Pascal Noel, *Consumer Spending During Unemployment: Positive and Normative Implications*, 109 AM. ECON. REV. 2383, 2383–85 (2019).

[40] *See, e.g.*, JEAN TIROLE, THE THEORY OF INDUSTRIAL ORGANIZATION 95–115, 277–96 (1988).

[41] For an example from behavioral economics, see Hunt Allcott, Daniel Cohen, William Morrison & Dmitry Taubinsky, *When Do "Nudges" Increase Welfare?*, 115 AM. ECON. REV. 1555, 1570–71 (2025) (using CS as a measure of welfare). For an example from healthcare economics, see Ethan M. J. Lieber & Lee M. Lockwood, *Targeting with In-Kind Transfers: Evidence from Medicaid Home Care*, 109 AM. ECON. REV. 1461, 1477 (2019) (using EV as a welfare metric).

[42] *See, e.g.*, Athanasios Orphanides, *The Quest for Prosperity Without Inflation*, 50 J. MONETARY ECON. 633, 634–35 (2003) (discussing some of these challenges and debates).

arguments, all of which are typically grounded in complex economic methods that are difficult for a generalist judge to evaluate. GLB acknowledge that shifting to a welfare dashboard would "likely involve more judicial resources."[43] That is an understatement. It would take an already challenging system and render it wholly inoperable.

All of the disputes that already arise in litigation—over things like market definition and competitive effects—would still be fair game in the broader system. After all, effects on competition are still part of the story under a dashboard analysis. But one would have to go much further—to determine not only effects on competition, but also on all other phenomena that society cares about, such as democracy.

How would a defendant respond to the claim that a merger "threatens democracy"? What data would rebut the assertion that the general social benefits of thriving small businesses would outweigh the costs of higher prices or lower quality? These are not empirically contestable claims. They are normative assertions dressed up as factual ones. In an adversarial system, the dashboard does not give both sides a shared framework for productive disagreement. It gives each side license to assert different values with no way to resolve the conflict. The result is not better decisions. It is longer, more expensive trials with less predictable outcomes.

E. *Dashboards Are Not Inherently Progressive*

Dashboard proponents favor progressive antitrust policies. And, in their hands, the dashboard always seems to counsel in favor of those policies.[44] But, as we have emphasized, the indeterminacy of the dashboard approach means that it can be used to justify essentially any policy one likes. And, once established, a dashboard system would not always be controlled by progressives. A different administration could emphasize different dashboard values: national security concerns about foreign ownership, industrial policy goals about domestic manufacturing, the value of limited government interference with individual liberties, or other conservative values. The dashboard provides no objective basis for excluding or minimizing these values.

As such, a welfare dashboard could just as easily be used to implement much more conservative antitrust policies. Additionally, unethical officials might abuse the indeterminacy of the dashboard system to enrich themselves or their political allies. Whatever the case, the likely result would be violent swings in antitrust policy across political administrations. It is not clear that progressives—or any other political coalition—would benefit from that state of affairs in the long term. And

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[43] GLB, *Reboot*, *supra* note 4, at 38.

[44] *See, e.g.*, GLB, *Reboot*, *supra* note 4, at 33–38.

businesses surely would not benefit from such an unstable and unpredictable regulatory environment.

II. Why Consumer Welfare Endures

In this Part we highlight the benefits and limitations of consumer welfare as a basis for antitrust analysis, and we explain why the existing consumer welfare approach to antitrust analysis is clearly more sensible than a hypothetical dashboard approach. But we start by briefly outlining a few technical definitions.

A. *Definitions*

A standard problem in welfare economics is quantifying the welfare of a consumer as a function of (1) her income and (2) a vector (list) of price levels for all different goods. Both of these things are measured in units of money. A common problem is to ask about the welfare impact of some policy or other event that changes the price vector, meaning that at least one price level changes, while leaving income levels unchanged. Within this context, the following definitions are standard in economics texts[45]:

* *Income effects.* A price change affects a consumer's *real income* (purchasing power). If prices rise while nominal income stays fixed, the consumer is effectively poorer. For most individual products, this income effect is extremely small.[46]

* *CV and EV.* The *compensating variation* ("CV") and *equivalent variation* ("EV") measure welfare changes in money units: each specifies the income adjustment that would leave a consumer equally well off before and after a price change. They differ in the direction of adjustment.[47] When income effects from a policy are zero, CV and EV are equal.

* *Kaldor-Hicks efficiency.* A policy that changes the price vector may produce both "winners" (consumers who benefit from it) and "losers" (consumers who are left worse off). The Kaldor-Hicks *compensation criterion* deems the policy efficient if and only if the winners could afford to compensate the losers in such a way that all consumers are left better off after the policy is implemented. In

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[45] *See generally* ANDREU MAS-COLELL, MICHAEL D. WHINSTON & JERRY R. GREEN, MICROECONOMIC THEORY (1995) (covering graduate level microeconomic theory).

[46] For example, if the price of milk doubles while other prices remain the same, most people will not feel noticeably poorer.

[47] CV is the reduction in income at the new prices that would restore the consumer to her original utility. EV is the amount by which you would have to increase the consumer's income in order for her to get the same utility at the old price vector that she would obtain from the new one.

practice, this is assessed by asking whether the sum of CV (or EV) across consumers is positive.

* *Marshallian consumer surplus.* For any good a consumer buys, her *Marshallian consumer surplus* ("CS") is the area under her demand curve but above the price. If consumer preferences are *quasilinear* (defined below), CS equals the difference between her valuation and the price she pays. In the absence of income effects, CS, CV, and EV are all equal. Otherwise, CS is just an approximation of CV and EV.

* *Quasilinear preferences.* Economics models often assume consumers have *quasilinear* preferences, which means that there is a special good, called the *numeraire*, such that the consumer's utility (a measure of her satisfaction with the goods she buys) increases linearly in the quantity of the numeraire.[48] Two important features of quasilinearity are that (1) it eliminates income effects for all goods other than the numeraire, and (2) it implies that the marginal value of income is constant.[49] Quasilinearity is best viewed as an approximation that works well when considering a single product (or small number of relevant products).

* *The consumer welfare principle. Consumer welfare* is a sum of individual welfare levels (which can be measured using CS, CV, or EV) for all consumers in the relevant market. The *consumer welfare principle* says that we should regard a restrictive practice or merger as "anticompetitive" (and thus an antitrust violation) if it reduces consumer welfare. This amounts to an application of the Kaldor-Hicks criterion. In practice, quasilinearity is often assumed, and CS is used as the basis for defining consumer welfare.[50]

B. *Advantages of Consumer Welfare*

Consumer welfare endures as antitrust's preferred tool for evaluating competitive behavior because it does three very useful things, only one of which is achieved by a dashboard approach.

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[48] The numeraire is commonly interpreted not as an individual good, but rather as a collection of many "outside goods"—products we are not modeling directly and whose prices are treated as fixed. The price of the numeraire is typically normalized to one, and the prices of other goods (and a consumer's income) can be thought of as measured in units of the numeraire.

[49] That is, increasing income by $10,000 increases utility by the same amount for rich people and poor people. We expect that the marginal utility of income is actually decreasing, not constant (i.e., rich people benefit less from a given increase in wealth). We discuss this discrepancy further below.

[50] However, as we discuss below, modern "structural" methods can account for income and allow one to estimate CV/EV directly, avoiding the need to rely on CS as an approximation. *See infra* Part II(C)(1).

First, consumer welfare accounts for all of the variables we associate with competition, such as price, output, quality, product diversity, and innovation.[51] A dashboard would also cover these, since it attempts to account for all welfare-relevant phenomena that antitrust could potentially affect.

Second, consumer welfare provides a built-in means of aggregating these variables. If a practice has both desirable and undesirable effects—for example, if it increases both price and quality—then the net change in consumer welfare is a natural and logical means of resolving the tradeoff. Aggregation is thus achieved through consumer preferences, reflected in the demand function, not by inserting subjective welfare weights by hand.

Third, consumer welfare can be derived from observable data—prices and demand functions (which can be estimated empirically). Different economists may disagree on estimation methods, but demand and prices are quantifiable in a way that dashboard elements like "democracy" are not.

C. *Limitations, Real and Imagined*

Here we discuss some of the specific limitations of consumer welfare analysis emphasized by dashboard proponents.

1. Income Effects

It is well known that CS (which is often used to define consumer welfare) will exhibit some problematic properties in the presence of large income effects. First, as noted above, when income effects are present, the change in CS is not equal to CV or EV. In other words, when there are income effects, the change in CS is only approximately equal to the change in a consumer's welfare. Second, CS can exhibit a path-dependence effect: If a policy or other event changes multiple prices, with at least two of them resulting in an income effect, then the calculated change in CS will vary depending on the order in which the prices are changed.[52]

Crucially, antitrust cases focus on a single relevant market, where income effects are usually small or absent. The key insight of Robert Willig's seminal paper, *Consumer's Surplus Without Apology*,[53] is when price effects are confined to a single product in which a consumer spends only a small portion of her income, CS is an excellent approximation of CV and EV.

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[51] *See, e.g.*, Erik Hovenkamp, *Economics or Populism? The Battle for the Future of Antitrust*, 93 U. CHI. L. REV. 413, 421–22 (2026).

[52] *See* PER-OLOV JOHANSSON, AN INTRODUCTION TO MODERN WELFARE ECONOMICS 47 (1991).

[53] Robert D. Willig, *Consumer's Surplus Without Apology*, 66 AM. ECON. REV. 589, 589–90 (1976).

Willig's arguments have been influential because they rely on simple conditions that obtain in the overwhelming majority of product markets. Very few individual products are important enough to account for a large share of a consumer's total income. CS is only an approximation of CV and EV, but it is an *extremely good* approximation when applied to most individual markets. As Willig put it, the approximation error "will often be overshadowed by the errors involved in estimating the demand curve."[54]

Dashboard proponents claim to have identified a flaw in Willig's arguments, purportedly demonstrating that his claims "are not supported by his analysis."[55] This is supposedly achieved through a counterexample in which CS deviates from CV and EV by a large amount. However, their "counterexample" involves a single good whose price change leads CS to fall by an amount equal to 25% of the consumer's total income.[56] For a change in CS to reach 25% of income, the product would almost certainly account for a large share of total spending.[57] GLB's "counterexample" thus confirms that CS is a poor approximation only under extreme and atypical conditions—precisely as Willig argued.

This also explains why quasilinear preferences are a reasonable assumption in single-market analysis: Quasilinearity makes the analysis more tractable by shutting off income effects, which are already negligible for most individual products.[58] GLB reject quasilinearity as implausible, but it need not be literally true. Rather, it is a *local approximation* that works well in individual markets. (However, distributional concerns may remain even then, as we discuss later.)[59]

A few significant markets—housing, healthcare—could produce meaningful income effects. Here, it is important to ensure we employ methods that can account for this. To that end, economists have developed methodologies for estimating CV or EV (which account for income effects) directly from an ordinary Marshallian demand curve, avoiding the need to rely on approximations.[60]

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[54] *Id.* at 589.

[55] GLB, *Reboot*, *supra* note 4, at 16 & n.14.

[56] *Id.*

[57] An upper bound on the change in CS is given by $e(p, w) \times (\Delta p/p)$, where $e(p, w)$ is the total expenditure on the good at the original price (p), conditional on total income w, and where $\Delta p/p$ represents the percentage change in the price. Then, if $\Delta CS = .25w$, it follows that $e(p, w) \times (\Delta p/p) \geq .25w$. If the price increases by, say, 50%, then this implies an expenditure of $e(p, w) \geq .5w$, or 50% of income. The only way for the expenditure share to be small at the original price would be if the percentage price increase is extremely large, such as 1,000% (however, in that case, the expenditure share calculated at the new price could very well be large).

[58] However, as we discuss later, the way economists usually aggregate CS levels across consumers may be problematic even when we restrict focus to a single market.

[59] *See infra* Part II(C)(3).

[60] Jerry A. Hausman, *Exact Consumer's Surplus and Deadweight Loss*, 71 AM. ECON. REV. 662, 662–63 (1981).

In fact, many of GLB's critiques overlook advances in empirical industrial organization that eliminate the need to approximate welfare as the area under a demand curve. Modern structural methods estimate models of indirect utility that can account for income effects.[61] With the right data, these methods can be used to compute CV or EV directly.[62] For example, in developing what has become the workhorse of empirical industrial organization, Steven Berry, James Levinsohn, and Ariel Pakes used their structural approach to estimate how income factors into consumer demand and utility.[63] With sufficient data, these methods can be used for antitrust analysis (e.g., to simulate mergers) while accounting for income effects.[64]

2. Kaldor-Hicks Aggregation

Dashboard proponents also discuss some problematic features of Kaldor-Hicks welfare analysis. Contrary to what GLB suggest, these potential problems are not caused by using CS as a welfare measure, but rather stem from the Kaldor-Hicks approach of modeling social welfare as a sum of individual welfare levels (often CV or EV levels).[65] We first outline the potential concerns with this Kaldor-Hicks approach and then explain why they do not undermine antitrust's consumer welfare standard.

When there are strong income effects, the Kaldor-Hicks approach can lead to paradoxical results. First, it is possible for a policy to pass the compensation test even if the reversal of that policy also passes the test ("Scitovsky reversal").[66] As a consequence of this, John Chipman and James Moore showed that Kaldor-Hicks efficiency cannot provide a complete social ordering in the presence of income effects.[67] Second, even if the winners benefit more than the losers lose—as captured by a positive sum of CV or EV levels—strong income effects can make it impossible for the

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61 *See, e.g.*, Kenneth A. Small & Harvey S. Rosen, *Applied Welfare Economics with Discrete Choice Models*, 49 ECONOMETRICA 105, 105 (1981); Steven Berry, James Levinsohn & Ariel Pakes, *Automobile Prices in Market Equilibrium*, 63 ECONOMETRICA 841, 842 (1995).

62 Small & Rosen, *supra* note 61, at 108.

63 Berry et al., *supra* note 61, at 867–68.

64 *See, e.g.*, Shuhei Kaneko & Yuta Toyama, *Demand Estimation with Flexible Income Effect: An Application to Pass-Through and Merger Analysis*, 73 J. INDUS. ECON. 186, 187 (2025).

65 GLB mischaracterize these as problems with using CS as a welfare measure. In quoting Chipman and Moore, who wrote that "the New Welfare Economics must be considered a failure," GLB insert a bracketed gloss, "[which includes the surplus approach]," that is never stated or implied in the quoted article. *See* Glick & Bush, *Modern Economics*, *supra* note 32, at 958 (quoting John S. Chipman & James C. Moore, *The New Welfare Economics 1939–1974*, 19 INT'L ECON. REV. 547, 548 (1978)).

66 T. De Scitovszky, *A Note on Welfare Propositions in Economics*, 9 REV. ECON. STUD. 77, 88 (1941).

67 Chipman & Moore, *supra* note 65, at 578.

winners to actually compensate the losers (the "Boadway paradox").[68] As with the potential problems with CS, discussed above, these apparent paradoxes are driven by strong income effects and are thus unlikely to cause significant problems in single-market antitrust analysis. Even the authors who identified these issues noted their limited scope. Tibor Scitovsky himself regarded his eponymous "reversal" paradox as unlikely to matter in most situations, writing that "the paradoxical result cannot arise in a closed economy" and that it "probably is not very important," applying "only to certain welfare propositions in the theory of international trade."[69] Similarly, Chipman and Moore noted in other work that under quasilinear preferences, compensating variation, equivalent variation, and Marshallian consumer surplus all coincide exactly, not just approximately.[70]

There is a second reason why these issues (and those from the previous Subsection) have somewhat limited antitrust relevance: Under the consumer welfare principle, what matters is the *direction* of the welfare effect, not the magnitude. In many antitrust cases, we would expect the challenged conduct to push individual-level welfare in the same direction for most or all consumers,[71] in which case these aggregation issues do not change the diagnosis.

3. Distributional Issues

Our foregoing discussion should not be read as suggesting that consumer welfare is free of problems when we apply it to individual markets. One persistent problem is that standard approaches to measuring consumer welfare may overlook important distributional effects, even when we focus on individual markets.

Under quasilinear preferences, increasing a consumer's income by a dollar always increases her CS by some constant amount $m \geq 0$. This captures the marginal value of money for this consumer. When we focus on welfare effects within a single market, it is usually reasonable to assume that m is constant for an individual consumer, because the marginal value of money will not change much when income effects are small. However, in practice, economists usually also make the additional assumption that the value of m is the same for all consumers. This is not necessarily a good

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68 Robin W. Boadway, *The Welfare Foundations of Cost-Benefit Analysis*, 84 ECON. J. 926, 926, 938 (1974).

69 Tibor Scitovsky, *The State of Welfare Economics*, 41 AM. ECON. REV. 303, 311 (1951).

70 John S. Chipman & James C. Moore, *Compensating Variation, Consumer's Surplus, and Welfare*, 70 AM. ECON. REV. 933, 946 (1980).

71 That is, it would either benefit them all or harm them all, although the magnitudes of the effects may vary across consumers. For example, in a horizontal merger, typically the CS of all consumers depends on whether the price level increases or falls after the merger.

approximation, even when restricting focus to a single market. In particular, because we expect that the marginal value of money is declining in wealth, it is logical to assume that the value of *m* is lower for wealthier consumers.

There is a growing body of economic research on this problem,[72] including in antitrust economics.[73] Still, we acknowledge that this problem warrants greater consideration in antitrust cases where there are likely to be important distributional effects. (Note, however, that this is not true of all antitrust cases.)[74] But the solution is to adjust the methods we use to measure consumer welfare when distributional issues are salient, not to abandon the whole concept of consumer welfare or adopt an unworkable dashboard.

As with other technical issues highlighted by GLB, the distributional concern does not provide a reason for adopting a welfare dashboard. Consumer welfare analysis often ignores distributional effects not because we don't think they are important, but because accounting for them raises significant technical challenges. Those challenges would be no less acute under a dashboard approach, and GLB offer no methods for resolving them.

4. Narrowness

GLB also complain that consumer welfare is a narrow metric—there is much it does not account for. That is true, but we do not see it as a flaw. Antitrust has relatively narrow goals. It is not supposed to address all of society's problems; it is supposed to protect competition. Consumer welfare focuses specifically on how market outcomes contribute to welfare, while ignoring the many other things people care about.

This narrowness reflects a sensible institutional division of labor. We use different bodies of law to address different policy concerns, allowing each to specialize in its designated area, rather than forcing a single legal domain to solve all of society's problems. Antitrust is obviously not the right policy lever for addressing broad social issues like inequality or democracy. Its impact on such phenomena is highly remote and indirect. By analogy, one could in principle use tort law to address environmental

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[72] *See* Jerry A. Hausman & Whitney K. Newey, *Individual Heterogeneity and Average Welfare*, 84 ECONOMETRICA 1225, 1226–27 (2016).

[73] *See, e.g.*, Matthew Leisten, Economic Inequality and Market Power (Nov. 14, 2024) (unpublished manuscript), https://perma.cc/5Z8D-KQ9Y.

[74] As noted earlier, antitrust liability turns on the *direction* of the change in consumer welfare, not the magnitude of the change. Failing to account for distributional considerations does not necessarily create a risk of getting the direction wrong, because many practices (e.g., mergers) will often affect most or all consumers in the same way. Distributional considerations are important only when a defendant's conduct is likely to increase welfare for some consumers while reducing it for others.

harms, but it makes a lot more sense to have a body of environmental law that addresses environmental concerns directly (e.g., by regulating emissions). Similarly, inequality is best addressed through public finance. And democracy is best addressed by areas of law that police political activity directly, such as campaign finance law.

The principle is familiar from other institutional contexts: Central banks focus on price stability rather than maximizing all social values; environmental agencies focus on pollution rather than total welfare. Narrow mandates produce better decisions when institutions have limited information and face heterogeneous political pressures.

Thus, the question is not whether things like democracy matter (they do) but whether antitrust law—and the generalist judges who apply it—has a comparative advantage in pursuing them. They do not. In fact, we would turn GLB's narrowness criticism on its head: The biggest problem with the dashboard approach is that it is far too broad and indeterminate to be workable.

III. The Dashboard Double Standard

There is a conspicuous inconsistency in the arguments given by dashboard supporters. When criticizing consumer welfare, they are quite rigorous: They invoke theoretical models, cite leading economics journals, and show great concern for analytical precision.[75] And yet, when they attempt to apply their dashboard framework to address antitrust policy questions, their previous concern for rigor and precision quickly vanishes. Despite acknowledging that a dashboard approach requires welfare weights, the determination of which is "an unsolved problem,"[76] they claim that this approach nevertheless supports a number of significant policy shifts.[77] Here their arguments employ no economic methods at all—no economic models, no social welfare functions, and no econometric analysis. Instead, they offer little more than conjecture and a few citations to law review articles by antitrust populists.

This illustrates our main argument against a welfare dashboard approach. Its indeterminacy and intractability ensure that any attempt to apply it will inevitably collapse into subjective speculation. The conclusions one draws are determined entirely by one's own priors and intuitions, not by any objective or scientific process. Indeed, there is no meaningful sense in which GLB's specific policy conclusions are supported by the dashboard approach. If the approach were instead

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75 *See* GLB, *Reboot*, *supra* note 4, at 3–25.

76 *Id.* at 33 (acknowledging that "one needs an ending point as well, a way to trade off dashboard components" but that this "is an unsolved problem").

77 For example, they argue that their approach justifies the adoption of stricter concentration thresholds when applying antitrust's structural presumption in merger cases. *Id.* at 36–37.

employed by, say, a libertarian, that person would inevitably emphasize different social values and conclude that antitrust should become less interventionist, not more.

In fact, for every technical problem GLB identify with consumer welfare, one can identify an analogous problem with the dashboard approach that is, if anything, more severe. GLB criticize consumer surplus for path dependence, noting that the order of price changes can affect the calculated welfare impact.[78] But path dependence in consumer surplus vanishes under the quasilinear preferences standard in single-market antitrust analysis. The dashboard has an analogous problem that does not vanish: The policy conclusion one reaches depends entirely on the welfare weights one assigns. Similarly, GLB invoke Chipman and Moore's result that Kaldor-Hicks criteria cannot provide a complete social ordering unless one assumes quasilinear preferences.[79] But the dashboard cannot provide any ordering at all, because that would require a means of assigning welfare weights.

Again, the technical challenges with the consumer welfare approach are real and worth emphasizing. But, by any honest accounting, the number and severity of such challenges would be vastly greater under a welfare dashboard.

Conclusion

Dashboard proponents are right about one thing: There is no view from nowhere in normative economics. Policy analysis is almost never "value-free." Any claim like "this policy improves welfare" involves ethical judgments, whether or not one acknowledges them. But consumer welfare is not—and is not intended to be—a complete moral theory. It is a narrow framework designed to provide a reasonable approximation of how competitive outcomes in individual markets contribute to consumers' wellbeing.

It is important to be honest about the limitations of the tools we use. The choice of economic methods always entails a tradeoff. The more ambitious we try to be, the less confidence we can have in our conclusions. This is why economists tend to rely on narrow models of welfare that account for only a small number of variables that contribute to society's wellbeing.

A broad welfare dashboard is much more ambitious. It attempts to capture the full richness of human flourishing. But what makes the dashboard so alluring in theory also makes it unworkable in practice. Its most difficult step—determining how to weight all the different things that matter to society—is obscured in a fog of ambiguity and subjectivity.

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[78] *See supra* Part II(C)(1) (discussing path dependence); JOHANSSON, *supra* note 52, at 47.

[79] *See* GLB, *Reboot*, *supra* note 4, at 15–16, 25–26.

This is not a viable means of evaluating policy. Real-world institutions need administrable, objective standards: decision rules that can be applied under uncertainty, by fallible humans, in limited time, with limited information, and under political pressure.

In antitrust economics, consumer welfare has proven to be the most sensible way to do that. But, as we have emphasized, it is not perfect. The solution is better quantitative analysis within the welfare framework. That effort is already underway. For example, recent econometric advances have extended welfare measurement beyond the assumptions GLB criticize—computing exact compensating variation without quasilinear utility, bounding surplus under unrestricted consumer heterogeneity, and decomposing the welfare effects of vertical mergers into pro- and anticompetitive channels.[80]

The existing framework is also extending to new domains. A number of scholars have proposed reasonable ways of adapting the existing merger enforcement paradigm to labor markets, showing that monopsony harm can in principle be measured using the same surplus-based tools antitrust already uses for product markets.[81] The administrability challenges are real. As Manne, Albrecht, and Auer document, labor markets are relational rather than spot markets, market definition is harder, and distinguishing monopsony from efficiency-enhancing conduct remains difficult.[82] But those questions are worked out *within* the welfare framework, not by replacing it with a dashboard.

We conclude that antitrust should continue to focus narrowly on the social benefits of *competition*. This does not reflect a view that broader moral and political issues do not matter. Antitrust is just one of many distinct bodies of policy, each specializing in some area that contributes to social wellbeing. It strikes us as self-evident that this division of responsibility is more sensible than asking antitrust—or any individual policy domain—to solve all of the world's problems by itself.

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[80] *See* Debopam Bhattacharya, *Nonparametric Welfare Analysis for Discrete Choice*, 83 ECONOMETRICA 617, 617 (2015); Hausman & Newey, *supra* note 72, at 1246; Gregory S. Crawford, Robin S. Lee, Michael D. Whinston & Ali Yurukoglu, *The Welfare Effects of Vertical Integration in Multichannel Television Markets*, 86 ECONOMETRICA 891, 893 (2018).

[81] *See, e.g.*, Suresh Naidu, Eric A. Posner & Glen Weyl, *Antitrust Remedies for Labor Market Power*, 132 HARV. L. REV. 536, 585 (2018).

[82] Geoffrey A. Manne, Brian C. Albrecht & Dirk Auer, *Labor Monopsony and Antitrust Enforcement: A Distorting Mirror*, 74 DEPAUL L. REV. 1119, 1145, 1153–54, 1173 (2025).