

EVENT

Building a More Dynamic and Competitive Economy

The existence of vigorous market competition should not be taken for granted, as it often can be undermined both by public policy and natural economic forces. There are many ways in which competition can be impaired, such as when state policymakers subsidize large existing firms rather than support new businesses, or adopt unnecessarily strict licensing rules that limit the ability to work or when network effects make it difficult for startups to offer new services. However, carefully considered policy reforms can unleash competitive forces, thereby strengthening the link between economic progress and rising living standards.

PAPER

Enhancing Competition with Data and Identity Portability

Joshua Gans (University of Toronto)

The information economy has brought with it new ways that consumers and businesses interact. Key to those interactions is the exchange of data: businesses collect information about and directly from their customers. Such information is a valuable corporate asset that, as it accumulates over time, can make it increasingly difficult for new firms to enter a market and compete with incumbents. This has potentially negative anti-competitive effects, harming consumers and slowing the pace of economic progress. Joshua Gans therefore proposes that regulators act to encourage data portability—and especially consumer identity portability—to help achieve a more competitive market.

PAPER

Improving Efficiency in the Health-care System: Removing Anticompetitive Barriers for Advanced Practice Registered Nurses and Physician Assistants

Kathleen Adams (Emory University) and Sara Markowitz (Emory University)

Occupational licensing is now widely acknowledged as a core labor market institution that has important implications for workers and consumers. Less widely understood is the economic importance of scope of practice rules, a kind of licensing restriction in the healthcare sector that limits the tasks that may be legally conducted by members of a particular licensed profession. Recent research suggests that overly restrictive scope of practice rules can raise medical prices without delivering health and safety benefits. Informed by this work, Kathleen Adams and Sara Markowitz propose to relax scope of practice requirements for non-physician providers, thereby promoting better access to care and a more efficient healthcare sector.

PAPER

The Main Street Fund: Investing in an Entrepreneurial Economy

Aaron Chatterji (Duke Fuqua School of Business)

The rate at which businesses open in the United States has been in decline for decades. This decline in entrepreneurship—a key marker of market competition and dynamism—has contributed to slower productivity and wage growth. To address this trend, it is important that public policy be designed to support—and not to hinder—business formation. State subsidies for large firms are prominent obstacle to new business formation. Drawing on research that points to best practices for small firms, Aaron Chatterji proposes to support entrepreneurs by encouraging states to reduce the subsidies they currently provide to large incumbent firms, reallocating these funds to evidence-based investments in entrepreneurship.