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John Kwoka

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REMARKS UPON PRESENTATION OF AAI ANTITRUST
ACHIEVEMENT AWARD TO F. M. SCHERER

JOHN KWOKA

My name is John Kwoka. I am in the Economics Department of Northeastern University, and I am also a Fellow of the American Antitrust Institute. I am here today to present the AAI Antitrust Achievement Award. This award is given annually at this conference to an individual whose contributions to the antitrust mission rise to the highest level of purpose, have great intellectual and practical impact, and are sure to stand the test of time. The first AAI Antitrust Achievement Award was given to Joel Klein, then Assistant Attorney General for Antitrust in the Clinton administration. The second award, last year, was presented to Robert Pitofsky, then FTC Chairman, now (as before) law professor, and always antitrust scholar.

It is a great pleasure, and for me, a personal pleasure, to present this award today to Mike Scherer. I am sure that most of you are familiar with Mike's distinguished career, his many contributions to industrial organization economics and antitrust policy, and his wide influence. But I would like, nonetheless, to highlight a few things.

First, his career: Mike Scherer is Aetna Professor Emeritus in the Kennedy School of Government at Harvard, and for the past two years has been Lecturer at the Woodrow Wilson School at Princeton. Mike has previously taught at Princeton, the University of Michigan, Northwestern, and Swarthmore College.

He has also served as Director of the Bureau of Economics at the Federal Trade Commission from 1974-1976, which is where I first became personally acquainted with Mike. At the FTC, Mike oversaw such landmark cases as cereals, auto crash parts, and Exxon, as well as defending the Line of Business data collection project against its many critics.

Over the years Mike has continued to advise and consult on major antitrust matters for the FTC, including just within the past few years Toys "R" US, Intel, and Lockheed-Martin/Northrup-

Grumman. And, he is a frequent writer and commentator on current issues such as Microsoft.

But this kind of recitation does not really capture Mike's contributions. For forty years, Mike has done path-breaking research into economics and antitrust policy. He has written more than a dozen books and countless articles, covering a wide range of issues:

- Innovation, patents and patent policy
- Economies of scale and their implications for industry structure
- Mergers, take-overs, and efficiencies
- Predatory conduct
- Vertical restraints, among many other issues.

In all of these areas, Mike Scherer's works continue to be read as benchmark contributions. His scholarship is also notable in that it anticipates emerging issues, so that Mike is always ready with analysis and evidence as those issues come to the fore. I once introduced Mike by saying that I considered his agenda to be a leading indicator of what the profession would soon realize was important. Over time I came to understand how accurate a statement that was.

You might therefore be interested in knowing what he is now working on. One topic is the economics of human genome patents. A second, the implications of the Uruguay Round agreements for developing countries' access to patented pharmaceuticals. His third current interest may be so much a leading indicator as an indication of his wide interests. Mike is also examining the economics of music composition and publication in the 18th and 19th centuries.

But even this description of Mike Scherer's work does not suffice, since there are contributions, and then there is influence. Mike has been perhaps the single most influential industrial organization economist of our time. To understand his influence, consider just one of his books—his landmark textbook, *Industrial Market Structure and Economic Performance*. This book, which first came out in 1970, with subsequent editions in 1980 and 1990, was ostensibly a text in industrial economics and antitrust. It was that, but it was much more. It summarized and brought order to a field that previously lay scattered and incoherent. It evaluated huge amounts of literature, synthesized findings into a framework for un-

derstanding, and defined areas of inquiry. It contained the first comprehensive statement of the economics of all aspects of anti-trust policy—from mergers to vertical restraints, from monopolies to cartels. It served as a constant rebuttal to the onslaught of the Chicago school during the 1970s and 1980s. Its critiques of the literature effectively represented a research agenda for a generation—two generations—of students. In all respects, this book was a towering achievement.

But the influence of this textbook extended far beyond the field of industrial organization economics. Lawyers, both academic and practicing, policymakers inside and outside of government, business leaders, faculty and students in business schools and schools of public policy, as well as economists in all fields, picked it up and found it both readable and important. From it, they learned **WHAT** they wanted to know about the economics of anti-trust and industrial organization, and equally important, they often learned **THAT** they needed to know industrial organization. Mike Scherer, in short, pushed industrial organization economics and policy into forums where they never had an audience. That, I believe, is a measure of influence that no other industrial organization economist of our time can claim.

There is one more aspect of Mike Scherer's work that deserves note—a characteristic that has distinguished him from many other important economists and policymakers, and that has sometimes caused him to be controversial. This is the most elementary and commendable trait for any researcher: Mike Scherer respects facts. Mike's views about issues and policy do not derive from pure theory that has not been tested in the crucible of facts, nor from ideology, which so often masquerades as research. Mike respects, above all, simple, unassailable facts. Where the necessary facts do not exist, Mike has never hesitated to go out and develop them—often a hard task and one that many other economists avoid. But when the facts exist, or as they emerge, Mike has also never hesitated to go wherever those facts take him, regardless of whose ox may be gored.

And over the years, Mike has gored more than a few oxen. For this, he has earned the opposition of some, but, I believe, he has earned the respect of all. For these high standards, for his long-

standing contributions, Mike Scherer today, here, earns something else. He earns our thanks and the AAI Antitrust Achievement Award.