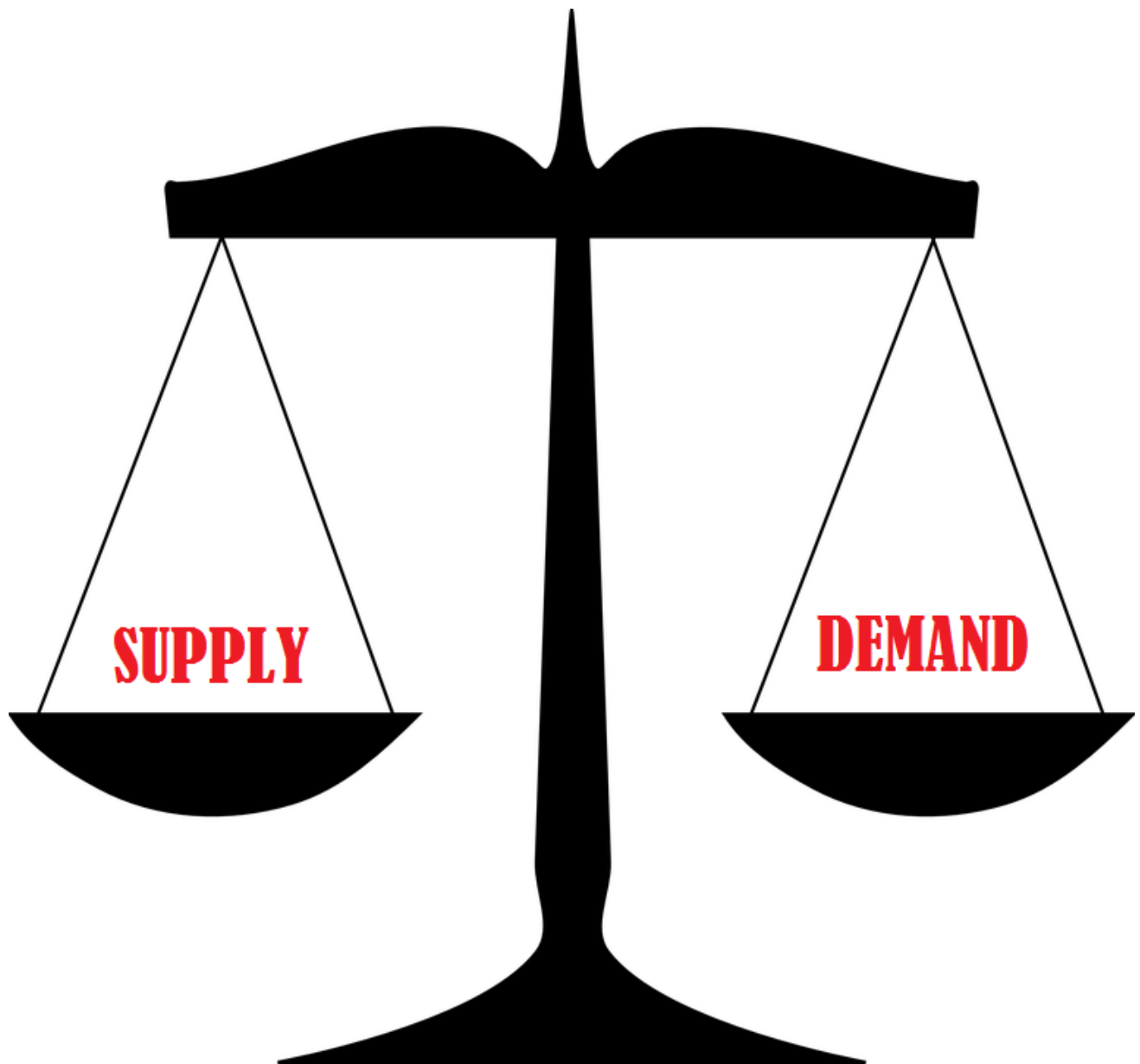


The U.S. Only Pretends to Have Free Markets

From plane tickets to cellphone bills, monopoly power costs American consumers billions of dollars a year.

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When I arrived in the United States from France in 1999, I felt like I was entering the land of free markets. Nearly everything—from laptops to internet service to plane

tickets—was cheaper here than in Europe.

Twenty years later, this is no longer the case. Internet service, cellphone plans, and plane tickets are now much cheaper in Europe and Asia than in the United States, and the price differences are staggering. In 2018, according to [data gathered by the comparison site Cable](#), the average monthly cost of a broadband internet connection was \$29 in Italy, \$31 in France, \$32 in South Korea, and \$37 in Germany and Japan. The same connection cost \$68 in the United States, putting the country on par with Madagascar, Honduras, and Swaziland. American households spend about \$100 a month on cellphone services, the Consumer Expenditure Survey from the U.S. Bureau of Labor Statistics indicates. Households in France and Germany pay less than half of that, according to the economists Mara Faccio and Luigi Zingales.

None of this has happened by chance. In 1999, the United States had free and competitive markets in many industries that, in Europe, were dominated by oligopolies. Today the opposite is true. French households can typically choose among five or more internet-service providers; American households are lucky if they have a choice between two, and many have only one. The American airline industry has become fully oligopolistic; profits per passenger mile are now about twice as high as in Europe, where low-cost airlines compete aggressively with incumbents.