

Is Competition Good for Consumers?

Most folks believe it is. Businesses who develop products to fulfill consumer needs must compete in the marketplace. Consumers decide which product will best meet their needs at a reasonable cost. The best maker attracts the most customers.

Makes sense, right?

No, it does NOT. Here's why.

Objection Number One: Entrepreneurs keep propriety knowledge about their products to themselves. Any business who wishes to enter the market must start from scratch. New competitors must develop their products from square-one. This lack of transparency among makers results in multiple contenders. Three or four similar versions will claim to fulfill consumer needs. Product A may be the cheapest. Product B may be the easiest to use right off the bat. Product C may offer the most features. Consumers have three (possibly more) choices, but users still must pay development costs for all three products since each vendor must spent money to develop its product from scratch. In essence, you get three or more products, none of which is ideal on every benchmark. Different products will excel in some respects more than others, but none will fulfill all possible customer needs.

Objection Number Two: To crack the marketplace here in the 21st-century, (1) makers must have financial backers to bridge the gap between prototype and fully outfitted assembly line; (2) makers must pay for topnotch advertising campaigns; (3) makers must weasel or otherwise gain access to multibranch distribution networks. These costs will be reflected in the retail prices of new products. In other words, users will pay the marketing costs whether they buy product A, B or C.

Take the common cold, for instance. Medical science has yet to find a dependable cure for the common cold. No matter. Pharmacologists market hundreds of so-called cures for the common cold. Go inside any drug store, and you'll find a whole aisle devoted to so-called cures for

the common cold. Scientists have found only one remedy that helps on a delayed timeframe. I'm speaking of generic aspirin. The active ingredient for aspirin has 1000-year track record as an herbal remedy, commonly made from the bark of black birch or willow trees. I can't imagine why Bayer was ever given a patent, because all he did was extract and package a remedy herbalists have prescribed for 1000 years.

Now let's get back to our aisle of so-called remedies for the common cold. Half of these remedies are probably more harmful to folks than they are helpful. Popular brands such as Advil, Tylenol, Motrin cannot claim to be one wit better than generic aspirin. And in many cases, they are worse, although each of these popular brands sell at higher prices than generic aspirin. If you buy these "snake-oil" cures, you are paying for clever advertising campaigns and corporate leverage that muscles shelf space from lower-cost competitors.

If you don't believe me, check out recent and older articles in the Scientific American. If healthcare can lay claim to have a magic bullet, a veritable cure-all, that remedy would be called generic aspirin. Besides stifling headaches and opening air passages, aspirin strengthens one's heart and relieves arthritic pain. Biotech giants have spent billions of dollars on miracle cures and cutting-edge medicines, but they haven't come close to matching the old standby, the remedy with 1000-year track record. I mean generic aspirin. If the biotechs can't tackle something as obvious as the common cold, one has to wonder if their other, more expensive remedies are worth a plug nickel. One thing is certain; no biotech has tested any of its products for 1000 years.

The American Medical Association (AMA) is both secretive and undemocratic. This organization claims to self-police itself, but it has instituted artificial standards of excellence. If the AMA says a medical procedure is good and proper, it effectively absolves any doctor who performs the procedure yet causes the death of a patient. In other words, it doesn't matter if the cure is valid or bogus; it only matters if most doctors (i.e. the AMA) approve of the cure.

Moreover, the AMA has always limited the number of students hoping to become licensed physicians. It doesn't ensure better qualified doctors, because most pre-med school allow flagrant cheating so that students with funds to burn can buy their way through school. I know because I attended one of highest regarded pre-med colleges in the USA. The limiting of students who can become doctors just raises the cost of healthcare by as much as 50%.

Obamacare has been a disaster because it isn't insurance. It's compulsory; therefore it's a government tax, pure and simple. Trump and his Tea Party colleagues will give citizens the choice of doctors and healthcare services. But this won't improve services if healthcare is overpriced and administered without public standards, if doctors continue to hide from public scrutiny and if the AMA colludes with major biotech corporations to deluge the public with overpriced remedies that most patients don't need under any circumstance.

As you can see, competition doesn't necessarily work to the public's advantage. A sustainable society needs to usher humanity through the 21st-century without wars or plagues or natural disasters. To do so, it must furnish high-quality of life for one and all. Moreover, we need to engineer an economy where the players really compete and truly bring about improvements in our lives. We must value durable products and reward corporations that do not abandon legacy products in favor of their "latest killer app". Too many major brands have ceased to support their older product lines in recent years. These companies should be boycotted until they smarten up.

Let us have ethical competition. Let us force both governments and corporations to open their doors and give us the transparency we can really trust.