



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Office of the Chair

**Remarks of Chair Lina M. Khan
White House Roundtable on the State of Labor
Market Competition in the U.S. Economy**

March 7, 2022

Good afternoon everyone. I'd like to thank our partners at the Treasury Department, the Department of Labor, the Department of Justice, and the White House for all the work that has gone into the report issued today.¹ This report on a lack of competition in labor markets highlights deep asymmetries in power between firms and

priorities is investigating whether deals may harm workers in ways that prove unlawful.³ The FTC and DOJ also recently launched a joint initiative to revise the merger guidelines, a key goal of which is to ensure our merger investigations are fully accounting for relevant harms to workers and labor market competition.⁴

The report also highlights that millions of workers are subjected to a slew of contractual provisions, including in take-it-or-leave-it contexts, that can further undermine their rights and freedoms.⁵ Non-compete clauses, for example, block workers from working for certain other corporations or starting their own business even after they leave their current employer. As the report notes, non-compete clauses can reduce worker wages and benefits and keep workers trapped, preventing them from taking better jobs.⁶ These non-compete clauses may also keep entrepreneurs from starting their own business or impede the ability of competitors to hire certain workers, holding back new business formation and making our economy less dynamic. Contractual terms that may harm fair competition are a major area of focus for the FTC, and we are carefully reviewing non-compete clauses in particular.⁷ One of the FTC's recent merger settlements prohibited a firm from entering into or enforcing non-compete agreements and other restrictive contracts,⁸ and we are actively considering additional ways that we can address the unlawful use of non-compete clauses, including through enforcement and rulemaking.

Finally, the report notes how a firm's market power may both enable and be fortified by additional business practices that harm workers.⁹ Misclassification of workers, for example, can let firms both cut employment costs in ways that may yield a competitive advantage and also limit workers' ability to organize and act collectively.¹⁰

³ In the Commission's recent challenge of a hospital merger in Rhode Island, I would have supported a Clayton Act claim regarding the potential effect of the proposed transaction on competition in the relevant labor markets. *See* Concurring Statement of Commissioner Slaughter and Chair Khan regarding FTC and State of Rhode Island v. Lifespan Corporation and Care New England, at 1-2 (Feb. 17, 2022), <https://www.ftc.gov/public-statements/2022/02/concurring-statement-commissioner-slaughter-chair-khan-regarding-ftc-state>.

⁴ Press Release, Federal Trade Commission and Justice Department Seek to Strengthen Enforcement Against Illegal Mergers (Jan. 18, 2022), <https://www.ftc.gov/news-events/news/press-releases/2022/01/federal-trade-commission-justice-department-seek-strengthen-enforcement-against-illegal-mergers>.

⁵ Labor Market Report, at 7.

⁶ *Id.*

⁷ Request for Public Comment Regarding Contract Terms That May Harm Fair Competition, FTC-2021-0036, <https://www.regulations.gov/docket/FTC-2021-0036> (last visited Mar. 11, 2022).

⁸ Press Release, Fed. Trade Comm'n, FTC Imposes Strict Limits on DaVita, Inc.'s Future Mergers

The FTC is also cracking down on unfair or deceptive practices that harm workers,