

Regulatory Framework since 1990

North-South Consensus

- Fiscal discipline
- Investment in infrastructure
- Tax reform
- Trade reform and deregulation
- Exchange rate reform
- Privatization of state enterprise
- Economic and social deregulation

Designing a New Economic Regulation

- Insufficient to trade off public monopolies for private monopolies
 - Introducing competition
 - Setting fair, transparent, legitimate rules of the competition game
 - Designing agencies to enforce the rules of the game
 - Coping with information asymmetries
 - Regulation for static efficiency
 - Regulation for dynamic efficiency
 - Managing transitions from old to new regimes
 - California and Enron as norms or outliers??

Tradeoffs between economic and social objectives

Access and connectivity for the poor

Controlling cost problems by geography and social class