



Can we get this right?

Power, Influence, and Motivations for Coherence

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Who controls regulation?

- Politicians
- Industry/operators
- Regulatory agency
- Media
- Bankers
- Donor organizations (e.g., World Bank)



It depends...

At start

- Politicians
- Industry/operator
- Bankers
- Donor organizations
(e.g., World Bank)

Later Add

- Agency
- Consultants
- New interest groups
- Media
- Other regulators

And perspectives change!



All organizations are perfectly aligned to get the results they get

• Arthur W. Jones

But people may or may not get what they want



Normative View

- Regulation as response to market failure
 - But the market system performs as designed
 - Some people don't like outcomes



Market for regulation

- **Market failure for regulation?**
 - If some don't like outcome
 - But performs according to design
- **Political trade-offs**
 - Size of economy
 - Re-distributing output



How do we adapt our system?

Change is a continuing condition: The future holds more unknowns than it does certainties. “Reset” means that we develop fresh perspectives and knowledge about the future, while holding in trust the wisdom of the past.

1. Focus on *Next* practices, **not Best** practices.
2. Focus on *Why* rather than on **What**.
3. Focus on *Leadership*, not on **Leading**.

(Mark Jamison and Araceli Castañeda,
The Electricity Journal, 2011)

What Regulators Do

- Politics
- Negotiation
- Facilitation

**What is
important?**

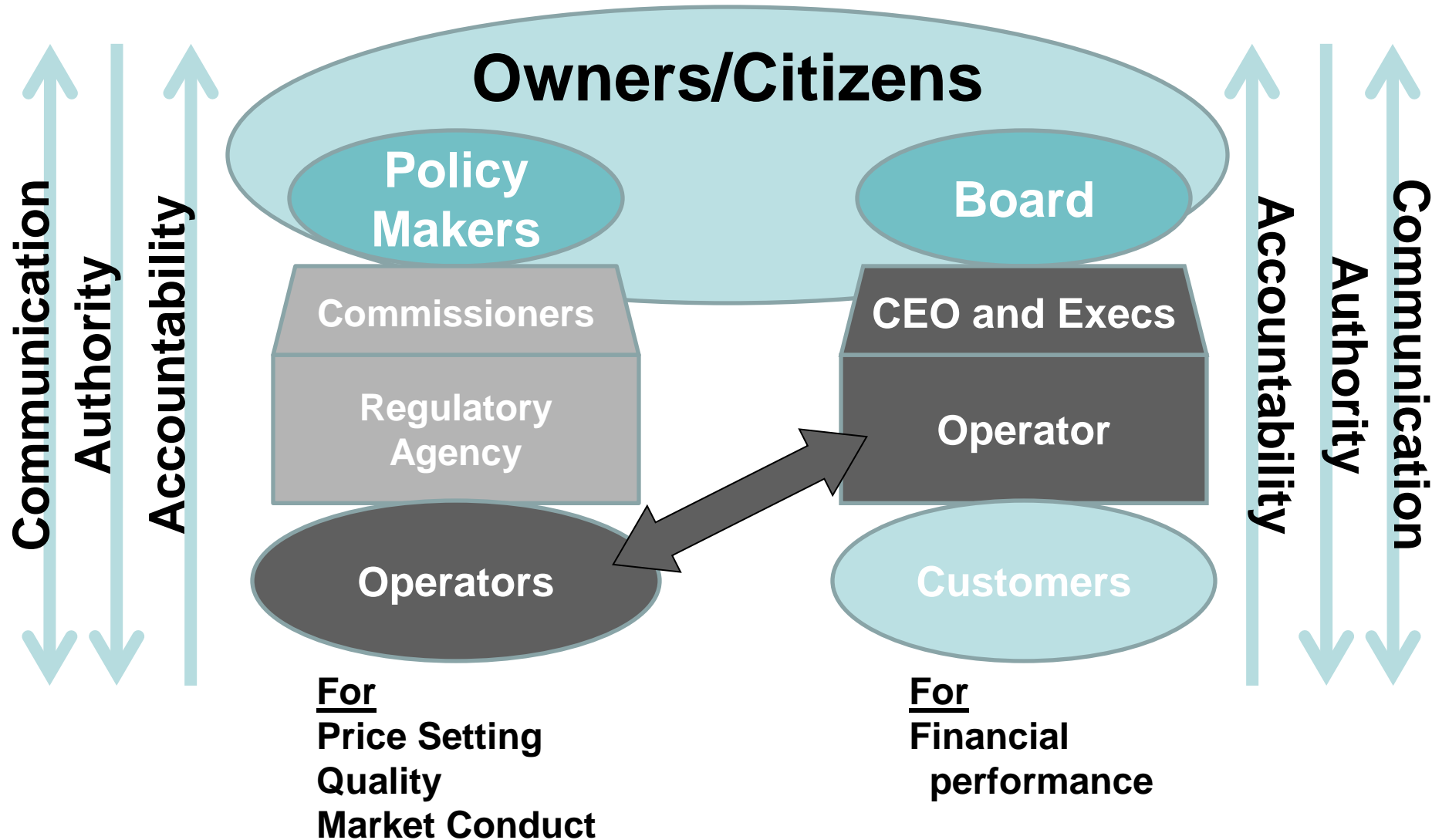
**How can
we do it?**

- Leading
- Management
- Administration

**What is
possible?**

- Engineering
- Economics
- Finance
- Law

Infrastructure Governance



The Body of Knowledge on Infrastructure Regulation

www.regulationbodyofknowledge.org

