

**Regulations, Constraints,
and Political Processes of
Energy Infrastructure
(December 5 Session)**

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POLITICAL ECONOMY

What is political economy?

Why do we need to discuss political economy issues of the energy sector?

PRIVATIZATION AND DEREGULATION

- What are privatization and deregulation? In Gabriele (2004), what are the reasons given for privatization? What are the pros and cons of privatization?
- Briefly summarize the experiences of privatization in Latin American countries (focus on Chile, Argentina, and Brazil)? What kind of a role did the state play in each country? What were the results of the reform?
- Similarly, summarize and comment on the experiences in India and China? Did they take different approaches than the Latin American countries?

OWNERSHIP AND REGULATION

- According to Estache and Rossi (2005), does ownership of electricity distribution firms matter in labor productivity? What other factors might affect productivity?
- Contrary to the advocacy of deregulation, Walz (2007) made an argument for regulation. Discuss what the following policy instruments mean:
 - support for R &D,
 - direct subsidy,
 - fixed feed-in tariffs, and
 - quota/bidding.
- How would these instruments contribute to the goals of promoting innovation, environmental protection, and access to the market? How do those policy goals interact with each other?

WIND ENERGY

Why did the development and diffusion of wind energy take different paths in the United States and the European Union in the past three decades?

What policy changes contributed to the divergent results?



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