



*Vice Presidency of Sectors and Knowledge
Research Department*

Regulation, Competition, and Market Power Latin America and the Caribbean

A Research Network Project

RG-K1198

Summary

Cross-country analyses have long concluded that institutions have a significant effect on growth. Still, there is little research, and practically none in Latin America and the Caribbean, that examines the mechanisms that drive this relationship. One important mechanism is that weak regulatory regimes discourage entry and competition, reducing incentives for innovation, productivity growth, market expansion, and job creation, reducing consumer welfare through higher prices, fewer varieties, and lower-quality products. The objective of this research network project is to provide rigorous evidence from Latin America and the Caribbean about links among regulation, competition, and economic outcomes such as productivity, consumer prices, and/or employment creation.