

PREFACE

This volume is the product of an IDE Joint Research Project entitled *Privatization, Deregulation and Institutional Framework*, which was coordinated and financially supported by the Institute of Developing Economies (IDE), Japan External Trade Organization.

In this joint study, we examine privatization and deregulation processes and their impacts on society in developing countries as well as advanced countries. In many developing countries, privatization and deregulation policies are being pursued strongly backed by the current stream of liberalization and structural reforms. The results of this policy direction differ from country to country: for example, prices of services provided by one public utility increased after privatization in one country while they decreased in another, especially in advanced countries due to the introduction of competition. This volume describes the actual progress obtained and the favorable as well as negative effects generated by deregulation and privatization and examines the lessons that can be learned from these experiences.

Three study teams were organized (Japan, UK and US): the Japanese team focused on deregulation and privatization policies carried out in Japan and Korea, in general, and sector surveys of telecommunications and banking in Japan and a technical paper on network formation in particular. The UK team examined the process of liberalization in the UK and India in general, and provided case studies on UK electricity and Indian telecommunications in particular. The US team surveyed the US regulation and deregulation processes, Latin American reform experiences, and sector surveys such as electricity in the US and telecommunications in Latin America. In addition, an interview survey on people's perception for privatization in Bolivia was carried out. Finally, some recommendations and policy suggestions for developing countries were drawn from a comparative study made by the three teams.

We organized an international workshop at the IDE regarding the topics on December 7-8, 1998. Together with IDE members, Professors Sanford Berg, Sunil Mani, Terry McCoy, and Michael Pollitt participated in the workshop. Two commentators, Mr. Jun Saito (Director, Price Coordination Division, Economic Planning Agency) and Mr. Naoto Yamauchi (Associate Professor, Osaka School of International Public Policy, Osaka University) also took part in the workshop.

We are grateful to all participants for their stimulating comments and contributions on that occasion. Our thanks go also to the IDE staff for their help in administration and publication, especially to Ms. Hiroko Asai who provided administration expertise.

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Any opinions expressed in this volume are those of the authors and not of their organizations.

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