

	Equity	Asymmetric Information	Public Goods	Common Goods	Natural Monopolies	Easy Market Entry
Challenge: Example	Urban Poor	Lemons' Market in Health Insurance (Akerlof 1970)	Defense	Clean Air	Sewage System	MS Windows bundled with IE
Market: Response	Comparative Advantage	a)Signalling b)Screening	a)Shadow of the Future: Infinitely Repeated Game b)Self-Binding, Credible Commitment	a)Shadow of the Future: Repeated Game b)Self-Binding, Credible Commitment (Ostrom 1990)	Common Ownership	-
Market: Example	Service Economy Entrepreneurship	a)Branding, Warranties b)Experts, Testing	-	-	SCHUFA, Standard-Setting Associations	-
State: Response	a)Regulatory Policy b)Redistribution	Risk Pooling	a)Public Provision b)Issuing Property Rights, Where Possible	a)Regulatory Policy b)Repricing c)Issuing Property Rights, Where Possible	a)Regulating b)Outsourcing c)Common Carriage d)Public Provision	a)Regulatory Policy b)Domestic Infant Industry Protection
State: Example	a)Affirmative Action b)Public Spending	Compulsory Health, Unemployment, Disability Insurance	a)Military b)Intellectual Property Protection	a)Minimum Standards b)Ecotax (Pigouvian Tax) c)Emission Trading	a)Motorways b)Airbus & Boeing	a)Anti-trust, Anti-discrimination b)Industrial Policy (Company Car Subsidy in Germany)
Fiscal Sources	Proportional, Progressive Taxation	General Revenue	General Revenue	Pigouvian Taxes	Fees	General Revenue