

Session #4: Infrastructure stimulus and economic growth

Key questions:

- What is the relationship between infrastructure investment and economic growth? How do the authors of the readings from this week have different or similar opinions on this issue?
- What factors distort efficient allocation of resources (in this case, resources for infrastructure construction and maintenance) in both developed and developing countries?
- What do you think of government failure versus market failure? In what areas is the market likely to fail, and what areas the government? Which economic activities should be regulated by the government? Which should be left to the market?
- Referring back to our discussion last time, if government fails to define and protect property rights clearly, what effect might it have on infrastructure investment? Is it always negative?

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