The Architecture of Regulation: Measuring State Capacity and Market Impact

by

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Abstract:
Regulation is the primary instrument through which the modern state engages with markets. Yet, while much attention is paid to policy intent, far less is understood about *regulatory capacity*—the ability of regulators to make, implement, and enforce rules that achieve stated objectives without distortion or capture. This talk explores the anatomy of the regulatory state: how legislative, executive, and adjudicatory functions are distributed within regulatory agencies; how these institutional structures shape incentives and accountability; and how regulatory performance might be measured empirically. The talk argues for a systematic framework to evaluate regulatory performance that integrates legal design with economic reasoning, thereby linking institutional structure to market outcomes.