Managing Market Failures In Urban Freight

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Market Failures

- Safety
- Too many trucks
- Conflicts with passengers
- Old, dirty trucks
- Pollution
CAUSES

MARKET CONDITIONS
- Excess labor supply
- Not enough capital for larger scale operations
- Easy entry for local delivery
- Excess competition
- Large informal sector

WEAK REGULATION
- Vehicle safety and performance
- Market entry
- Wages

WEAK ENFORCEMENT
- Lack of resources
- Widespread non-compliance