Posner Reaction

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Is Richard Posner for or against regulation? He points out how the crisis happened due to lax regulation (pointing out how SEC Chairman Christopher Cox essentially put the agency to sleep). However his general viewpoint seems to be that regulation is bad, and there should instead be a laissez-faire system without regulation. But he spends no time describing what would have happened without a bailout? Would things have been much worse?

Or is his point that the presence of regulation (even of the sleepy variety) made actors take more risks than they otherwise would have. But this makes no sense. The market knew that the regulators were taking a very hands off approach. Instead, it seems like the actors acted that way because everyone else was doing it, and they had to keep doing it to survive in the industry. How can less regulation help with that? In such it seems he is recommending that the depression we experienced is a healthy course of action. But he never resolves the question about regulation. How is ineffective regulation worse than no regulation at all?