

## Fall 2021

### ECO 1002 Potential Research and Presentation Topics

1. The *Economist* (July 27, 2019) “American Utilities: Windfall” finds that the way public utilities are regulated by bi-partisan regulatory commissions in the USA means greater profits in the longer-term. Is this an acceptable finding? Why do government regulated utilities have guaranteed returns on equity from 10 – 16%, many times that of economic growth? What are the regulatory capture / public choice dynamics in this sector? What prevents innovation away from hard-wire provision of electricity? Why do local, state and federal green subsidies depend on local generators to sell to the distribution monopolies? What are the ‘labor’ relations in these industries? Why don’t entrepreneurial-induced independent generators and distributors of green energy get the same subsidies? What policy reforms can you recommend to create competitive dynamics in the generation, transmission and distribution of electricity?
2. Google, Facebook and Amazon are under increasing pressure by regulatory authorities to monitor and select the display of their content towards public purpose as defined by the state. Is this censorship? Give the state of play at the time of your presentation on regulation in social media. For example, are platforms responsible for content under regulation? Why or why not? Do you believe that social media are platforms or publishers? What is the difference? What are the guiding principles for regulation or self-regulation of free speech over the internet? Are there any current important legal cases or regulatory measures pending in this regard? Is there political influence on the content in social media? Give specific examples.
3. Do a case-study on the regulation of the Boeing 737 Max 8. What went wrong? Is this an example of “agency capture”? Why or why not? Relatedly do US airlines enjoy special monopolistic privileges and/or subsidies under regulation? Do airports represent an example of capture (Lindsey, Teles 2017)? Is the US passenger airline industry a competitive or protected industry? Evaluate the regulation and industrial organization of this industry and make a determination what if any reforms are needed to benefit consumers, which is the alleged purpose of regulatory intervention. Is there a relationship between the 737 Max 8 case and US airline policy writ-large, why or why not?
4. The Empire State Development Corporation ([esd.ny.gov/](http://esd.ny.gov/)) is the New York state agency which uses tax-breaks and other incentives to attract firms to locate to New York state. Who are some of the major beneficiaries of these incentives, what industries and what firms? What is the average cost per “job-created” for a sample of these projects? How long is it projected until the subsidies are paid-off through subsequent taxes on the beneficiaries? How is it determined who will be the beneficiary of subsidies? Have these

beneficiaries contributed to the election campaigns of Albany politicians? Do the tax incentives ‘crowd-out’ any private sector activity which would have occurred anyway? Has there been any alleged or proven corruption in the granting of special treatment to certain firms under state discretionary power in this field? Give specific examples.

5. You can also do the same research and answer the same questions as in 6. above, but relating to the New York City Economic Development Corporation ([www.nycedc.com/](http://www.nycedc.com/)).
6. The Mayor’s Office of Media and Entertainment (<https://www1.nyc.gov/site/mome/index.page>) provides subsidies to produce screen media productions in NYC. How much are these subsidies and who receives these subsidies? What form do these subsidies take (tax reductions, grants, in-kind services)? Are these subsidies ‘redistribution upward’ (eg, is there distribution from median taxpayers to those with higher average incomes)? Why or why not? Choose a sample of MOME projects and make a determined case if there is any economic benefit to these projects. What is the cost per “job created”? Is this fiscally responsible? Should this program be continued? Why or why not? Also as in 6. above, are there corruption issues evolving in these policies?
7. The *NY Times* January 8, 2020 has an article about the start-up Sonos being ‘exploited’ by Google for Intellectual Property Rights (IPR) violation. What specifically is this case about? What are the property rights issues involved, and, is there or could there be a better way to resolve this dispute. Why or why not? Can this relate to inefficiencies in the American tort system relative to that of England? Why or why not?
8. Industry City in Brooklyn is seen as a post-war development site. Is this true? Why has the city taken over this space? Does the city proclaim (Keynesian) multiplier effects for this development? How does this relate to the Towse 2010 finding on the multiplier? What are the sources and uses of funds for Industry City today? Where do revenues come from? Is Industry City an example of crony-capitalism, as discussed in class, where certain firms get tax-breaks, while everyone else has to pay more for ‘public goods’? Is Industry City an entrepreneurial enterprise?, why or why not.
9. You may also choose your own topic for research and presentation if you discuss the topic with the instructor in advance of the optional sign-up due date.