

Session 3: Infrastructure and Regulations

- Discussion Questions -

Hardin 1968

- What is a "common"? Frischmann mentioned "open access". What is the main difference between a common and an open-access resource?
- What is "the tragedy of the commons"? What examples did Hardin provide? Could you think of other examples?
- What are the causes of and solutions to "the tragedy of the commons"? Do you agree?

Posner 1974

- Summarize the main ideas of the "public interest" theory and the "capture" theory. Why is Posner against both theories' explanations of government regulation?
- What is his approach to explaining government regulation? How does this relate to Frischmann's view on intellectual property rights protection? Would Hardin agree with Posner's idea?

United Nations 2001

- What are some of the reasons why regulation is needed? Give an example of why regulation is needed in each of the following: (i) health; (ii) safety; and (iii) environmental protection.
- Understand the difference among the following regulation strategies: (i) competition laws; (ii) franchises; (iii) taxation; (iv) contracts; (v) loans; (vi) tradeable permits
- Are large firms easier to regulate through the use of tradeable permits than small firms? Under what conditions?
- In environmental agencies, "command and control" is sometimes replaced by "incentives." What are the costs and benefits of each?

General question:

In light of the three readings for this session, what kind of infrastructure should be regulated, what not?

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