

### Outline of a Progress Report B: Institutions

The main purposes of this second type of progress report is to get you to get acquainted with a particular institution (an industry, a regulatory or de-regulatory episode, a government institution or program, etc.) which you plan to do research on.

You should get acquainted with main information sources, such as reference books in the library, and (increasingly) online information sources.

To wit, I want you to prepare a 7-10 page progress report with the following template.

Describe the institution you are interested in in some detail.

- If you are interested in an industry, look for several industry sources. The web is a good place to look. For the industry, you should find information on:
  1. Largest firms in the industry, and types of products produced by each firm;
  2. Major inputs in the production of these products; vertical structure of the industry (downstream vs. upstream firms);
  3. Market shares of major firms (in terms of sales, revenues, etc.);
  4. History of technological change/product innovation in this industry, include important dates.

Finally, describe important questions in this industry related to the main topics covered so far in class: (a) demand; (b) pricing; (c) entry (or, generally, new product introduction).

- If you are interested in a government program or policy, you should describe
  1. The main government institutions which are in charge of the policy/program;
  2. The major pieces of legislation which guide the regulation/de-regulation.
  3. The main parameters of the program: eligibility, imbursements and disbursements
  4. Variation in the program: across states, over time, across different individuals.

Finally, identify the important outcome ( $Y$ ) variables, and the important policy ( $X$ ) variables. Describe instances where  $X$  could be endogenous. Identify possible instruments ( $Z$ ) or instances where  $X$  varied exogenously (“natural experiments”): justify your instruments in each case!

- If you are interested in some regulatory/de-regulatory episode, you should describe your industry in the way discussed in the first item above, and also describe the government policy towards this industry, following points 1 and 2 of the second item above. Focus carefully on (1) the type of regulation (price, rate of return, etc.) and (2) the competitive environment (market structure) faced by regulated or de-regulated firms.