

SIMON FRASER UNIVERSITY
Department of Economics
BUEC 427W

Professor Douglas Allen, WMX 2670

Office hours: Announced first week of class.

This course uses economic theory to understand the general structure of law. It is not a law course. Specifically, it analyzes the economic logic of law, how alterations in laws influence the allocation of resources, and how general economic activity feedback and influence the law. In doing so it provides a theory of the legal regime. The course begins with a general discussion of economic reasoning and the concept of efficiency. It then examines the Coase Theorem in considerable detail. After these introductory foundations, we move on to cover the legal topics of property, contracts, family, torts, and crime. These topics should take the entire semester. If time permits we may briefly cover such topics as anti-trust and public enforcement.

Text: There is no text for this course. Most of the readings will be on the course webpage, but all of them are available through the electronic journals link on the SFU library webpage.

This is a “W” course, which means there is a very serious reading and writing component. Students will complete weekly writing assignments, as well as a term paper. Participation in weekly discussions is mandatory, which means doing the assigned reading is also mandatory. Each student will be expected to lead at least part of one seminar.

The distribution of grades will be as follows.

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|----------------------------|-----|
| Participation | 20% |
| Weekly Written Assignments | 10% |
| Midterm | 15% |
| Term Paper | 25% |
| Final Exam | 30% |

COURSE OUTLINE: BUEC 427

Economic Analysis of Law

1. Writing Skills

a.* Don McCloskey “Economical Writing” *Economic Enquiry* April 1985.

2. Efficiency

a.* Alchian, “Evolution, Uncertainty, and Economic Theory” *Journal of Political Economy*, 1950.

b. Allen, *Economic Principles*, Chapters 1 and 2.

c. J. Jacobs, “The Monkey’s Paw” on web page.

d. Somerset Maugham, “The Verger” on web page.

3. The Coase Theorem

a.* Coase “The Problem of Social Cost” *Journal of Law and Economics* 1960.

b.* Allen “Transaction Costs” *Encyclopedia of Law and Economics* 1999, on web page.

c. *Sturges v. Bridgman*

d. Leeson, P. “Trading with Bandits” *Journal of Law and Economics* 50 May 2007.

e. Allen, Chapter 15.

4. The Legal Environment, Class Presentation

a.* Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, “The Economic Consequences of Legal Origins,” *Journal of Economic Literature*, 2008

b.* Daron Acemoglu, Simon Johnson, and James A. Robinson, “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution,” *Quarterly Journal of Economics* 117, no. 4 (November 2002): 1231-94.

5. Property Law

a.* Lueck et al. “Property Law” on web page.

b.* Libecap, Gary D.; Lueck, Dean “The Demarcation of Land and the Role of Coordinating Property Institutions” *Journal of Political Economy*, June 2011, Vol. 119 Issue 3

c.* Bob Ellickson “Unpacking the Household: Informal Property Rights Around the Hearth” *Yale Law J.*

d.* Andolfatto “A Theory of Inalienable Property Rights.” *Journal of Political Economy* 2002.

e. *Pierson v. Post* on webpage

6. Contracts

a.* Allen and Lueck. “Cropshare vs. Cash Rent” *Journal of Law and Economics* 1992.

b. Allen and Borchers “Conservation and Contract Choice.”

b. *Sherwood v. Walker* on web page.

c. *Hadley v. Baxendale* on web page.

7. Family Law

a. Akerlof, Yellen, and Katz “An Analysis of Out-of-Wedlock Births in the United States” *Quarterly Journal of Economics* 1996

b. Allen “What Does She See In Him” on web page

c. Allen “Child Support Guidelines” on web page

d. Allen “Who Should Be Allowed Into the Marriage Franchise” *Drake Law Review* Summer 2010.

e. Geddes and Lueck “The Gains from Self Ownership and the Expansion of Women’s Rights” *American Economic Review* on web page.

f. Wolfers “Did Unilateral Divorce Laws Raise Divorce Rates ...” Forthcoming *American Economic Review*

g. Cohen “The Unnatural Family, and Women’s Work”

8. Crime

a.* Lott, John and Landes, William M., “Multiple Victim Public Shootings, Bombings, and Right-to-Carry Concealed Handgun Laws: Contrasting Private and Public Law Enforcement” (Apr 21, 1999). University of Chicago Law School, John M. Olin Law & Economics Working Paper No. 73

b.* Curry and Mongrain “What you don’t see can’t hurt you: an economic analysis of morality laws” *Canadian Journal of Economics* May 2008.

c.* Palmer, John. “The Economics of Cruel and Unusual Punishment” *European Journal of Law and Economics* 1998.

9. Torts

a.* Brooks “Liability and Organizational Choice” *Journal of Law and Economics* April 2002. on web page