Law and Economics: Eco 5936, Section 1, FALL 2008

Class Period: MWF, 10:10 AM to 11:00 AM
Classroom: 202 Bellamy Building
Professor: Bruce Benson
Office: 288 Bellamy Building
Contact: bbenson@fsu.edu; 644-7094
Office hours: MWF, 1:15 PM to 2:15 PM, or by appointment (e-mail, call, or schedule after class)

Technology and Communications: A Blackboard site has been established for this course. This site will provide an outline and links to some of the readings. Grade information will also be available, and announcements may be posted, although announcements will also be sent by e-mail. Note: this means that students MUST use their fsu accounts to access Blackboard, and any e-mail messages sent to individuals in the class or the class as a whole will only be sent to fsu accounts; in addition, only e-mail messages to Professor Benson from fsu accounts will be opened with any degree of certainty since other messages are often assumed to be SPAM and deleted.

Readings: Note that all readings are “suggested,” as the reading list is clearly too long to expect students to read everything in one semester, or to cover in one semester. In fact, since much of the course will be prepared as we go, we will inevitably discover that we do not have time to cover some topics and associated readings (Professor Benson will try to indicate which readings are actually discussed in lectures, as the course proceeds).

A textbook was ordered for the course: Antony W. Dnes, The Economics of Law: Property Contract and Obligations (Mason, OH: South-Western, 2005).

http://www.daviddfriedman.com/laws_order/

These are not demanding books; they are available for general background discussion on neoclassical law and economics. Other readings will be drawn from The Encyclopedia of Law and Economics, Boudewijn Bouckaert and Gerrit De Geest, editors (Chelthenham, UK: Edward Elgar, 2000) also available on line at

http://encyclo.findlaw.com/tablebib.html

Still more readings are available through JStor using the FSU library web site. Finally, some readings are available through direct links provided on the blackboard site in the assignments section. Links to all cases are also provided (cases were obtained through the FSU library web site using LexisNexis). All suggested readings are listed in the following outline.

Requirements and Grading: There will be two essay exams, an in-class (50-minute) midterm and a 2-hour final during final exam week. In addition, a paper is required, and students will present drafts of the papers in class on the dates specified below. The paper and its presentation will determine 40 % of overall course grade, performance as a “discussant” for someone else’s paper together with participation in class discussions, etc. will determine 5 %, the final exam will count as 35 % of the grade, and the midterm will make up the remaining 20 %.

Paper, Presentations, and Discussants: Each student is responsible for choosing a paper topic (a number of suggestions are listed in the assignment section of the Blackboard site, but students are free to choose something
that is not listed; empirical projects are welcome, but not required, given the time constraints). Paper topics must be chosen and approved by Professor Benson by September 10. Drafts of the papers are due by November 12.

These drafts can be submitted electronically as an e-mail attachment to bbenson@fsu.edu and they are also to be electronically distributed to all class members. The drafts will be presented to the class during the week of November 17-21. Note that extra meetings will be held that week to accommodate the presentations (these are “make-up” meetings as class will not meet of various dates earlier in the semester, for reasons indicated in the outline). The presentations will be similar to most professional meetings. The presenter will have 20 minutes to summarize and highlight the key points. Another student, assigned as a “discussant”, will have 10 minutes, and the remaining 20 minutes will be devoted to general discussion and Q&A involving the rest of the class, including the instructor. The paper authors will then have until the end of the day on December 12 to make any reasonable revisions that are stimulated by the remarks of the discussant and other class members. Papers are to be written using the reference and bibliography style of the American Economic Review. The text is to be double spaced with a readable, but not huge, font size (e.g., Times New Roman 11 or 12), footnotes are to be used rather than endnotes, and they can be single spaced. Final papers can be submitted electronically as well, again as an e-mail attachment.

Honor Code: Academic dishonesty as it relates to tests will not be tolerated in this course. The Academic Honor System of the Florida State University is based on the premise that each student is responsible for: (1) upholding the highest standards of academic integrity in the student's own work, (2) refusing to tolerate violations of academic integrity, and (3) fostering a high sense of integrity and social responsibility. If cheating occurs, all students involved will receive a zero on the exam, and the grade will not be dropped.

Disabilities: Students with disabilities needing academic accommodations should: (1) register with and provide documentation to the Student Disability Resource Center [SDRC] and (2) bring a letter to the instructor from SDRC indicating the need for academic accommodations.

Outline: Note that changes in the time allocated to some topics may occur. Announcements of such changes will be made in class and on Blackboard. Exam dates and various “deadlines” regarding the required paper are also listed. They are not expected to change, but unforeseen circumstances may arise. Note that readings from Antony Dnes’ book are designated by AD below, DF refers to readings from David Friedman’s text, chapters from the Encyclopedia of Law and Economics are indicated by ELE (note that a direct link to ELO chapters is provide on the blackboard site; simply click on the four digit number preceding the chapter title, LN implies a paper is available through LexisNexis, and papers available through Jstor are simply indicated with JSTOR.

Readings:
Introduction and Chapters 1 and 2 DF;
Introduction and Chapter 1 AD;
Ejan Mackaay “0200 History of Law & Economics” ELE;
Thomas S. Ulen “0710 Rational Choice Theory in Law & Economics” ELE;
Peter Klein “0530 New Institutional Economics” ELE;
Ludwig Van den Hauwe “0610 Public Choice, Constitutional Political Economy, and Law & Economics” ELE

II. Coase: Externalities, Transactions Costs, and Property Rights: August 29 and September 3, 5, 8, 10 & 12 [No Class on September 1 – Labor Day]
Readings:
Chapter 2 and pages 47-57 of Chapter 3 AD
Chapters 3, 4, 6, 7 and 8 DF
Steven G. Medema and Richard O. Zerbe Jr., “0730 The Coase Theorem” ELE
Elinor Ostrom, “2000 Private and Common Property Rights” ELE

III. Law and Legal Institutions: September 17, 22, 24 & 26 [Note: No Class on September 15 (Professor Benson presenting a paper on drug policy at the Northwestern University Law School) and on September 19 (Professor Benson is participating in a Symposium on tort theory in Washington)].

Readings:
Intermezzo, Chapters 17 and 19, and Epilogue DF
Francesco Parisi, “9500 Spontaneous Emergence of Law: Customary Law” ELE
Anthony Ogus, “9400 Self-Regulation” ELE
Rapaczynski, Andrzej, “The Roles of the State and the Market in Establishing Property Rights,” Journal of Economic Perspectives, 10 (Spring 1996): 87-103. JSTOR
Razzolini, editors (London: Edward Elgar, 2001), 547-589. LINK


IV. Issues in Property Law: September 29, and October 1, 3, 6, 8 & 10 [Note: No Class on October 13 (Professor Benson will be attending a ‘retreat’ for Department Chairs)].

Readings:
Pages 57-76 of Chapter 3 AD
Chapters 5 and 10 DF
Timothy Swanson and Andreas Kontoleon, “2100 Nuisance”
Michael I. Krauss, “3800 Property Rules vs. Liability Rules”
William A. Fischel 2200 Zoning and Land Use Regulation” ELE
Bruce L. Benson, “ Disequilibrium and Inefficiency are the Inevitable Result of Government Development Planning,” in Property Wrongs: The Law and Economics of Takings, Bruce L. Benson, editor, Forthcoming. LINK
Brief of Jane Jacobs as Amica Curiae in Support of Petitioners, Susette Kelo et al. v. City of New London LINK
Brief of Law Professors in Support of Respondents, Susette Kelo et al. v. City of New London LINK


MIDTERM EXAM: October 15, during the regular class period

V. Issues in Contract Law: October 17, 20, 22, 24, 27 and 29

Readings:
Chapters 4 and 5 AD
Chapter 12 DF
Richard Craswell, " 4000 Contract Law: General Theories," ELE
Paul G. Mahoney “4600 Contract Remedies: General” ELE
Eric A. Posner “4620 Contract Remedies: Foreseeability, Precaution, Causation and Mitigation” ELE


Readings:
Chapters 6 and 8 AD
Chapters 9 and 14 DF
Hans-Bernd Schäfer, "3000 Tort Law: General," ELE

VIII. Paper Presentations: Week of November 17 to 21 [Note: there will be enough extra sessions during this week so that a 50 minute period can be devoted to each paper; these sessions will make up for the classes that did not meet earlier in the semester]

VII. Issues in Criminal Law: September 24 & 26, and December 1, 3 & 5
Readings:
Chapter 7 AD
Chapters 15 and 18 DF
A. Mitchell Polinsky and Steven Shavell, “8000 Public Enforcement of Law” ELE
Erling Eide, “8100 Economics of Criminal Behavior” ELE
Roger Bowles, “8500 Corruption” ELE
Bruce L. Benson, “Escalating the War on Drugs: Causes and Unintended Consequences,” Stanford Law and Policy Review, forthcoming [undergoing editorial revisions; A LINK to the final version will be available before this section of the course]

FINAL EXAM: Wednesday, December 10, 12:30 PM to 2:30 PM

FINAL PAPER DUE: Friday, December 12, 5:00 PM