



EMLE 2022-2023

Concepts and Methods of Law and Economics

**Term/location: First Term -
Haifa**

Credits:

Language: English

COURSE DESCRIPTION (and learning goals)

The course presents the foundational concepts and methodologies of the economic analysis of law. It illustrates how such concepts and economically-minded legal reasoning can be used to predict the impact of the law on human behavior and to provide guidance for applying rules and evaluating regulatory policies.

The course is meant to provide the students with basic knowledge of key principles on which to build a solid access to an in-depth economic analysis of public and private law .

METHODOLOGY

The lecturer presents the topics, shows slides, and invites the students to actively participate and debate.



TOPICS/SESSION

1. Oct. 25, 2022: **Introduction. Methodology and Some Fundamental Concepts** [Readings (1) and (2)]
2. Oct. 27, 2022: **The Coase Theorem** [Reading (3)]
3. Oct. 28, 2022: **The Coase Theorem *continued*: Insights and Applications** [Readings (5), (6) and (7)]
4. Oct. 30, 2022: **Property Rules, Liability Rules and Efficient Remedies; Market Failures** [Reading (4)]
5. Oct. 31, 2022: **Property Rules, Liability Rules and Efficient Remedies; Market Failures *c'ed*** [Readings (8) and (9)]
6. Nov. 3, 2022: **Regulation of Markets and Self-Regulation** [Reading (10)]

ASSIGNMENTS AND EVALUATION OF LEARNING GOALS

Final, closed-book examination

1. Structure: The exam will consist of 10 multiple-choice questions and 2 essay-type questions
2. Time: 3 hours
3. Contents: It will be based on the course program (readings and slides). Please note that specific knowledge of the contents of the discussion papers will not be tested on the exam. But to the extent the reading of the discussion papers provides additional tools to better grasp the general concepts discussed in class, it should facilitate the writing of the exam.
4. Sample exam: It will be provided together with grading guidelines

LITERATURE

ACCOMPANYING READINGS

- (1) HANS-BERND SCHÄFER – CLAUS OTT, *The Economic Analysis of Civil Law*, 2004, pages 3-37
- (2) ALESSIO M. PACCES - LOIS T. VISSCHER, *Methodology of Law and Economics*, 2011, pages 85-107
- (3) ROBERT COOTER – THOMAS ULEN, *Law & Economics*, Chapter 4, pages 70-94
- (4) ROBERT COOTER – THOMAS ULEN, *Law & Economics*, Chapter 4, pages 94-108

Discussion papers*:

- (5) SCOTT GAILLE, *Allocation of International Petroleum Licenses to National Oil Companies: Insights From The Coase Theorem*, *Energy Law Journal*, vol. 31, 2010, pages 111-124
- (6) MARCO BECHT ET AL, *Loyalty Shares with Tenure Voting – Does the Default Rule Matter? Evidence from the Loi Florange Experiment*, ECGI Working Paper, September 2019
- (7) DANIEL R. FISCHEL – DENNIS W. CARLTON, *The Regulation of Insider Trading*, *Stanford Law Review*, vol. 35, 1982, pages 857-895



- (8) DOTAN OLIAR, *The Copyright-Innovation Tradeoff: Property Rules, Liability Rules, and Intentional Infliction of Harm*, Stanford Law Review, vol. 64, 2012, pages 951-1020
- (9) MICHAEL RUSHTON, *Law and Economics of Artists' Inalienable Rights*, Journal of Cultural Economics, vol. 25, 2001, pages 243-257
- (10) LISA BERNSTEIN, *Opting Out of the Legal System: Extralegal Contractual Relations in the Diamond Industry*, Journal of Legal Studies, vol. 21, 1992, pages 115-157

** The discussion papers listed above support and strengthen the understanding of the general arguments discussed in the Cooter/Ulen textbook, the other readings and the slides. These papers provide interesting real-world examples of how the key concepts of law and economics discussed in class can be used to analyze the most diverse legal topics, provide a comprehensive explanation of the legal policies in place, and furnish normative guidance. Students are encouraged to read the discussion papers ahead of class, as they will be asked to present and debate them.*