Law and Economics II

Empirical Law and Economics

Prof. Alex Tabarrok
Carow Hall
Email: tabarrok@gmu.edu
Tel: 703-993-2314

Web Page: http://mason.gmu.edu/~atabarro/

Office Hours: M: 3-6, W: 1:30-3:30. If you are on the Fairfax campus, feel free to drop by any time or call for an appointment. Email is a good way to contact me. **All students should periodically check their GMU email account for important information.**

**Abstract:** The theory of law and economics exploded in the 1970s and 1980s and today is a well accepted approach to law adopted by all the major law schools in the United States. In the past 15 years greater attention has focused on testing, illustrating and expanding the theory with empirical methods. In this class we will do two things. First, we will review and explain some important techniques in econometrics that are widely used in empirical law and economics. Second we will examine empirical studies of property law, divorce, torts, crime, discrimination, and the effect of law on freedom and economic growth. Attention will be paid to research methods as well as to substantive conclusions and open areas for more research.

**Grading**
Your grade will be determined by a midterm, homework, class participation, presentation and a paper according to the following division.

Midterm: 30%
Homework: 20%
Class Participation: 5%
Presentation: 15%
Paper: 30%

My personal grading scale is as follows. Note that sometimes the university does not allow certain grades such as Ds – in which case you will receive the next highest grade below D. Plus-Minuses for B through D grades, where allowed by university policy, will occur at the upper and lower 2.5% level. For example, 70-72.49 will be B-, 72.5-77.49 B, 77.5-79.9 B+ and so forth.

A+: 90%+
A: 85-89%
There will be no final exam. Ideally, the paper will serve as a draft for a dissertation chapter and eventually a publication. I am looking for a 10-20 page, well-written empirical paper in law and economics, a theory paper is also acceptable if you explain how the model might be tested. You may work in a group of two or at most three but note that you cannot all have the same dissertation chapter! Papers are due last day of class – no exceptions. You are encouraged to think about topics early and see me for some possible guidance. You will also be required to make a 15 minute class presentation.

**STATA:** All PhD students should have a copy of STATA, the premier package for sophisticated econometrics. If you do not already own STATA GMU has a Grad Plan and you can get a fully functional, permanent license for [STATA 15/IC](https://www.stata.com/academic/grad-plan/) for just $198 – this is very cheap!

**Review of Empirical Methods and Sources of Data**

For econometric review, I used to recommend reading:


I still recommend that piece. Now, however, there are also a number of good books on causal inference including in order of difficulty those below. I recommend that you have at least one of these books.


Glynn, Adam. 2009. *Does Oil Cause War Because it Causes State Weakness.*


**Coase Theorem**


Coase and Divorce


Wolfers, Justin. Did Unilateral Divorce Laws Raise Divorce Rates?
A Reconciliation and New

Data here.


The Political Economy of Torts


How Judges and Juries Decide

Mathias, Burl v. Accor Economy Lodg, Judge Posner’s opinion.


Contingency Fees


Medical Malpractice


**No Fault?**


**Corporate Law**


**Crime**


**Special Topics in Crime**


**Law, Freedom and Economic Growth**


Daron Acemoglu, Simon Johnson and James A. Robinson. (2004) "Institutions as the Fundamental Cause of Long-Run Growth".

Daron Acemoglu, Simon Johnson and James Robinson. (2003) "Disease and Development in Historical Perspective" *Journal of the European Economic Association*

West, Mark D. XXXX. "Legal Determinants of World Cup Success." John M. Olin Foundation Center Paper #02-009.