

**Public Economics Group**

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February 6, 2025

## **Course Outline: Economics of Civil & Criminal Law, Summer 2025**

### **Description:**

Law and Economics is about how legal rules impact the behavior of relevant actors and about the social desirability of these repercussions of legal rules. The course is designed to cover a broad range of topics. The course will focus on theory but also refer to empirical work. After successful participation in this course, students can apply basic models from the economic analysis of law to specific problems and evaluate different legal solutions for well-specified circumstances.

The first part of the course consists of short lectures that convey some principles of economic analysis of law.

The second part of the course will consist of student paper presentations. Presentations should refer to relatively recent contributions to the law & economics literature. Suggestions are included at the end of the file.

### **Topics covered in the first and (potentially) second part:**

Economics of tort law; Economics of contract law; Economics of litigation; Economics of criminal law

Place Room Am Plan 2

Time: April 25 & 26: Lectures (April 25: 12:00-20:00; April 26: 9:00-15:00)

July 4 & 5: Presentations (July 4: 12:00-20:00; July 5: 9:00-15:00)

### **References:**

Much material of the first part will be based on or similar to the material in:

Miceli, T.J., 1997. Economics of the Law. Oxford: Oxford University Press.

Surveys are contained in:

Parisi, F., 2017. The Oxford Handbook of Law and Economics. Oxford: Oxford University Press.

Polinsky, A.M. and S. Shavell, 2009. Handbook of Law and Economics. North-Holland.

**Syllabus effective (subject to change): 6 February 2025**

**Selected papers for the second part of the course (students may also propose papers for presentation):**

Anderlini, L., Felli, L., and G. Immordino, 2019. Costly Pretrial Agreements. *Journal of Legal Studies* 48, 159-188.

Bar-Gill, O., and C. Engel, 2018. How to protect entitlements: An experiment. *Journal of Law & Economics* 61, 525-553.

Buechel, B., and G. Mühlheußner, 2016. Black sheep or scapegoats? Implementable monitoring policies under unobservable levels of misbehavior. *Journal of Legal Studies* 45, 331-366.

Choi, A. H., and K. Spier, 2022. Class actions and private antitrust litigation. *American Economic Journal: Microeconomics* 14, 131-163.

Dari-Mattiacci, G., and A. Raskolnikov, 2021. Unexpected effects of expected sanctions. *Journal of Legal Studies* 50, 35-74.

Daughety, A.F., and J.F. Reinganum, 2008. Products liability, signaling and disclosure. *Journal of Institutional and Theoretical Economics* 164, 106-126.

Daughety, A. F., and J.F. Reinganum, 2013. Cumulative harm, products liability, and bilateral care. *American Law and Economics Review* 15, 409-442.

Deffains, B., and C. Fluet, 2020. Social norms and legal design. *Journal of Law, Economics, and Organization* 36, 139-169.

De Mot, J., Depoorter, B., and T.J. Miceli, 2020. Filtering tort accidents. *American Law and Economics Review* 22, 377-396.

Dharmapala, D., Garoupa, N., and R. McAdams, 2016. Punitive Police? Agency Costs, Law Enforcement, and Criminal Procedure. *Journal of Legal Studies* 45, 105-141.

Farmer, A., and P. Pecorino, 2013. Discovery and disclosure with asymmetric information and endogenous expenditure at trial. *Journal of Legal Studies* 42, 223-247.

Feess, E., and R. Sarel, 2018. Judicial Effort and the Appeals System: Theory and Experiment. *Journal of Legal Studies* 47, 269-294.

Fluet, C. and M. Mungan, 2022. Reputational versus Beckerian Sanctions. *American Law and Economics Review* 24, 247-277.

Franzoni, L.A., 2019. Legal change in the face of risk-averse subjects: A generalization of the theory. *American Law and Economics Review* 21, 394-430.

Friedman, E., and A.L. Wickelgren, 2010. Chilling, settlement, and the accuracy of the legal process. *Journal of Law, Economics, and Organization* 26, 144-157.

Galle, B., and M. Mungan, 2021. Optimal enforcement with heterogeneous private costs of punishment. *Journal of Legal Studies* 50, 445-472.

Givati, Y. 2019. Preferences for Criminal Justice Error Types: Theory and Evidence. *Journal of Legal Studies* 48, 307-339.

Hua, X., and K.E. Spier, 2020. Product safety, contracts, and liability. *Rand Journal of Economics* 51, 233-259.

Iacobucci, E.M., 2014. On the interaction between legal and reputational sanctions. *Journal of Legal Studies* 43, 189-207.

Landeo, C.M., and K. Spier, 2016. Stipulated Damages as a Rent-Extraction Mechanism: Experimental Evidence. *Journal of Institutional and Theoretical Economics* 172, 235-273.

Markussen, T., Putterman, L., and J.R. Tyran, 2016. Judicial error and cooperation. *European Economic Review* 89, 372-388.

Miceli, T. J., Segerson, K., and D. Earnhart, 2022. The role of experience in deterring crime: A theory of specific versus general deterrence. *Economic Inquiry* 60, 1833-1853.

Mischkowski, D., Stone, R., and A. Stremitzer, 2019. Promises, expectations, and social cooperation. *Journal of Law and Economics* 62, 687-712.

Ouss, A., and A. Peysakhovich, 2015. When Punishment Doesn't Pay: Cold Glow and Decisions to Punish. *Journal of Law & Economics* 58, 622-655.

Pecorino, P., and M. Van Boening, 2015. Costly voluntary disclosure in a screening game. *International Review of Law and Economics* 44, 16-28.

Rosenberg, D., and K.E. Spier, 2014. Incentives to invest in litigation and the superiority of the class action. *Journal of Legal Analysis* 6, 305-365.

Polinsky, A.M., 2017. Prison work programs in a model of deterrence. *American Law and Economics Review* 19, 391-422.

Shavell, S., 2020. On the Redesign of Accident Liability for the World of Autonomous Vehicles. *Journal of Legal Studies* 49, 243-285.

Spier, K.E., 2002. Settlement with multiple plaintiffs: The role of insolvency. *Journal of Law, Economics, and Organization* 18, 295-323.

Wickelgren, A.L., 2016. An economic analysis of arbitration versus litigation for contractual disputes. *Journal of Law and Economics* 59, 393-410.