

ECONOMICS OF PRIVATE LAW

(Professor Francesco Parisi)

Reading Material

Required Texts: Steven Shavell, *Foundations of Economic Analysis of Law* (Harvard, 2004)
Thomas Miceli, *The Economic Approach to Law* (Stanford, 2003)

Other Readings: Robert Cooter-Thomas Ulen, *Law and Economics*, 4th ed. (Addison-Wesley, 2003)
(Library Reserve) Richard Posner-Francesco Parisi, *Economic Foundations of Private Law* (Elgar, 2002)
Eric Rasmusen, *Games and Information*, 2nd ed., (Blackwell, 1994)

Reference Material: *The New Palgrave Dictionary of Economics and the Law*, 3 volumes (1997)
Encyclopedia of Law and Economics (Elgar, 2000) (Bibliography on line at:
<http://allserv.rug.ac.be/~gdegeest/>)
SSRN Home Page:<http://papers.ssrn.com/author=227722>

Course Description

After a brief review of the methodology of law and economics, this course utilizes the standard tools of economic analysis for the study of private law and legal institutions, with special emphasis on property, torts and contracts. The course builds upon the coherent first-year curriculum offered at GMU law School. Students will develop a coherent framework for an economic explanation of legal rules: a framework that can be easily built upon in other courses for an economic analysis of other areas of the law. The first part of the seminar review some of the basic concepts of economic analysis, including the following: (i) Coase theorem; (ii) models of market failure; (iii) uncertainty and risk-aversion; (iv) strategic behavior and basic game theory; and (v) collective decision-making and public choice theory. The second part of the seminar applies the above tools to the study of private law and legal institutions with special focus on: (i) emergence of law and models of legal evolution; (ii) sources of law; (iii) selected topics in property, contract and tort law.

Requirements

This course counts as a two-credit writing seminar. The course requires the completion of a term paper and may present students with occasional in class or take home problems. In writing their papers, students are expected to make an explicit use of economic analysis. The topic should fall within one of the areas covered in the syllabus.

Class Schedule

See posted class schedule and classroom assignment.