

Empirical Law and Economics  
Fall 2022  
Law 940-001  
T 4:30-6:30 pm  
Tanenbaum Hall 112

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Description: In this seminar, we will learn the basics of law and economics and applied econometrics, with a special focus on the identification of causal relationships between law and behavior.

Attendance: You should probably come to class

Participation: It will be more fun if you participate

Grading: Your grade will be entirely determined by your performance on the paper described below

Paper: There are two basic kinds of papers you can write for this class. The first kind of paper is a low risk, low reward paper which is, essentially, a literature review examining the empirical work on a topic not directly examined in class. The second kind of paper is a high risk, high reward paper. Papers in this category will state an interesting research hypothesis related to a field of law or policy, develop a research design to credibly examine this hypothesis, collect and analyze data to implement this research design, draw tentative conclusions based on the results of your analysis, highlight shortcomings of the analysis, and draw any relevant policy conclusions that follow from your analysis. There is no length minimum or maximum for either type of paper. You should have at least a basic idea of what kind of paper and what topic you plan to pursue by the beginning of November. You should also talk to me about the paper by the end of November. The final paper is due by the end of the fall exam period.

#### Schedule

September 6: Basics of law and economics  
No reading, but you could look through David Friedman's Law's Order (available for free at [http://www.daviddfriedman.com/Laws\\_Order\\_draft/laws\\_order\\_ToC.htm](http://www.daviddfriedman.com/Laws_Order_draft/laws_order_ToC.htm))

September 13: Basics of statistics/econometrics  
You could take a look at the Federal Judicial Center's Reference Manual on Scientific Evidence (available for free at <https://www.fjc.gov/sites/default/files/2015/SciMan3D01.pdf>)

September 20: Crime – Police

Jonathan Klick and Alexander Tabarrok (2005), "Using Terror Alert Levels to Estimate the Effect of Police on Crime," *Journal of Law and Economics*, 48(1): 267-279.

John MacDonald, Jonathan Klick, and Ben Grunwald (2016), "The Effect of Private Police on Crime: Evidence from a Geographic Regression Discontinuity Design," *Journal of the Royal Statistical Society Series A*, 179(3): 831-846.

Marco Fabbri and Jonathan Klick (2021), "The Ineffectiveness of 'Observe and Report' Patrols on Crime," (with Marco Fabbri) *International Review of Law and Economics*, 65: 105972 (2021).

September 27: Crime – Punishment

Eric Helland and Alexander Tabarrok (2007), "Does Three Strikes Deter? A Non Parametric Estimation," *Journal of Human Resources*, 42(2): 309-330.

Francesco Drago, Roberto Galbiati, and Pietro Vertova (2009), "The Deterrent Effects of Prison: Evidence from a Natural Experiment," *Journal of Political Economy*, 117(2): 257-280.

Rafael Di Tella, and Ernesto Schargrodsky (2013), "Criminal Recidivism after Prison and Electronic Monitoring," *Journal of Political Economy*, 121(1): 28-73.

October 4: Torts

Jonathan Klick and John MacDonald (2020), "Deterrence and Liability for Intentional Torts," *International Review of Law and Economics*, 63: forthcoming.

Eric Helland and Alexander Tabarrok (2012), "Product Liability and Moral Hazard: Evidence from General Aviation," *Journal of Law and Economics*, 55, (3): 593-630

\*October 11: No Class (Made up by zoom lecture or prerecorded lecture covering statistics in the courtroom)

October 18: Medical Malpractice

Jonathan Klick and Thomas Stratmann (2007), "Medical Malpractice Reform and Physicians in High Risk Specialties," *Journal of Legal Studies*, 36(S2): S121-S142

Frakes, Michael, and Jonathan Gruber (2019), "Defensive Medicine: Evidence from Military Immunity," *American Economic Journal: Economic Policy*, 11 (3): 197-231.

October 25: Contracts

Jonathan Klick, Bruce Kobayashi, and Larry Ribstein, "The Effect of Contract Regulation: The Case of Franchising." Working Paper.

Jonathan Klick and Joshua Wright (2015), "The Effect of Any Willing Provider and Freedom of Choice Laws on Prescription Drug Expenditures," *American Law and Economics Review*, 17(1): 192-213.

November 1: Property

Jonathan Klick and Gideon Parchomovsky (2017), "The Value of the Right to Exclude: An Empirical Assessment," *University of Pennsylvania Law Review*, 165(4): 917-966.

Jonathan Klick and J.B. Ruhl (2019), "The Costs of Critical Habitat – The Case of Arizona's Pygmy Owl," working paper

November 11: **Note: As per law school policy, no class Nov 8 (due to Election Day)**

Corporate Governance

Jonathan Klick and Robert Sitkoff (2008), "Agency Costs, Charitable Trusts, and Corporate Control: Evidence from Hershey's Kiss-Off," *Columbia Law Review*, 108(4): 749-838

November 15: Securities Regulation

Jill Fisch, Jonah Gelbach, and Jonathan Klick (2018), "The Logic and Limits of Event Studies in Securities Fraud Litigation," *Texas Law Review*, 96(3): 553-621 (2018).

November 22: Courts

Eric Helland and Jonathan Klick (2007), "The Effect of Judicial Expedience on Attorney Fees in Class Actions," *Journal of Legal Studies*, 36(1): 171-187

Jef DeMot, Michael Faure, and Jonathan Klick (2015), "Appellate Caseload and the Switch to Comparative Negligence," *International Review of Law and Economics*, 42(1): 147-156

Eric Helland and Jonathan Klick (2018), "Medicare Secondary Payer and Settlement Delay," *Journal of Empirical Legal Studies*, 15(2): 356-377.

November 29: Health

Jonathan Klick and Thomas Stratmann (2003), "The Effect of Abortion Legalization on Sexual Behavior: Evidence from Sexually Transmitted Diseases," *Journal of Legal Studies*, 32(2): 407-434.

Jonathan Klick and Thomas Stratmann (2008), "Abortion Access and Risky Sex Among Teens: Parental Involvement Laws and Sexually Transmitted Diseases," *Journal of Law, Economics and Organization*, 24(1): 2-21.

Jonathan Klick, Sven Neelsen, and Thomas Stratmann (2012), "The Relationship Between Abortion Liberalization and Sexual Behavior: International Evidence," *American Law and Economics Review*, 14(2): 457-487.

December 6: Class Choice