

Empirical Law and Economics
Fall 2016
Law 940-001
T 4:30 pm – 6:30 pm

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Office Hours:

MW 10:30-12:00

or by appointment

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
September 13 Basics of statistics and causal inference

Readings:

Federal Judicial Center, Reference Manual on Scientific Evidence, 3rd ed, available at http://www.nap.edu/catalog.php?record_id=13163 (2011):
Reference Guide on Statistics and Reference Guide on Multiple Regression

Jonah Gelbach and Jonathan Klick, "Empirical Law and Economics," in Oxford Handbook of Law and Economics (forthcoming)

September 20

September 27

October 4

Crime – Police

Readings:

Steven Levitt (1997), "Using Electoral Cycles in Police Hiring to Estimate the Effect of Police on Crime," *American Economic Review*, 87(3): 270-290

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 (2015), "The Effect of Private Police on Crime: Evidence from a Geographic Regression Discontinuity Design," *Journal of the Royal Statistical Society Series A* (forthcoming)

October 11

Crime – Prisons

Readings:

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

Lawrence Katz, Steven Levitt, and Ellen Shustorovich (2003), "Prison Conditions, Capital Punishment, and Deterrence," *American Law and Economics Review*, 5(2): 318-343

Kelly Bedard and Eric Helland (2004), "The location of women's prisons and the deterrence effect of 'harder' time," *International Review of Law and Economics*, 24(2): 147-167

October 18

Torts

Readings:

Daniel Kessler and Mark McClellan (1996), "Do Doctors Practice Defensive Medicine?" *Quarterly Journal of Economics*, 111(2): 353-390

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

Eric Helland and Mark Showalter (2009), "The Impact of Liability on the Physician Labor Market," *Journal of Law and Economics*, 52(4): 635-663

October 25

Contracts

Readings:

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," (with Joshua Wright) *American Law and Economics Review*, 17(1): 192-213

November 1

Property

Readings:

Jonathan Klick and Gideon Parchomovsky (2015), "Roam If You Want To? Valuing the Right to Exclude," *University of Pennsylvania Law Review* (forthcoming)

November 8

Corporate Governance

Readings:

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

Courts

Readings:

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 (2015), "Medicare Secondary Payer and Settlement Delay," working paper

November 22

Legal Origins

Readings:

Rafael La Porta, Florencio Lopez-De-Silanes, and Andrei Shleifer (2008), "The Economic Consequences of Legal Origins," *Journal of Economic Literature*, 46(2): 285-332

Eric Helland and Jonathan Klick (2011), "Legal Origins and Empirical Credibility," in Michael Faure and Jan Smits, eds, *Does Law Matter? On Law and Economic Growth*

November 29

Health

Readings:

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

To be determined by class choice