

Empirical Law and Economics
Law 940-001
Tuesdays 4:30-6:30
Tanenbaum 320

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Office Hours
Silverman 135
T: 3:30-4:30

Purpose: This course will present a summary of modern methods of micro-econometrics, focusing on drawing causal inferences from observational data. We will then survey the empirical work in a number of core areas in law and economics

Grade: Your grade will be entirely determined by a semester paper that either (1) surveys the empirical work in an area of law and economics not covered in the course or (2) proposes a hypothesis related to a law and economics topic, formulates a research design to test the hypothesis, collects data to implement the research design, and analyzes the results yielded by the design. The latter approach will most likely result in a higher grade than a paper that surveys the literature.

Schedule:

September 1: Introduction to Law and Economics

September 8: Introduction to Statistics

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

September 15: More on Statistics

September 22: Police and Crime

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)

September 29: Prison and Crime

Readings:

Eric Helland and Alexander Tabarrok (2007), "Does Three Strikes Deter? A Non-Parametric 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 6: 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 13: 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

October 20: Property

Readings:

Jonathan Klick and Gideon Parchomovsky (2015), "Roam If You Want To? Valuing the Right to Exclude," working paper

October 27: **No Class (to be made up with meetings to discuss paper topics)**

November 3: 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 10: 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 17: 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 24: 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 1: Class Suggestion(s)