Law and Economics

Master

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Objectives and teaching methodologies

- The course aims to provide students with the essential concepts and methodologies of Law and Economics, in a dynamic and critical perspective
- Classes combine traditional lectures with students participation based on mandatory reading materials
- Individual evaluation: class participation, final written paper

Programme

1. Introduction. A Brief Overview of Law and Economics
   Pioneering works
   Law and Economics as a separate field of inquiry
2. The issue of multidisciplinarity
   Decline of "high theory" in Economics
   Relevance of economic debate in post-ideological politics
   New high tide of "Chicago-style" monetarism, privatization, deregulation, liberalism
   Blurring of boundaries between Civil Law and Common Law, along with the rise of (neo)pragmatism
4. Areas of research
   4.1. Property
      "Property rights"
      "Coase Theorem"
      Thesis of Calabresi & Melamed
      Social function of private property
      Public goods
      Intellectual property
      The "Tragedy of the Commons"
   2. Contract
      Welfare analysis of bargaining
      Default rules
      Incompleteness; Default rules; Relational Contracts
      Bilateral risks and insurance
      Efficient breach
Holdup
Precontractual liability

3. Liability
   Negligence
   The "economics of prevention"
   Externalities as social costs
   The "Hand Rule"
   Adverse selection
   Moral hazard

4. Theory of the Firm
   The nature of the firm
   Firm boundaries
   Vertical integration
   Agency Theory
   Corporate control
   Governance

5. Regulation
   Command-and-Control v. Cap-and-Trade
   Market failures
   Antitrust
   Predatory pricing
   Natural monopolies
   Essential utilities
   Market concentration
   Relevant markets
   Vertical and horizontal restrictions

6. Constitution and Public Choice
   Bureaucrats
   Political governance and accountability
   The "costs of rights"
   Cost-Benefit Analysis
   "Rent-seeking"
   Corruption
   Lobbying
   "Regulatory capture"
Bibliography

Basic bibliography

Mackaay, Ejan


Advanced bibliography

Calabresi, Guido; A. Douglas Melamed


Coase, Ronald


Cooter, Robert D.; Thomas Ulen


Friedman, David


Posner, Richard