

LAW & ECONOMICS CENTER, GEORGE MASON UNIVERSITY SCHOOL OF LAW
Henry G. Manne Program in Law & Economics Studies
Twenty-Ninth Economics Institute for Law Professors
Sunday, July 7 through Friday, July 19, 2013

GREEN GROUP Agenda

Sunday, July 7

Classes at Park Hyatt Beaver Creek Resort, 136 East Thomas Place, Avon, CO 81620

5:30 – 6:30 pm **Arrival, Check-in, Registration, Lobby**

6:30 – 9:00 pm **Reception and Dinner, McCoys Peak**

Welcome

James C. Cooper, Director, Research and Policy, Law & Economics Center and Lecturer in Law, George Mason University School of Law

History of the LEC

Henry N. Butler, George Mason University Foundation Professor of Law, George Mason University School of Law, and Executive Director, Law & Economics Center

Monday, July 8

Classes held in the Mount Jackson Room

7:00 – 7:50 am **Breakfast, McCoys Peak**

Joshua D. Wright, Professor of Law (on leave), George Mason University School of Law

8:00 – 9:15 am **CLASS 1: Economics in Action | Wright**

Reading Assignment: Mankiw, *Principles of Microeconomics*, 6th ed., South-Western Cengage (2011): Ch 1 and 2 (copy mailed)

9:30 – 10:45 am **CLASS 2: Economics in Action | Wright**

Reading Assignment: Mankiw, Ch 3 and 4

11:00 am – 12:15 pm **CLASS 3: Economics in Action | Wright**

Reading Assignment: Staples-Office Depot Case – available at http://www.oup.com/us/pdf/kwoka/9780195322972_02.pdf

12:15 – 1:00 pm **Lunch, McCoys Peak**

Michael R. Baye, Bert Elwert Professor of Business Economics and Public Policy, Kelley School of Business, Indiana University

1:15 – 2:30 pm **CLASS 4: Introduction to Demand | Baye**

Reading Assignment: Mankiw, pp 65-72

2:45 – 4:00 pm **CLASS 5: Introduction to Supply | Baye**

Reading Assignment: Mankiw, pp 72-76

4:15 – 5:30 pm **CLASS 6: Equilibrium and Applications | Baye**

Reading Assignment: Mankiw, pp 77-84, 111-121

Monday, July 8 continued

[State of Florida v Medina](#) (Circuit Court – 11th Judicial Circuit, Miami-Dade County, FL)

Dubner & Levitt, “Flesh Trade”, in *New York Times*, July 9, 2006 – available at http://www.nytimes.com/2006/07/09/magazine/09wwln_freak.html?_r=3&n=Top/Features/Magazine/Columns/Freakonomics&pagewanted=all

[FTC Press Release](#) on Factors Explaining National Average Gasoline Price Increase During Spring and Summer of 2006, Aug. 30, 2007; [Dissenting Statement of Commissioner Liebowitz](#)

5:30 – 6:30 pm **Reception, 8100 Private Dining Room**

Tuesday, July 9

Classes held in the Mount Jackson Room

7:00 – 7:50 am **Breakfast, McCoys Peak**

8:00 – 9:15 am **CLASS 7: Consumer Surplus | Baye**

Reading Assignment: Mankiw, pp 135-141

9:30 – 10:45 am **CLASS 8: Elasticity of Demand | Baye**

Reading Assignment: Mankiw, pp 89-96

[Text of the FTC Report to the President on Spring/Summer 2006 Nationwide Gasoline Price Increases](#)

11:00 am – 12:15 pm **CLASS 9: Substitutes and Complements | Baye**

Reading Assignment: Mankiw, pp 97-98

12:15 pm **Adjourn for the Day**

Wednesday, July 10

Classes held in the Mount Jackson Room

7:00 – 7:50 am **Breakfast, McCoys Peak**

8:00 – 9:15 am **CLASS 10: Producer Surplus | Wright**

Reading Assignment: Mankiw, pp 141-144

9:30 – 10:45 am **CLASS 11: Production and Cost | Wright**

Reading Assignment: Mankiw, pp 259-274

[Alchian, “Costs”](#), *Economic Forces at Work*, Liberty Fund (1977), pp 180-201

11:00 am – 12:15 pm **CLASS 12: Transaction Costs | Wright**

Reading Assignment: [Klein, *Asset Specificity and Holdups*](#)

12:15 pm **Adjourn for the Day**

Thursday, July 11

Classes held in the Mount Jackson Room

- 7:00 – 7:50 am **Breakfast, McCoys Peak**
- 8:00 – 9:15 am **CLASS 13: Introduction to Games and Strategy | Baye**

Reading Assignment: Mankiw, pp 353-362
- 9:30 – 10:45 am **CLASS 14: Collusion | Baye**

Reading Assignment: Baye and Scholten, [“Quoting Convention of NASDAQ Dealers Prompts a Justice Department Probe”](#)
- 11:00 am – 12:15 pm **CLASS 15: Games Involving Timing and the Sequencing of Moves | Baye**
- 12:15 – 1:00 pm **Lunch, McCoys Peak**
- 1:15 – 2:30 pm **CLASS 16: Monopoly and Perfect Competition | Wright**

Reading Assignment: Mankiw, pp 279-295, 299-313

Baye and Scholten, [“Kodak Appeals to Court to Terminate 1921 and 1954 Decrees that Restrict Pricing Policies”](#)
- 2:45 – 4:00 pm **CLASS 17: Oligopoly Models | Wright**

Reading Assignment: Mankiw, pp 329-362

Klein, [“Brand Names”](#), from *The Concise Encyclopedia of Economics*
- 4:15 – 5:30 pm **CLASS 18: Antitrust | Wright**

Reading Assignment: Mankiw, pp 362-368
- 7:00 – 9:30 pm **Reception and Dinner, 8100 Private Dining Room**

Friday, July 12

Classes held in the Mount Jackson Room

- 7:00 – 7:50 am **Breakfast, McCoys Peak**

Terry L. Anderson, Executive Director, Property and Environment Research Center (PERC), Senior Fellow, Hoover Institution, Stanford University
- 8:00 – 9:15 am **CLASS 19: The Basic Economics of Externalities and the Environment | Butler**
- 9:30 – 10:45 am **CLASS 20: Free Market Environmentalism: Hats Matter | Anderson**

Reading Assignment: Mankiw, Ch 10 and 11

Anderson & Huggins, *Property Rights: A Practical Guide to Freedom and Prosperity*, Hoover Institution (2009) – available to read online at <http://www.hoover.org/publications/books/8353>
- 11:00 am – 12:15 pm **CLASS 21: Entrepreneurship, Property Rights, and Markets | Anderson**

Reading Assignment: Asquith, [“Bees and Barbed Wire for Water”](#), PERC Reports, Vol. 24, No. 4 (Winter 2006)
- 12:15 pm **Adjourn for the Day**

Saturday, July 13

Classes held in the Mount Jackson Room

7:00 – 7:50 am Breakfast, McCoys Peak

8:00 – 9:15 am CLASS 22: The Evolution of Property Rights | Anderson

Reading Assignment: Scarborough and Lund, [Saving Our Streams: Harnessing Water Markets](#), PERC (2007)

9:30 – 10:45 am CLASS 23: There Ain't No Such Thing as an Externality OR Coase vs. Pigou: Transaction Costs or 'Technical Difficulties' | Anderson

Reading Assignment: Anderson, "[Donning Coase-coloured Glasses: A Property Rights View of Natural Resource Economics](#)", The Australian Journal of Agricultural and Resource Economics, 483, 445-462 (2004)

11:00 am – 12:15 pm CLASS 24: Real Markets vs. Trading Schemes | Anderson

Reading Assignment: Leal, Alessi & Baker, [Beyond IFQs in Marine Fisheries](#), PERC (2008)

12:15 pm Adjourn for the Weekend

Sunday, July 14

No Scheduled Events

Monday, July 15

Classes held in the Mount Jackson Room

7:00 – 7:50 am Breakfast, McCoys Peak

Scott E. Masten, Professor of Business Economics and Public Policy, Ross School of Business, University of Michigan

8:00 – 9:15 am CLASS 25: Agency Costs, Transaction Costs, and Theory of the Firm | Masten

Reading Assignment: Masten, [excerpts from "Introduction."](#) *Case Studies in Contracting and Organization* (1996), pp 3-25

[Lake River Corp. v Carborundum. Co](#)

[PSI Energy v Exxon Coal USA](#)

Ronald H. Coase, [excerpts from *The Nature of the Firm*](#) (1937)

Williamson, [excerpts from "The Limits of Firms: Incentive and Bureaucratic Features."](#) Chapter 6 in *The Economic Institutions of Capitalism* (1985), pp 131-62

Masten, "[The Organization of Production: Evidence from the Aerospace Industry.](#)" *Journal of Law and Economics*, 27, October 1984, pp 403-417

Additional references and readings: P. Milgrom and J. Roberts, "[Risk Sharing and Incentive Contracts.](#)" Chapter 7 in *Economics, Organizations and Management* (1992), pp 206-32

Lafontaine and Slade, "[Vertical Integration and Firm Boundaries: The Evidence.](#)" *Journal of Economic Literature*, Vol. XLV (September 2007), pp 629–685

9:30 – 10:45 am CLASS 26: Agency Costs, Transaction Costs, and Theory of the Firm | Masten

11:00 am – 12:15 pm CLASS 27: Agency Costs, Transaction Costs, and Theory of the Firm | Masten

Monday, July 15 continued

12:15 – 1:00 pm

Lunch, *McCoys Peak*

Keith N. Hylton, The Honorable Paul J. Liacos Professor of Law, Boston University School of Law

1:15 – 2:30 pm

CLASS 28: Crime and Punishment | Hylton

Reading Assignment: Posner, [An Economic Theory of the Criminal Law](#), 85 Columbia Law Review 1193 (1985)

Hylton, [“The Theory of Penalties and the Economics of Criminal Law”](#), 1 Review of Law and Economics 175 (vol 2, 2005)

Optional: Hylton & Lin, [Innovation and Optimal Punishment, with Antitrust Applications](#) (2013)

2:45 – 4:00 pm

CLASS 29: Crime and Punishment | Hylton

4:15 – 5:30 pm

CLASS 30: Crime and Punishment | Hylton

5:30 pm

Adjourn for the Evening

Tuesday, July 16

Classes held in the Mount Jackson Room

7:00 – 7:50 am

Breakfast, *McCoys Peak*

8:00 – 9:15 am

CLASS 31: Risk, Injury, Liability, and Insurance | Hylton

Reading Assignment: Butler & Drahozal, 2nd ed., Carolina Academic Press (2006): pp 279-294 and 315-350 (okay to skip the cases *from the first section 279-294*). (pdf emailed)

Hylton, [“The Influence of Litigation Costs on Deterrence Under Strict Liability and Under Negligence”](#), 10 International Review of Law and Economics 161 (1990)

Hylton, [“The Theory of Tort Doctrine and the Restatement \(Third\) of Torts”](#), 54 Vanderbilt Law Review 1413 (2001)

9:30 – 10:45 am

CLASS 32: Risk, Injury, Liability, and Insurance | Hylton

11:00 am – 12:15 pm

CLASS 33: Risk, Injury, Liability, and Insurance | Hylton

12:15 pm

Adjourn for the Day

Wednesday, July 17

Classes held in the Mount Jackson Room

7:00 – 7:50 am

Breakfast, *McCoys Peak*

Kathryn M. Zeiler, Professor of Law, Georgetown University

8:00 to 9:15 am

CLASS 34: Experimental Economics | Zeiler

Reading Assignment: Croson, [“Why and How to Experiment: Methodologies from Experimental Economics”](#), University of Illinois Law Review 2002, 921 (2002)

Zeiler, [“Cautions on the Use of Economics Experiments in Law”](#), Journal of Institutional and Theoretical Economics 166(1):178-193 (2010)

Wednesday, July 17 continued

9:30 – 10:45 am

CLASS 35: Behavioral Law & Economics | Zeiler

Reading Assignment: Jolls, "[Behavioral Law and Economics](#)", in *Behavioral Economics and Its Applications*, Peter Diamond and Hannu Vartiainen eds., Princeton University Press (2007)

Sunstein and Thaler, "[Libertarian Paternalism is Not an Oxymoron](#)", *University of Chicago Law Review* 70(4), 1159-1202 (2003)

Mitchell, "Libertarian Paternalism is an Oxymoron", *Northwestern University Law Review* 99(3): 1245-1277 (2005), [Part 1](#) and [Part 2](#)

11:00 am – 12:15 pm

CLASS 36: Behavioral Law & Economics | Zeiler

12:15 pm

Adjourn for the Day

Thursday, July 18

Classes held in the Mount Jackson Room

7:00 – 7:50 am

Breakfast, McCoys Peak

8:00 – 9:15 am

CLASS 37: Labor Economics | Hylton

Reading Assignment: Butler, *Economic Analysis for Lawyers*, Carolina Academic Press (1998): pp 477-560 (skip the cases) [Part 1](#) and [Part 2](#)

Hylton, "[Efficiency and Labor Law](#)", 87 *Northwestern University Law Review* 471 (1992-93)

9:30 – 10:45 am

CLASS 38: Labor Economics | Hylton

11:00 am – 12:15 pm

CLASS 39: Labor Economics | Hylton

12:15 – 1:00 pm

Lunch, McCoys Peak

Todd J. Zywicki, Foundation Professor of Law, George Mason University School of Law

1:15 – 2:30 pm

CLASS 40: Public Choice Economics | Zywicki

Reading Assignment: Stearns & Zywicki, *Public Choice Concepts and Applications in Law* (West, 2009), [Ch 1](#), [2](#), and [5](#)

2:45 – 4:00 pm

CLASS 41: Public Choice Economics | Zywicki

4:15 – 5:30 pm

CLASS 42: Public Choice Economics | Zywicki

7:00 – 9:30 pm

Reception and Dinner, 8100 Private Dining Room

Friday, July 19

Classes held in the Mount Jackson Room

7:00 – 7:50 am

Breakfast, McCoys Peak

Robert D. Cooter, Herman F. Selvin Professor of Law and Co-Director, Law and Economics Program, University of California, Berkeley School of Law

8:00 – 9:15 am

CLASS 43: Legalize Freedom | Cooter

Reading Assignment: Cooter & Schäfer, *Solomon's Knot: How Law Can End the Poverty of Nations*, Princeton University Press (2012) (copy mailed), Ch 1, 2, 13, 15

9:30 – 10:45 am

CLASS 44: Taking, Making, and Creating | Cooter

Reading Assignment: *Solomon's Knot*, Ch 3-5

Cooter & Edlin, [*The Falcon's Gyre: Introduction to Law & Growth Economics*](#) (forthcoming), Ch 2-3

11:00 am – 12:15 pm

CLASS 45: Growth and Innovation | Cooter

Reading Assignment: *The Falcon's Gyre*, Ch 1, 4-5

12:15 pm

Closing Remarks | Cooper