

Law and Economics / Public Choice

Teacher:

Prof. Dr. Georg von Wangenheim

Institute for Economic Law, Research Group: Foundations of Law, Private Law and Law and Economics
(Institut für Wirtschaftsrecht, Fachgebiet Grundlagen des Rechts, Privatrecht und Ökonomik des Zivilrechts)
(<http://www.uni-kassel.de/go/wangenheim>)

Teaching mode:

Law and Economics:

lecture with seminar elements, 2 hours per week (3 ECTS credits \triangleq workload of 90 hours)

Public Choice:

lecture with seminar elements, 2 hours per week (3 ECTS credits \triangleq workload of 90 hours)

Please check moodle for class material.

Important Note: Teaching will be online via Zoom at the beginning of, and probably throughout, the semester. PLEASE CHECK moodle FOR ACCESS DETAILS. You might want to download the free zoom app.

Depending on the further development of the Covid19 situation in Germany, we might return to classroom teaching towards the end of the semester (at least one week prior notice!).

Prerequisites:

Enrolment in Master of Laws or in Master in Economic Behavior and Governance or in Master of Business Studies

Topics:

- History of thoughts and basic assumptions of Law and Economics and of Public Choice
- Selected intermediate or advanced topics in Law and Economics (depending on composition of student group)
- Basic voting theory
- Theory of bureaucracies
- Political influence of interest groups (Organization of interest groups, rent seeking)
- Basics of constitutional economics

Aims and objectives (according to modules manual):

- Understanding the economic approach to law
- Application of economic thinking to non-market phenomena (Bureaucracy, voting and elections, family, crime, law, environment)
- Ability to connect legal thinking to social sciences

Required academic performance:

- active participation in class
- active reading of course material, there will be **compulsory** reading
- (if necessary: willingness to acquire basic micro-economic tools on the basis of a short introduction and on own initiative)

Exam: written exam of 90 minutes (exam type subject to changes due to the Covid19 situation in Germany)

Master of Laws: To complete the module, you have to

- write an exam on both parts of this course in this semester

Master of Science in Economic Behavior and Governance or in Business Studies

- You may collect 6 credits by taking the complete exam ("Public Choice" and "Law and Economics").
- You may collect 3 credits by taking only one part of the exam ("Public Choice" or "Law and Economics"). Please check in the regulations of your program or with the responsible person how you may combine these three credits with credits from other classes.

The exam will give you some choice between questions, but your answers will have to cover all parts you select to complete the module.

Date of the exam (subject to changes due to Corona lock-down):

1. July 26, negotiable; final date, time and room will be announced on moodle **or**
 2. End of September; date, time and room will be announced on moodle!
- (Each student may choose individually. If you take but fail the first exam, you can take the second exam as resit. If you only take the second exam, there is no resit this year.)

Essential reading:

- Law and Economics (choose one of the following textbooks):
 - Schäfer/Ott, The Economic Analysis Of Civil Law, 2005
 - Cooter/Ulen, Law and Economics, 6th edition (Paperback), 2012 (available online at <https://lawcat.berkeley.edu/record/1127400>)
 - Miceli, The Economic Approach to Law, 2017 (available online at the web pages of the University of Kassel Library)
 - Schäfer/Ott, Lehrbuch der Ökonomischen Analyse des Zivilrechts, 6. Aufl., 2020 (available online at the web pages of the University of Kassel Library; please keep in mind that understanding an English class and preparing an Exam to be written in English is more difficult if you use a German textbook)
- Public Choice:
 - Mueller, Public Choice III, 9th print, 2009
- further reading t.b.a. during the semester

Schedule:

Law and Economics: Monday, 10:15 - 11:45, Campus Center / Room 1112, Seminar Room 3

Lecture	Date	Program
1.	19.4.	Introduction to Law and Economics, Normative Criteria, Coase Theorem
2.	26.4.	Basics in Tort Law and Economics
3.	03.5.	Joint and Several Liability or other advanced topic in tort law
4.	10.5.	Liability of States for incomplete transformation of Directives?
5.	17.5.	Basics in Contract Law and Economics
6.	31.5.	Consumer Protection in Contract Law: Too much, too little, too homogenous?
7.	07.6.	Long Term Contracts: Protecting the Tenant?
8.	14.6.	Basics in Property Law and Economics
9.	21.6.	Basics in Regulation Law and Economics
10.	28.6.	Environmental Law and Economics
11.	05.7.	Effectiveness of environmental policy instruments besides cap and trade
12.	12.7.	Basics in Contract Law

<https://moodle.uni-kassel.de/moodle/course/view.php?id=12123>

Public Choice: Thursday, 8:15 - 9:45, Arnold-Bode 2 - Raum 0404

Lecture	Date	Program
1.	15.4.	Introduction to Public Choice: Public Goods & externalities; normative & positive arguments
2.	22.4.	Voting 1: Simple Majority Voting: Condorcet Jury Theorem, Median Voter Theorem (with pre-view on two candidates), Alternatives to Simple Majority Voting
3.	29.5.	Voting 2: Problems of Simple Majority Voting: Cycling, Log Rolling, Strategic Voting and Agenda Manipulation
4.	06.5.	Voting 3: Qualified Majorities, Power Indices
5.	20.5.	Voting 4: Power in European Institutions
6.	27.5.	Voting 5: Indirect Democracy, Rationality of Voting, Voting Paradox, Optimal Platform Choice by Candidates
7.	10.6.	Theory of Clubs; Voice or Exit: Competing Jurisdictions
8.	17.6.	Positive Theory of Regulation: Interest Groups, Stigler-Peltzman Approach to Regulation
9.	24.6.	Positive Theory of Regulation: Tullock's Approach to Rent-Seeking
10.	01.7.	Theory of Bureaucracy
11.	08.7.	Economic Theory of Federalism
12.	15.7.	Buffer for both courses

<https://moodle.uni-kassel.de/moodle/course/view.php?id=12122>