Law and Economics

DIRECTORS  W. Kip Viscusi and Joni Hersch

DIRECTOR OF GRADUATE STUDIES  Kathryn H. Anderson

Affiliated Faculty:

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DEGREE OFFERED:  Doctor of Philosophy

Graduate study in law and economics at Vanderbilt offers a specialized interdisciplinary approach that integrates law and economics within a rigorous curriculum. The curriculum meets a growing market demand for trained scholars in law and economics who are equipped with an understanding of, and an ability to, evaluate the interactions of economics with legal issues. This innovative program produces graduates who hold both a J.D. and a Ph.D. in law and economics and are prepared to pursue careers at universities, research institutions, or with governmental agencies.

Students must complete 72 hours of coursework and research to complete the Ph.D. in Law and Economics. This total includes a minimum of 45 hours of formal coursework in core, field, and elective courses and 6 hours of Ph.D. Law and Economics Workshop. The core consists of 27 hours in law and economics, economic theory, and empirical analysis. After the first year of study, students select two approved fields and begin taking the associated courses. Field requirements include 12 hours of coursework, with 6 hours in each field. In some circumstances, and with the consent of the director of graduate studies and the law and economics faculty, students may develop a new field. Dissertation research comprises a maximum of 21 hours of coursework.

The program is designed to allow students to satisfy the requirements for the Ph.D. within 4-5 years. For students who matriculate without a J.D., the requirements for the Ph.D. and the J.D. degrees can be completed within 6-7 years.

It is highly desirable that each entering student have completed one year of calculus. Also recommended are matrix algebra, advanced calculus, introductory statistics, and intermediate microeconomic theory. Applicants to the Ph.D. program must submit scores from the Graduate Record Examination (GRE) and, if they do not have a J.D., scores from the Law School Admissions Test (LSAT). Additional application materials include transcripts for all prior work at the college or university level and letters of recommendation from individuals who can evaluate the applicant’s ability to complete doctoral-level study in law and economics.

Detailed information on the Ph.D. in Law and Economics is available from the program website at www.law.vanderbilt.edu/academics/phdlawecon.
Course Descriptions for Core, Field and Elective Courses offered by the Law School

**L&EC 401. Law and Economics Theory I**
Basic principles of economic analysis as applied to legal issues. Issues of common law, including property, contract rights and remedies, torts, criminal law, and distributive justice. [3]

**L&EC 402. Law and Economics Theory II**
Analysis of the law and economics of legal rulemaking, civil and criminal procedure, law enforcement, an introduction to antitrust, economics regulation, and financial market research. [3]

**L&EC 403. Behavioral Law and Economics I**
Economic principles underlying behavioral law and economics research. Analyses of the rationality of individual choice, including research that involves the interaction of economics, psychology, and decision sciences. Applications of behavioral law and economics methods to the analysis of jury behavior. [3]

**L&EC 404. Behavioral Law and Economics II**
Research contributions at the frontier of behavioral law and economics research. Experimental techniques to value natural resource damages, including contingent valuation and related survey methodologies. Each student will structure a controlled experiment to test the rationality of jury behavior, the effect of alternative jury instructions, or a similar kind of scientifically controlled study of behavior relating to the performance of the legal system. Students will administer and analyze the survey results and will prepare an original research paper on their chosen topic. [3]

**L&EC 405. Econometrics for Legal Research**
Analysis and critique of empirical legal research and empirical research using primary data sources. Models of litigation, judge/ jury differences in awards, and discrimination. Applications may include environmental policy, health policy, and the analysis of the legal profession and legal process. Advanced econometric techniques are taught and used within the context of applications. [3]

**L&EC 420. Labor Markets and Human Resources I**
An introduction to labor market analysis and the law. Economic models of labor supply, labor demand, and human capital. Applications may include the analysis of discrimination, poverty, inequality, and welfare reform. [3]

**L&EC 421. Labor Markets and Human Resources II**
An introduction to labor market analysis and the law. Applications may include the analysis of migration, health, education, social security and pension reform. [3]

**L&EC 430. Risk and Environmental Regulation**
Analyses of the sources of market failure that create a rationale for risk and environmental regulation. Methodologies pertaining to appropriate valuation and enforcement of these regulatory policies. Applications will include procedures for estimating the value of statistical life, perception of risk, the role of hazard warnings, risk analysis by government agencies, and the enforcement of regulatory programs. [3]

**L&EC 490. Ph.D. Law and Economics Workshop**
Research workshop on the presentation and interpretation of research and literature on law and economics. Topics vary with student and faculty interest. [3]

**L&EC 499. Ph.D. Dissertation Research**
LAW 653. Administrative Law
The use of administrative agencies, including executive departments, to accomplish governmental purposes; creation and control of agency powers, with emphasis on constitutional and statutory provisions affecting administrative procedure, and judicial review of agency action; the quest for widely applicable concepts. Issues and principles of law are drawn from the experiences of various agencies, mostly federal. This course treats administrative law as a body of legal knowledge; it does not offer specialized study of any particular agency. [3]

LAW 681. Antitrust Law
Federal regulation of private economic activities under the Sherman Act, the Clayton Act, and the Federal Trade Commission Act to ensure maintenance of a competitive economy. Examination of the major areas of antitrust law in the context of relevant economic concepts. [3]

LAW 683. Race and the Law
This course examines the role and uses of the law to both perpetuate and eradicate racial injustice. Competing visions of racial equality that are reflected in civil rights legislation, case law, and non-legal materials will be identified. The topics to be explored include the historical origins of American racism, judicial, and legislative approaches that have evolved to remedy racial injustice in activities such as voting, public facilities, the administration of justice, civil disobedience, housing, and employment. Also, the course will provide an opportunity to explore some of the critical race jurisprudence. Enrollment limited. [3]

LAW 727. Employment Discrimination Law
A study of the legal protection against discrimination in employment on the basis of race, sex, religion, age, national origin, and handicap. The major emphasis of the course will be on Title VII of the Civil Rights Act of 1964. Other laws include the Equal Pay Act, the Age Discrimination in Employment Act, and the Rehabilitation Act. Subjects include theories of discrimination, defenses and proof; pregnancy discrimination; sexual harassment; affirmative action; and remedies for unlawful employment discrimination. [3]

LAW 732. Environmental Law
Introduction to the role of the legal system in addressing problems of environmental disruption, with special emphasis on problems of pollution. Discussion of traditional and evolving legal remedies for the control of pollution, including recent legislation and administrative regulatory reform initiatives. Analysis of statutory materials will focus on the principal federal statutes and their implementation. [3]

LAW 737. Family Law
The law applying to persons in their family relationships, including legal problems concerning marriage and divorce; the impact of constitutional rights regarding the decision whether or not to have children; the enforceability of private contracts governing intimate relationships in and out of marriage; and the legal standards governing decisions regarding alimony, property division, and child custody in the event of a divorce. The course includes an examination of the sociological implications of current marriage and divorce practices and legal changes proposed in response thereto. [3]

LAW 741. Immigration Law and Policy
The law on the entry of immigrants and other aliens into the United States is becoming increasingly important as larger numbers of people seek to settle in this country. This course examines such substantive and procedural aspects of immigration law as the application of immigration rules, the procedures to gain entry into the country, and the rights of aliens in this country after gaining admission. Students are expected to research specific problems. [2]

LAW 749. Evidence
A comprehensive study of evidence law, including the examination of witnesses, functions of judges and jury in determining admissibility of evidence, principles of relevance and hearsay, evidentiary privileges, the admission of expert and scientific testimony, and the confrontation rights of criminal defendants. [4]
LAW 774. Health Law and Policy
This course will examine the legal rights and obligations facing the physician in the practice of modern medicine. These legal rights and obligations arise out of the physician’s relationship with his or her patients, hospital, employer (HMO, etc.), fellow physicians, professional organizations, insurance providers, and various regulatory agencies. [3]

LAW 792. Sex Discrimination
This class examines sex discrimination and the legal prohibitions on its practice. These issues will be considered in both modern and historical context, with particular emphasis on the two major periods of feminist organization in the United States and the ways in which the law has responded, or failed to respond, to feminist claims. Topics to be covered include: women’s legal status before and after the rise of the first organized woman’s right movement; the rise of the second women’s movement and the emergence of heightened constitutional scrutiny for sex-based distinctions; the question of when, if ever, sex-based differences authorize differential treatment; the constitutional status of facially neutral laws that have a disproportionate impact on women; and statutory protection against sex-based discrimination. Students have the option of taking an exam or writing a course paper. [2]

LAW 799. Public Education Law
A study of the role of law in major issues in education. Emphasis is primarily on elementary and secondary education, with some attention directed toward higher education. Topics to be discussed include desegregation, freedom of expression, curriculum determination, religion and public education, and equal educational opportunity (financing, bilingual education, education for handicapped children). [2]

LAW 819. Private Environmental Law and Voluntary Overcompliance
Much regulation of behavior that affects the environment occurs in the shadow of environmental law. Increasingly, “regulation” takes place outside the confines of the law itself through actions that are voluntary or are the product of extra-legal social norms. This course will examine three of the principal areas in which this private ordering of activity occurs: commercial transactions, informal social control and environmental management systems. The commercial transactions portion of the course will begin with a brief overview of the public environmental laws around which private parties negotiate. We will then review the impact of this public law construct on the environmental provisions included in merger and acquisition agreements, credit agreements and real property agreements. The commercial transactions portion of the course will include lecture and class discussion, along with several mock negotiations in small group and one-on-one settings. The second part of the course will examine the role of informal, extra-legal social control on corporate, government, and individual behaviors that affect the environment. Oftentimes, these extra-legal institutions lead to voluntary reductions in pollution beyond any legal requirement. The material will be reviewed through lecture, class discussion and business cases. A range of concepts will be examined, including the implications for environmental quality of social meaning, social norms, and patterns of behavior that may not arise from norms. The current and future roles of public agencies, private entities, and the media in influencing informal social control will be examined. The third part of the course will examine the growing role of environmental management systems in shaping the environmentally-relevant behavior of corporate and government entities. Domestic and international standards for environmental management will be discussed. The legal, policy and business implications of environmental management systems will be considered. Several case studies will be used to examine how firms have implemented environmental management systems in their organizations. [3]

LAW 928. Law and Social Justice Seminar
This seminar will focus on the role of the law in creating, perpetuating, and eradicating hierarchies of power and privilege in our society, particularly those based on racial, ethnic, gender, social, and economic status. The seminar will approach this topic from two different perspectives. First, it will look at various structural issues in the legal system and the legal profession relevant to representing clients in this setting. Second, it will examine selected areas of law that have a special impact on these communities. Students will be asked to lead seminar discussions and to write a substantial research paper. [3]
Course Descriptions for Core, Field and Elective Courses offered by the Department of Economics

ECON 300. Selected Topics in Mathematics for Economists
Selected mathematical topics used in the analysis of static and dynamic models. Prerequisite: one year of calculus (Math 171a–171b, Analytic Geometry and Calculus, or equivalent). [3]

ECON 304a. Microeconomic Theory I
Analysis of resource allocation and relative prices. Behavior of individual economic units and markets. Topics include models of technology, cost and profit and the firm; consumer preferences, constraints and choice; expected utility theory and risk aversion; partial equilibrium under competition and monopoly; partial equilibrium welfare and surplus. [3]

ECON 304b. Microeconomic Theory II
Noncooperative game theory, information economics, public goods and an introduction to general equilibrium models. Topics include Nash equilibrium, sequential rationality, incomplete information; oligopoly; bargaining; adverse selection, signaling and screening; principal-agent models; externalities and public goods; introductory general equilibrium and welfare analysis. [3]

ECON 304c. Microeconomic Theory III.
General equilibrium, social choice and welfare. General equilibrium, existence, stability and uniqueness results; fundamental theorems of welfare; core and equilibria; general equilibrium with time and uncertainty; social choice theory and mechanism design; axiomatic bargaining and welfare. No credit for students who have completed former 331. [3]

ECON 307. Statistical Analysis
Statistical methods applicable to quantitative research economics and business. Distribution theory, statistical inference, and selected multivariate statistical methods. Prerequisite: 150, Statistics, or equivalent. [3]

ECON 309. Econometrics
Analysis of specification errors in single equation estimation of economic relations and introduction to the estimation and application of simultaneous equation models. Prerequisite: 307 or consent of instructor. [3]

ECON 320a–320b. Seminar in the Organization and Control of Industry
The structure of American industry; the origins and development of industrial concentration; the behavior and performance of oligopolistic and imperfectly competitive markets; the economics of public utilities. Public policy toward industrial structure and conduct, including antitrust policy, limitation of competition, and direct regulation. [3–3]

ECON 366a. Topics in Economic History: Microeconomic
This course will examine various microeconomic aspects of long-term development. Topics may include: the demographic transition, changes in labor force behavior, development of institutions, industrialization, migration, health, measurement of living standards and inequality. Students are expected to become familiar with various large-scale microeconomic databases containing historical information, such as the Integrated Public Use Micro-data Samples of the United States Census. [3]

ECON 366b: Topics in Economic History: Macroeconomic
This course will examine various macroeconomic aspects of long-term development. Topics may include: economic growth, the development of financial markets and the role of financial markets in economic development, the history and evolution of monetary and fiscal policy, capital market integration, and business cycles, including the Great Depression. Students are expected to become familiar with various macro-history databases (for example, the NBER database). [3]
ECON 371. Introduction to Economic History.
Economic history in terms of measurement and theory. Factors associated with modern economic growth and institutional change in a variety of countries and time periods. Relation between economic history and history of thought. [3]

ECON 370. Econometric Theory
Identification and estimation of simultaneous equation models. Small sample properties of estimators and Bayesian inference. Model building and testing of economic theory. Prerequisite: 309 or equivalent preparation. [3]

ECON 373. Time Series Econometrics
Estimation of stationary ARMA models, analysis of nonstationary time series models (unit roots and cointegration), introduction to structural time series models and spectral analysis. Models of time-varying conditional variances and models of regime-switching with applications to topics in macroeconomics and finance. Prerequisite: 309. [3]

ECON 375. Topics in Econometrics
Advanced theory and applications. May be repeated for credit once if there is no duplication. [Variable credit: 1–3]

Course Descriptions for Core, Field and Elective Courses offered by Owen

MGT 427. Economics of Organizations
Seeks to provide students with the knowledge and powerful thinking tools that will help them to understand the internal organization. Until recently, economics largely ignored the internal organization and operation of the firm. However, new developments in agency theory and game theory have made it possible to analyze the roles of information and incentives inside the firm.

Course Descriptions for Core, Field and Elective Courses offered by Peabody College

LPO 3530. Economics of Education
This course focuses on problems of the American educational system. Most attention will be paid to primary and secondary education (grades K–12), although some issues in higher education will also be examined. The goal of the course is not merely to study what economists have said about the problems of American education, but also to understand (and use) economic tools of analysis. These tools are of wide applicability and illuminate educational policies and practices (and much else) in all nations and societies. Although the focus is on the U.S., the course will be valuable to students whose principal interest is in international issues and educational systems abroad. [3]

PSY 352P. Human Cognition
Current research and theory in cognitive psychology. Emphasis on memory, perception, and language. Some applications of cognitive theories are explored. [3]