

Course Schedule

Day 1: December 7

The morning sessions of the first day introduce basic concepts from law & economics and game theory, primarily based on *Analytical Methods for Lawyers* Chapter 2, p. 34-117. (Chapter 1 should be read but will not be addressed in class).

The purpose is to acquaint the student with fundamental notions used in functional analysis of law, notably equilibrium analysis and efficiency concepts. The coverage of game theory includes the Nash-equilibrium concept, prisoner's dilemma, moral hazard, adverse selection, basic theory of bargaining, and the theory of contracts.

Morning sessions

9 am – 9.45 am:

- Course introduction (Lecturer: HL)
- Introduction to functional analysis of law (Lecturer: GN)

10 am – 10.45 am:

- Introduction to game theory. On fundamental concepts, equilibrium, efficiency and social welfare functions (optimality criteria). (HL)

11 am – 11.45 am:

Nash-equilibrium, the prisoner's dilemma (table 2-2), and the litigation game (p. 34-50). The theory is further briefly explained; then we discuss a set of problems in the litigation game, handed-out in class. This will be group work, and one group shall briefly present its discussion in class. (Lecturer: HL)

12 am – 1 pm:

- Functional analysis of tort law. (Lecturer: GN)

The representation and analysis of norms is illustrated by comparing strict liability and negligence regimes. General questions such as legal protection of entitlements, transaction costs and the Coase Theorem are briefly discussed (primarily based on *Economic Theory of Accident Law*, Chapter 2, and the Calabresi & Melamed article on the optional reading list.). A set of problems, to be handed-out in class, will be discussed in groups.

Lunch 1pm – 2pm

Afternoon sessions

2 pm – 2.45 pm:

- Functional analysis of contract law and the Coase Theorem. (Lecturer: HL)

3 pm – 3.45 pm

Group work: Question 1.-4. in "A note on the Coase theorem" (Lecturer: GN)

The example illustrates the relevance and power of the law & economics approach to fundamental questions in law. Participants are encouraged to consider the questions ahead of the session.

Day 2: December 8

The second day seeks integrate and lift lessons and perspectives from day one to the level of method. What is the relevance of functional analysis to legal method and/or to legal research?

Morning sessions:

9 am – 9:45 am:

Opening remarks: Is legal method and legal research the same thing? (HL, GN)

10 am—1 pm:

Group work: Session 1:

Discussion of the following questions:

- Do legal sources uniquely determine outcomes (potential court rulings) within the area of your thesis?
- If not, do you see a role of functional analysis? How? If relevant to your project, explain who your players are, what their preferences are, and what their strategies are.
- If legal sources are not determinative, are they interpreted in light of the purpose of the law?
- Is there in your field an articulation of the purpose of the law?
- In case it exists, how would you articulate the purpose of the law? Can it be formulated with efficiency concepts or by the concept of a social welfare function?
- If the purpose is not given by the law, is it based in part on empirical evidence concerning what people value, or what are its foundations?

1 pm – 2 pm: Lunch

2 pm – 2,45 pm

Group work: Session 2:

Discussion in class of the answers to the questions above, including how functional analysis may contribute to the project specific or general legal analysis, and how the analyses may be conducted within the framework of game- and equilibrium theory.

3 pm – 3.45 pm

Summary and reflection over the course's main points. (HL and GN)