

**0360**

## **LAW AND ECONOMICS IN NORWAY**

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### **Abstract**

The growing interest in law and economics among academic lawyers is demonstrated by the fact that the subject now has become compulsory for law students at the Faculty of Law in Oslo. A number of PhD theses at the same faculty are wholly or partially of a law and economics character. Economists have contributed on various issues within economics of crime, product liability, constitutional law, environmental law, and industrial organization.

*JEL classification:* K00

*Keywords:* Product Liability, Economics of Crime, Litigation, Constitutional Law, Environmental Law

### **1. Research**

Although economic analysis occasionally has appeared in the traditional Norwegian law literature, it was not until Trine-Lise Wilhelmsen's study on 'Egenrisiko i skadeforsikring' (Retained Risk in Casualty Insurance) in 1989 that such analysis became part of a major work by an academic lawyer. Since then, Anders C. Stray Ryssdal (1995a, 1996b) has written a two volume dissertation, one on *Legal Realism and Economics as Behaviour: A Scandinavian Look at Economic Analysis of Law*, and the other on *Economic Analysis of Civil Suits and Appeals*. Another major contribution is *Avtalelovens § 36 og økonomisk effektivitet* (Section 36 of the Nordic Contract Acts and Economic Efficiency) by Trine-Lise Wilhelmsen (1995). Economic theory also plays an important role in three PhD dissertations that are about to be completed at the University of Oslo, one on antitrust law and two on environmental law.

Apart from the questions of monopolies, competition and so on analysed in the old law and economics literature, economists have only recently entered the more modern field of law and economics. Prevalent topics studied are regulation, product liability, crime, environmental law and industrial organization. Alf E. Risa has in several papers analyzed health and safety, in particular product liability, Risa (1994). Constitutional issues are analysed by Hylland (1984). A number of contributions to the economics of crime literature started with Allingham and Sandmo (1972) and Sandmo (1981) on tax evasion,

followed by Isachsen and Strøm (1980) on the underground economy, Andvig and Moene (1990) on corruption, Andvig (1995) on organized crime and Eide (1994a) on criminal behavior in general. An eleven-year program (1991-2001) on economic crime by the Research Council of Norway had by the end of 1997 produced 42 reports, mostly on tax evasion, bankruptcy and economic crime in financial markets. Some of these reports, in particular Knivsflå (1993) and Langli (1994), are more of a law and economics type than most of the others.

A manifestation of the growing interest in law and economics was the invitation to a group of academic lawyers and economists to spend a year at the Centre for Advanced Study at The Norwegian Academy of Science and Letters in 1994-95. Five scholars spent most of the year in Oslo, whereas several others were invited for shorter periods, some attending a conference on the Law and Economics of the Environment. A conference volume edited by Van den Bergh and Eide was published.

## 2. Education

In connection with a major reorganization of the study of law at the University of Oslo law and economics has been substituted for the traditional introductory course in micro and macro economics. A compulsory course in law and economics for public law must be taken in the second year, and the students may also choose to take a more extensive course (one quarter of a year's work) at the end of the study. At other institutions no courses in law and economics are offered, except courses for economists where industrial organization and regulation are main topics.

Two textbooks have been published by Erling Eide. One on *Kriminaløkonomi* (Economics of Crime) has been written for a course in economics, whereas one on *Rettsøkonomi for offentlig rett* (Law and Economics for Public Law) has been written for a compulsory course at the Faculty of Law in Oslo.

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