0100
ORGANIZATION OF RESEARCH AND TEACHING

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Abstract

Law and economics is quite a new field of research but there is a noticeable increase in its influence in both legal and economic scholarship. In the following chapter information is given about different aspects of the organization of research and teaching in this area, in particular about the institutions, the current state of law and economics in academic life all over the world, the basic publications providing more detailed information, Law and Economics Associations, and law and economics on the Internet.

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1. Introduction

Law and economics is a relatively new field of research, and therefore it is only slowly becoming an established part of the curricula at universities and colleges throughout the world. However, there is a clear movement towards employing the tools of law and economics in academic programs and in special research institutes more and more. While most of the literature describing and discussing these influences concentrates on developments at law schools, the field is also being explored in traditional departments of economics. Overall, there is a noticeable increase in the influence of law and economics in both legal and economic scholarship. Nevertheless, the relative importance of the field is still heavily debated. For example, it is often discussed whether or not the economic analysis of law can or cannot provide for a new understanding of the law, and how economic tools have changed the classical study of the law.

One extensive discussion about the role of law and economics in legal education has been published in the Journal of Legal Education. In that edition, various opinions are presented in fourteen articles covering about 200
pages. The original debate was held at a symposium in 1983 entitled ‘The Place of Economics in Legal Education’ (Symposium, 1983). The primary focus of the articles is the relevance of economics on legal thought in general (see Becker, 1983; Breyer, 1983; Calabresi, 1983; Cooter, 1983; Hansmann, 1983; Michelmann, 1983; and Priest, 1983). However, some of the authors also discuss the practical application of law and economics in teaching (see Doyle, 1982; Gelhorn and Robinson, 1983; Klevorick, 1983; Schwartz, M., 1983; Schwartz W., 1983; Summers, 1983; and Trebilcock, 1983). In 1981 a similar symposium was held at Yale University, and in the papers presented at that conference (published in the Yale Law Journal) the authors - among them Ackerman (1981), Posner (1981) and Priest (1981), analyzed the current state of legal scholarship. Law and economics was only one of the focuses of discussions there, and the influence of other disciplines which were noticeable in legal scholarship was also discussed. One example of a similar symposium convened outside of the United States is that of the 1991 symposium ‘Economic Analysis in Civil Law Countries: Past, Present, Future’ (see Cooter and Gordley, 1991). There, scholars from different countries provided information about the influence of law and economics in their respective home countries. See Mattei and Pardolesi (1991) report on Italy, Kirchner (1991) report on Germany, Hertig (1991) report on Switzerland (pointing out the apparent lack of a law and economics movement in Switzerland), Ota (1991) report on Japan, Pastor (1991) report on Spain, Skogh (1991) report on Sweden, and Weigel (1991) report on Austria.

One interesting approach to measuring the actual influence of law and economics has been taken by Landes and Posner (1993). In their article, the authors present a quantitative study in which they analyze citations to show the extent to which economics has in fact influenced legal scholarship.

The following chapters will provide a short overview over different methods of teaching law and economics, and how the research in this area continues to be promoted throughout the world. Since academic programs are constantly changing and many different programs and institutions are still in their developmental stages, only representative examples will be presented here. Much information concerning specific programs or classes can be obtained in detail from the home pages of the respective universities/institutions on the Internet, and can be located through the main search engines. Greater detail about specific countries can furthermore be found in chapters 0305-0395 of this volume, in which the law and economics movements in different countries are presented.
2. Teaching of law and economics - An Overview

Though law and economics is also part of the curricula of many departments of economics, most programs in law and economics are organized by private and public law schools. However, economics scholars often actively participate, and several law schools and departments of economics or business work together in joint programs. Quite often, professors of economics are asked to join law school faculties and to teach there on a permanent basis. Furthermore, there are numerous special institutes formed of both law and economics faculty members.

There are a variety of possibilities to study and teach law and economics at different academic levels and to different audiences. As stated above, it can be taught in law schools, in university-based departments of economics, or at special research institutes. At universities, law and economics can be taught at an undergraduate, graduate or postgraduate level. Finally, law and economics can either be integrated into regular law school courses, or there can be special course offerings either as optional courses or within a separate program.

3. Integration of law and economics into Law or Economics Courses

At law schools, law and economics may be integrated into the traditional law school curriculum. This can be accomplished by first providing an introduction into the basic principles of economics, and later on by encouraging the use of the economic tools learned. This approach is favored by some American law schools where the law and economics approach is an essential tool for understanding the law courses offered in subsequent years. In such programs, basic economics courses and later on economic analysis of different areas of the law are often mandatory requirements.

The most progressive steps so far have been taken by the American George Mason University School of Law in Arlington, Virginia (George Mason University School of Law, 3401 North Fairfax Drive, Arlington, VA 22201-4498, USA). This program emphasizes application of the law and economics approach to the entire study of the law. Almost all of the courses at George Mason use economic theory as their primary method of analysis.

More commonly, however, law schools employ economic tools only within the framework of certain specific courses. Law and economics ideas can and are - at least in the United States - typically treated in the classic law and economic courses (for example antitrust law or corporate law). These courses have served as the traditional forum for the application of the law and economics approach. There exists, however, a growing tendency towards employing law and economics in more and more non-traditional law courses (for example torts, real property, contracts or civil procedure). Today, law and
economics is being integrated more and more into the traditional core curricula of legal studies. This expansion is often referred to as the ‘New Law and economics’. A brief description of the so-called ‘New Law and economics’ can be found in Calabresi (1983), and Veljanovski (1982) also gives a good overview over this approach. On the other hand, Kirchner (1991) refers back to the previous tradition in Germany of interdisciplinary research in the field of law and economics which was more or less confined to cartel law, and traces the introduction of ‘new law and economics’ into legal research and teaching back in the 1970s.

A detailed exposition on what law and economics scholars and economists currently think lawyers should know about economics can be found in Whaples, Morriss and Moorhouse (1998). In preparing this report the authors conducted a survey to find out which concepts the scholars interviewed deemed to be necessary in the teaching of law and economics courses, and what major articles they would recommend for a required reading list.

Law and economics can, of course, be integrated into classical economics courses. However, this approach is more rare and less information about it is available.

4. Special law and economics Courses at Law Schools or in Departments of Economics

As opposed to integrating economic analysis of the law into law or economics courses, there also exist special law and economics courses which are elective in nature and which concentrate more on the field’s theoretical aspects. This approach is mostly favored by universities which do not integrate economic analysis of the law into their regular classes. These specialized classes can be found at many American universities as well as elsewhere in the rest of the world.

For example, in Germany such courses can sometimes be found as one of several electives relating to the foundations of the law, the so-called ‘Grundlagenveranstaltungen’. It is still, however, rare to find true law and economics lectures. The University of Hamburg is one of the rare exceptions. In Hamburg, fully integrated courses in law and economics are offered to law students as optional classes as part of the regular law school curriculum. Schäfer (1990) explains and discusses the Hamburg model. An early outline of an integrated law and economics course is given by Kötz (1977). At other German Law Schools it is more common to offer classes where pure economics is taught. Kirchner (1991) provides an instructive overview of the general situation in Germany up until the 1990s.

In other countries law and economics classes can be found more often. For example, in Europe such classes are regularly offered in Austria, Belgium,
France, Italy, the Netherlands, Spain, and the United Kingdom. In Austria the University of Innsbruck offers a course in ‘Economic Analysis of Law’ in addition to fundamental classes in economics for law-students. At the Katholieke Universiteit Leuven in Belgium an English language course entitled ‘Economic Analysis of Law’ is offered which is based upon a microeconomics and game-theory methodology. Also, the University of Ghent in Belgium offers a course entitled ‘Rechtseconomie’ to both law and economics students. In France, the University of Montpellier also offers special classes in law and economics. The University of Trento in Italy has an optional class called ‘Topics of Economic Analysis of the Law’. All of these are simply examples of current courses being offered in Europe.

The early situation in the Netherlands is described in more detail by Holzhauer and Teijl (1989). Recently, the growing influence of law and economics in the Dutch legal education has become noticeable. Nowadays, law and economics is often offered as a basic introductory course. Examples can be found at the relevant Internet home sites of the Erasmus University of Rotterdam. The earlier status of law and economics at Spanish law schools is described in Pastor (1988) as well as Pastor (1991).

Other countries where the study of law and economics is especially emphasized include the United States, and also Israel, Canada, Australia and New Zealand. Gelhorn and Robinson (1983) review the development of economic science in US law schools and comment on that development’s relevance. Lovett (1974) also addresses the role of economics in American law schools and closely examines the curricula at several law schools in the United States. The Buchmann Faculty of Law at Tel-Aviv University has classes where law and economics are combined at the undergraduate level as well as at the graduate level. Trebilcock (1983) provides information about the changes at law schools in Canada. He points out that the influence of law and economics in Canadian legal education is limited as compared to the United States and presents possible explanations for this. The author himself, however, actively participates in promoting law and economics scholarship in Canada. Doyle (1982) extensively examines lecture courses in law and economics offered at an undergraduate level in Australia.

The most recent developments regarding law and economics in various countries are described in the chapter 0300 Survey of Non-English Language Publications. One example of a course in law and economics offered to students of economics is the course ‘Analisis Economico del Derecho’ at the Universidad Carlos III de Madrid in Madrid, Spain. Professor Santos Pastor, who teaches this class, also wrote the above-cited article ‘Teaching Economics to Law Students’ (Pastor, 1988).
5. Specific law and economics Programs for Lawyers and Economists

Still another possibility exists, namely the teaching of law and economics in a separate program specializing in law and economics. The ERASMUS Programme in law and economics is a one-year European postgraduate program for lawyers and economists leading to the academic degree of ‘European Master in Law and Economics’. It is jointly organized by 19 partner universities within the European Union. The University of Haifa, Israel is also an associate member. Special courses in law and economics are offered at ten of the partner universities. The program’s partners (T = partner and teaching unit) are the universities of Aix-en-Provence (T), Berlin, Copenhagen, Ghent (T), Glasgow, Haifa, Hamburg (T), Leiden (T), Linköping (T), Madrid (T), Manchester (T), Milan, Paris, Rome, Rotterdam (T), Stockholm (T), Tampere, Thessaloniki, Valladolid, and Vienna (T). The ERASMUS Programme in law and economics is presently coordinated from the University of Hamburg (C.Ott).

The University of Utrecht is an example of a law school offering a postgraduate program leading to a degree in law and economics (Utrecht LLM Office, Faculty of Law, Utrecht University, Janskerhof 3, 3512 BK Utrecht, The Netherlands). This program is open to both law school and economics program graduates. Students of economics may complete specialized legal courses and are able to obtain a Master of Sciences title.

In the United States, one of the most important programs is the John M. Olin Program in law and economics at the University of Chicago. In that program law and economics ideas have been taught for over 50 years. The significant achievements of that program are described by Coase (1993). At the American College of Law at Syracuse University in New York (Syracuse University College of Law, Office of Admissions and Financial Aid, Suite 212, Syracuse, NY 13244-1030, USA) another form of specialization can be found. Students are able to participate in a program of studies offering a special Law and Economics Concentration. During their normal studies of the law, students are required to take five core courses involving law and economics topics and three elective courses. Once these requirements have been met the students are awarded a special certificate in recognition that they have completed this special concentration.

At the Faculty of Law at the University of Toronto (Faculty of Law, University of Toronto, 78 Queen’s Park, Toronto, Ontario, Canada, M5 S 2 C5), where Professor Trebilcock teaches, instructors from the Faculty of Law, the Department of Economics and the Faculty of Management work together. The program offers students special study and research opportunities in a variety of courses, and brings to the Faculty important law and economics scholars through the program’s law and economics Workshops and the Visiting Professorship in Law and Economics.
A brief description about an international summer school in law and economics offered in Saarbrücken is presented by Meyer and Müller (1990). In 1988 and in 1989 the Center for the Study of the New Institutional Economics at the University of Saarbrücken organized two international summer schools in cooperation with the University of Texas in Arlington.

The National Law School of India University in Bangalore (Prof. N.L. Mitra, Director, National Law School of India University, Nagarbhavi, Bangalore-560072, India) organizes seminars in law and economics for teaching staff members from Indian law schools and departments of economics.

There are also courses in law and economics available for legal practitioners and professors. A special training program for postgraduates, judges, lawyers, law professors, and academic economists, is offered by the law and economics Center (LEC) founded by Henry Manne in 1974 and located at the George Mason University in Arlington, Virginia. The program is privately funded and offers educational institutes, seminars, and conferences in close cooperation with the University’s law school.

6. Teaching Materials


Examples of how the law and economics approach can be used to analyze specific cases in the classroom are Schäfer and Strück (1983) and Walz and Wienstroh (1983), both published in Walz and Rascher-Friesenhausen (1983), and Wehrt and Mohr (1995).
7. Research in law and economics - An Overview

Research in the area of law and economics is becoming more and more noticeable. There exists an expanding body of literature (books, theses, dissertations, working papers, and journals), and researchers from all over the world regularly meet at academic conferences, workshops and through various law and economics associations. Universities all over the world also host periodic conferences and discussion groups which have a law and economics focus. At several universities special research centers dedicated to law and economics exist.

8. Academic Research in Europe

In Germany there exist two prominent academic research institutes focusing on the topic of law and economics. One is located in the city of Saarbrücken and the other in Hamburg. The ‘Forschungsstelle zur ökonomischen Analyse des Rechts’ at Saarbrücken (Center for the Study of law and economics, Prof. D. Schmitzchen, Forschungsstelle zur ökonomischen Analyse des Rechts, Universität des Saarlandes, Fachbereich Wirtschaftswissenschaft, Gebäude 31, Postfach 151150, D-66041 Saarbrücken) was founded in 1993 in the Department of Economics of the Universität des Saarlandes. The Center organizes conferences, for example in Wallerfangen, and workshops, invites scholars from all over the world, and provides consultations and advice to numerous private and public authorities. It also publishes a series of theoretical discussion papers. Its particular focus of research is the law and economics of international transactions, constitutional economics, the legal protection of intellectual property, and the evolution of legal rules and conventions in the shadow of the law. The Center also organizes an annual meeting for researchers in the field of New Political Economy. Papers presented at the Center’s various conferences are published in the ‘Jahrbuch für Neue Politische Ökonomie’.

In Hamburg, the Institute of law and economics (Universität Hamburg, Fachbereich Rechtswissenschaft, Edmund-Siemers-Allee 1, 20146 Hamburg) founded by Prof. C. Ott and Prof. H.-B. Schäfer as part of the Law Faculty’s focus on interdisciplinary research and teaching activities, serves as a forum for guest lecturers, workshops, and seminars. The Institute also publishes a regular series of discussion papers. Since 1988, the Institute has organized a biannual conference of various topics in the field of law and economics at Travemünde (See Conference Volumes (6), edited by C. Ott and H.B. Schäfer). In October 1998, the Institute established a PhD program (Graduiertenkolleg) for 15 postgraduate students of law and economics which hosts doctoral candidates from both Europe and the US. (For information regarding other teaching and
research centers and academic conferences in Germany please refer to Kirstein (0330 law and economics.)

Another European center for interdisciplinary studies which provides information concerning fundamental topics in law and economics is the Center d’Études Interdisciplinaire Walras Pareto which is part of the Université de Lausanne of Switzerland. An example of a research center located in France is the Department of law and economics within the ‘Laboratoire de Droit Privé’ of the University of Montpellier (Laboratoire de Droit Privé, 14, rue Cardinal de Cabrières, 34060 Montpellier Cedex 0467615452). That center hosts meetings and conferences in order to promote the exchange of ideas in law and economics. In the Netherlands regular workshops are held in Maastricht, organized by Jürgen Backhaus. In the United Kingdom the David Hume Institute promotes discourse and research on economic and legal aspects of public policy questions. The Hume Institute was founded in Edinburgh in 1985. It publishes a quarterly academic journal and various paper series, and organizes conferences and other events (Contact David Hume Institute, 21 George Square, Edinburgh EH8 9LD, Scotland).

9. Academic Research in Other Countries

In the United States - the birthplace of law and economics - research centers in law and economics are quite common. The universities identified above which offer law and economics courses also maintain extensive research facilities. Thus, at Yale, the University of California-Berkeley or at the University of Chicago research in the field of law and economics is strongly supported and promoted. Workshops and conferences are also currently being offered at the Georgetown University Law Center in Washington, DC. At Georgetown, a law and economics Workshop exists in which students, faculty, and outside speakers regularly present their work. In addition, special academic conferences are organized on a regular basis. Another prominent center of research in the US is the Business, law and economics Center of the John M. Olin School of Business at Washington University in St. Louis, Missouri. The Olin Center, which was founded in 1991, focuses its research on how law, economics, and politics converge to influence private business.

10. Non-University Research

Research in the field of law and economics is not only undertaken at certain universities or law schools. For example, the Institute for Civil Justice in the United States, which is an independent research program within RAND (1700
Main Street, PO Box 2138, Santa Monica, CA 90407-2138, USA), is also known for its interdisciplinary and empirical approach to public policy issues, including economic analysis of the law. RAND is a non-profit institution formed with the goal of improving public policy and public decision making through better research and analysis. The RAND organization employs more than 500 research professionals.

Conferences and other professional meetings which provide researchers from across the world the opportunity to meet and interact are also an important way of ensuring the flow and exchange of ideas and opinions, and provide researchers with the chance to catalog and compare their results with those of other research programs. Annual or biannual conferences are held at several locations throughout the world in order to promote research in the area of law and economics. One such annual international gathering is the mid-term meeting of the Erasmus Program in law and economics. Papers presented at that meeting are published in a series of special publications entitled *Essays in law and economics*. In Germany, the biannual Travemünde Symposium provides another opportunity to meet and confer with world class scholars.

Internationally, there exist six distinct professional associations in the area of law and economics. All of these associations organize meetings on a regular basis where working papers are presented and discussed. Thus, they provide a conduit for ongoing exchange and communication amongst professors, research assistants and students. The six existing organizations are: the American Law and Economics Association (ALEA), the Australian Law and Economics Association, the Canadian Law and Economics Association (CLEA), the European Law and Economics Association (EALE), the Latin American Law and Economics Association (LALEA), and the Law and Economics Association of New Zealand Law (LEANZ). Most of these associations can be easily contacted via their home pages on the world wide web.

The American Association of Law and Economics, with its offices located at the Yale Law School in New Haven, Connecticut, organizes numerous conferences. The European Association of Law and Economics was founded in 1984 for the purpose of providing professional assistance to law and economics scholars. It distributes a periodic newsletter, arranges seminars and conferences, and has published several conference volumes in the *International Review of Law and Economics*. In 1994, the New Zealand Association of Law and Economics was established in order to promote law and economics studies in New Zealand. LEANZ also publishes a monthly newsletter and organizes seminars on a regular basis. The Latin-American Law and Economics Association has held its annual meetings since 1995. The Australian Law and Economics Association also organizes regional conferences and meetings.

The growing interest in the field of law and economics can also be measured by the increase in academic publishing. More and more doctoral
students are publishing theses emphasizing law and economics. This is a trend which is recognizable throughout the world (see 0080 Doctoral or Masters Theses). The number of professional journals dealing with law and economics topics is also constantly increasing. Some of these journals are now being listed in the world wide web, making it possible for a much larger audience to scan through the publication’s table of contents with just a few mouse clicks. The Internet also allows researchers and scholars to exchange information in real time and at a comparably low cost. Since 1994, the George Mason University has established an on-line discussion forum on law and economics topics called ‘Econlaw’. Forum participants can easily exchange opinions and download the work of their colleagues from their respective web-sites. All of these developments demonstrate that research as well as teaching in the field of law and economics is becoming more and more a global phenomenon.

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