

SOSC 2330 6.0
Economics of Law, Policy and Organization
www.yorku.ca/rwellen/sosc2330

Course Director: Richard Wellen
Office Hrs (subject to change):
Tues. 2:30-4:30, Fri. 2:30-4:30
S770 Ross Bldg., tel. 77794

Times and Locations

Lecture	Tuesday 12:30-2:30	Curtis Lecture Hall 'F'
Tutorial 02	Thursday 12:30-2:30	212 McLaughlin College
Tutorial 04	Thursday 4:30-6:30	211 McLaughlin College
Tutorial 05	Thursday 2:30-4:30	111 McLaughlin College
Tutorial 06	Thursday 8:30-10:30	105 Founders College
Tutorial 07	Friday 10:30-12:30	218 Stong College

Course Description

This course looks at how economics (and related forms of social inquiry) can inform moral and political argument in the study of law and policy. It is well known that some of the leading approaches to 'law and economics' and 'political economy' in recent years have challenged the assumptions that have been used to justify a strong and interventionist government (characteristic of the post WWII era). However, others have held that the return to a reliance on the market alone has not worked effectively as a policy model. Long-standing issues about the trade-off between efficiency and equity are important to this debate.

One of the key goals of this course will be to test and compare the merits of competing economic ideas by applying them to specific issues in law and policy. Some of these include: consumer protection, gender equity in the workplace, the regulation of communications and information, rent control, intellectual property, privacy rights, liability, land-use control, natural resources and energy, environmental protection, the law on torts, income inequality and security, state-provided services, contracting out, anti-trust issues, farm support programs, insurance, corporate governance and administrative law. We end by highlighting the particularly thorny policy issues connected with globalization.

No previous work in economics is assumed, but students are expected to master some basic economic concepts and ideas in developing their responses to paper topics and test questions. Since this is a critical skills course, students will be asked to develop their skills in the area of reading, critical-analytical writing and oral presentations in tutorials.

Assignments and Evaluation

All written assignments in the course will require students to compose analytical and critical essays on selected topics prepared by the course director. Each student will also be required to participate in a brief oral seminar assignment, normally either a presentation or a debate.

Assignments and tests will bear either a letter grade designation or a corresponding number grade (e.g. A+ = 90 to 100, A = 80 to 90, B+ = 75 to 79, etc.)
(For a full description of York grading system see the York University Undergraduate Calendar - http://calendars.registrar.yorku.ca/pdfs/ug2004cal/calug04_5_acadinfo.pdf)

The penalty for late submissions of assignments will be 2% per weekday. Students with a documented reason for missing a course test, such as illness, compassionate grounds, etc., which is confirmed by supporting documentation (e.g., doctor's letter) may request accommodation from the Course Instructor. Further extensions or accommodation will require students to submit a formal petition to the Faculty.

York students are required to maintain high standards of academic integrity and are subject to the Senate Policy on Academic Honesty (<http://www.yorku.ca/secretariat/legislation/senate/acadhone.htm>).
There is also an academic integrity website with complete information about academic honesty. Students are expected to review the materials on the Academic Integrity website (<http://www.yorku.ca/academicintegrity/students.htm>). Students may be requested to submit assignments electronically to the Turnitin service.

	Due Date	Value
First Take-Home Test	October 31	15%
First Essay	December 6	15%
In Class Test	February 6	15%
Second Essay	March 20	15%
Final Exam	April Exam Period	20%
Critical Skills Assignments	Once per term	10%
Participation		10%
TOTAL		100%

Required Materials

1. SOSC 2330 Course Kit – Vol 1. (available at Bookstore at beginning of term)
2. SOSC 2330 Course Kit – Vol 2. (available at Bookstore in late October)
3. Winter, Harold (2005) *Trade-Offs: An Introduction to Economic Reasoning and Social Issues*. (available at Bookstore at beginning of term)
4. Internet readings

Schedule of Readings and Topics

September 12 Introduction

September 19 The Nature of the Economic Problem

- Sowell, “Costs and Incremental Substitution.” (Kit, vol. 1)
- Rhoads, “An Introduction to the Economics Approach (Kit, vol. 1)
- Heath, “Perverse Outcomes,” (Kit, vol. 1)
- Winter, “Introduction” and (ch. 1)

September 26 Product Safety

- Levy, “Asbestos in the Schools.” (Kit, vol. 1)
- Meiners, “Hazardous Products.” (Kit, vol. 1)
- Weimer, “Safe and Available Drugs.” (Kit, vol. 1)
- Ogus, “Drug Regulation.” (Kit, vol. 1)
- Winter, “A Valuable Life (to some extent)” and “Smoke if you Got ‘em” (chs. 2 and 5)

October 3 Thinking about the Market

- Rhoads, “Markets and Market Failure.” (Kit, vol. 1)
- Buchanan, “Excerpt from Ethics, Efficiency and the Market.” (Kit, vol. 1)
- Heath “Why I Stopped Worrying...” (Kit, vol. 1)

October 10 Markets and Government (Market Failure and Government Failure)

- Heath, “Big Brother.” (Kit, vol. 1)
- Stiglitz, “The Problem of Preference Revelation.” (Kit, vol. 1)
- Wolf Jr., “Nonmarket (Government) Failure.” (Kit, vol. 1)
- Weimer and Vining, “Silent Losers Issues.” (Kit, vol. 1)
- Winter, “Do You Want to Trade?” (ch. 3)

October 17 Some Cases: Farm Subsidies, Rent Control and Law Enforcement

- James, “Agricultural Policy.” (Kit, vol. 1)
- Hyman and Strick, “Int’l View: Agricultural Subsidies...” (Kit, vol. 1)
- Mackaay, “Rent Controls and Accommodation...” (Kit, vol. 1)
- Fellows, “Allocation of the Crime Prevention Budget.” (Kit, vol. 1)
- Ehrlich, “Economics and Law Enforcement” (Kit, vol. 1)
- Veljanovsky, “Penalty and Compliance.” (Kit, vol. 1)

October 24 Economics of Liability and Insurance

- Cooter and Ulen, “The Primacy of Efficiency” (Kit, vol. 1)
- Winter, “Behave Yourself” and “Warning: Beware of Products” (chs. 7-8).
- Mackaay, “Torts.” (Kit, vol. 1)
- Sheffrin, “Liability: If there is a Crisis can we solve it?” (Kit, vol. 1)
- Posner, “Tort Law: Cases and Economic Analysis.” (Kit, vol. 1)
- Mackaay, “Markets in Risk.” (Kit, vol. 1)
- Shavell, “Moral Hazard.” (Kit, vol. 1)

October 31 Rights, Efficiency and The Law and Economics Approach

- Lomasky, “The Welter of Rights.” (Kit, vol. 1)
- Fritzler, “Privacy and Policing: A Cost Benefit Approach.” (Kit, vol. 1)
- Supreme Court, “Excerpts from Decisions.” (Kit, vol. 1)
- Rhoads, “Specialized vs. Systemic Perspectives.” (Kit, vol. 1)
- Coleman, “Critical Review of Economics and the Law.” (Kit, vol. 1)

November 7 Public Goods and Externalities

- Rhoads, “Market Failure.” (Kit, vol. 1)
- Winter, “Stop Bothering Me” (ch. 6)
- Wheelan, “Government is your Friend” (Kit, vol. 1)

November 14 Pollution

- Zuckerman & Beckerman, “The Case for Pollution Charges.” (Kit, vol. 1)
- Macaulay & Yandle, “Examples.” (Kit, vol. 1)
- Pearse, “Coase Applied to the Environment.” (Kit, vol. 1)
- Crals and Vereeck, “Taxes and Tradeable Rights.” (Kit, vol. 1)

November 21 Land Use and Zoning

- Bish and Nourse, “Zoning and Land-Use Control.” (Kit, vol. 1)
- Levy, “Zoning.” (Kit, vol. 1)
- Ellickson, “The Case against Zoning.” (Kit, vol. 1)
- Heilbrun, “Exclusionary Zoning.” (Kit, vol. 1)
- Fischel, “Operating Costs and ‘Fiscal’ Zoning.” (Kit, vol. 1)
- Luciani, “Natural Resources and Economic Growth.” (Kit, vol. 1)
- Luciani, “Economics and Immigration.” (Kit, vol. 1)
- Reynolds, “Markets and Energy.” (Kit, vol. 1)
- Glasner, “Two Kinds of Error in the Use of Natural Resources” (Kit, vol. 1)
- Karkkainen, “Zoning: A Reply to the Critics” (Internet)

November 28 Reflecting on the Law and Economics Approach

- Dworkin, (Kit, vol. 1)

- Braithwaite, “The Limits of Economism in Controlling Harmful Corporate Conduct.” (Kit, vol. 2)

January 9 Corporations, Shareholders, Workers

- Parkinson, “Models of the Company and the Employment Relationship.” (Kit, vol. 2)

January 16 Competition

- Stiglitz, “Monopoly vs. Competition.” (Kit, vol. 2)
- Posner, “Economic Analysis of Law.” (Kit, vol. 2)
- Fellows, et.al., “Monopoly and Competition.” (Kit, vol. 2)
- Fellows, et.al., “Protection from Cheap Foreign Goods.” (Kit, vol. 2)
- Stiglitz, “Natural Monopoly.” (Kit, vol. 2)
- Shapiro, “Shattering Illusions.” (Kit, vol. 2)

January 23 Health Care

- Blank, “Setting Limits on Health Care.” (Kit, vol. 2)
- Hyman and Strick, “Bursting at the Seams.” (Kit, vol. 2)
- Rhoads, “Health Care.” (Kit, vol. 2)
- Broome, “Fairness in the Rationing of Health Care.” (Kit, vol. 2)
- Heath, “Health Care as a Commodity.” (Internet:
<http://www.chass.utoronto.ca/~jheath/health.pdf>)

January 30 Pay Equity

- Rhoads, “Pay Equity Meets the Market.” (Kit, vol. 2)
- England, “The Case for Comparable Worth.” (Kit, vol. 2)
- Heath, “Efficiency Begins at Home.” (Kit, vol. 2)

February 6 In-Class Test

- No readings

February 20 Economics of Higher Education

- Wellen, “The Tuition Dilemma” (Internet:
http://www.yorku.ca/rwellen/works/wellen_students.pdf)
- Wellen, “The Student Consumer” (Internet:
<http://aries.oise.utoronto.ca/highered/viewarticle.php?id=50>)

February 27 Some Economies of Information and Consumers

- Rhoads, “The Economics of Information.” (Kit, vol. 2)
- Weimer and Vining, “Experience Goods.” (Kit, vol. 2)
- Shapiro, “In Defense of Middlemen” (Kit, vol. 2)
- Shapiro, “Privacy for Sale.” (Kit, vol. 2)
- Heath, “The Rebel Sell.” (Internet:
<http://www.thismagazine.ca/issues/2002/11/rebelsell.php>)

March 6 The Media and the Market

- Baker, “Ad-supported media” (Kit, vol. 2)

March 13 Intellectual Property.

- Cooter and Ulen, “Information Economics and Intellectual Property.” (Kit, vol. 2)
- Winter, “What’s Yours is Mine.” (ch. 4)
- Perelman, “In Patents we Trust.” (Internet:
<http://mrzine.monthlyreview.org/perelman241005.html>)

March 20 Inequality

- Rhoads, “Income Inequality”(Kit, vol. 2)
- Frank, “Talent and the Winner-Take-All Society” (Kit, vol. 2)
- Heath, “Inequality.”(Kit, vol. 2)

March 27 Social Welfare and Globalization

- Sinn, “Introduction to Social Insurance, Incentives, Risk...”(Kit, vol. 2)
- Sinn, “Excerpt from Social Insurance, Incentives, Risk...” (Kit, vol. 2)
- Betcherman, “Globalization and Labour Markets.” (Kit, vol. 2)

April 3 Global Public Goods: The Limits of Regulation? Course Review

- Kaul, et.al, “Defining Global Public Goods.” (Kit, vol. 2)

Other Information

Other information regarding accomodation for students with disabilities or for students following religious observances can be found at the following location:
http://www.yorku.ca/secretariat/senate_cte_main_pages/ccas.htm