This is a special topics course on the economics of property rights. We begin with a detailed study of Coase and the property rights approach developed by Alchian, Barzel, and Cheung (the ABC’s of property rights). Then we will discuss a number of issues from contract choice and the nature of the firm, to non-market institutions and the law. The theme of the course is: how are production and exchanged organized?

Some of the material covered can be quite technical, but the course will emphasize the economics of the models rather than their mechanics, and the tests will only be concerned with economic ideas rather than modelling. Only those suffering from extreme mathphobia should avoid it. The most demanding aspect of the course will be the level of reading. Students can expect to read two-three articles per week. The second most demanding aspect is participation. If you don’t like to talk and argue with others, ... you’re in trouble. There is no getting around it. This is a seminar class, and students are expected to participate fully in discussions and make one classroom presentation. The term paper will apply one of the ideas learned in the course.
The distribution of grades will be as follows.

- Paper Presentation 5%
- General Participation 20%
- Term Paper 15%
- Midterm Exam 25%
- Final Exam 35%

The texts for the course will be Yoram Barzel’s *Economic Analysis of Property Rights*. A detailed reading list will be handed out during the first week of classes. The course material is some of the most interesting and fun in all of economics. If you are willing to work hard, this will be the best course you’ll ever take.

**COURSE OUTLINE**

*The Property Rights Approach to Organization*

1. **The Property Rights Approach**
   a. Barzel, Chapter 1.

2. **The Coase Theorem**

3. **Simple Applications of Coase**
4. Rationing By Waiting and Price Controls

5. Contract Choice
   a. Barzel Chapter 3.

6. The Theory of the Firm
   a. Barzel Chapter 4 and 5.

7. Property Rights in Pre-Modern English History

8. Property Rights in Economic Development
   a. Acemoglu, D., S. Johnson, and J. Robinson. “Institutions as the Fundamental Cause of Long-Run Growth” Manuscript, April 29, 2004

9. **Emerging Property Rights**

a. Barzel, Chapter 6.


8. **Slavery**

a. Barzel, Chapter 7.


8. **Restrictions on Property Rights**

a. Barzel Chapter 8.


10. **Non-Market Allocation**

