A. Summary of Academic Year 2015-2016

Introduction

The primary mission of the John M. Olin Center is to advance the economic approach to the analysis of law. Under this approach, one seeks to determine how legal rules affect the behavior of individuals, firms, and markets, and whether these rules can be improved to achieve a greater social good. The ability to predict the consequences of legal rules is a prerequisite for making legal policy recommendations. The Center is dedicated to educating students, training academics, and supporting research. It has established strong programs that further these objectives, and Harvard Law School is now recognized as one of the nation’s preeminent institutions for the study of economic analysis of law.

The activities of the Center during the past academic year are presented in this report. Please visit the John M. Olin Center website at http://www.law.harvard.edu/programs/olin_center/ for additional information.

A.1. Research and Scholarship

The Center promotes research and scholarship by lending support to a number of activities, including the following:

Summer Faculty Research Program. Faculty research in law and economics is supported by making available grants for student research assistance and by awarding a limited number of faculty research grants of approximately one month of salary support during the summer, provided that a faculty member already has been awarded one month of support under the Law School’s regular summer research program and that the faculty member’s proposal is sufficiently promising and is scholarly in nature. Such support allows professors to devote the time necessary for research and writing, and results in the publication of articles and books.

Law and Economics Faculty Discussion Paper Series. The purpose of this series is to circulate (in pre-published form) research papers on topics in economic analysis of law. The papers benefit from a wide exposure, as they are posted on the Social Science Research Network (SSRN) as well as the John M. Olin Center website. Their abstracts are also advertised in many of SSRN’s electronic abstract journals. In addition, every two months the Center announces new papers to a worldwide email list of subscribers. During Academic Year 2015-2016, a total of 43 works authored by the HLS faculty were added to this series for discussion. The publication record of these papers is outstanding.

Law and Economics Fellows Discussion Paper Series. This collection of scholarly works by student fellows complements the Faculty Paper Discussion Series. During the past
academic year, three research papers (two of them winners of the HLS AY16 John M. Olin Student Writing Prize in Law and Economics) were added to the series.

**Journal of Legal Analysis.** Professors J. Mark Ramseyer and Steven Shavell launched the nation’s first peer-reviewed journal with a broad legal focus, the *Journal of Legal Analysis* ([https://ojs.hup.harvard.edu/index.php/jla](https://ojs.hup.harvard.edu/index.php/jla)), published by Oxford University Press, in the winter of 2009. Support for the journal is provided primarily by the Terence M. Considine Family Foundation. The journal’s editorial board includes Harvard Law School faculty members Louis Kaplow, Kathryn Spier, and Adrian Vermeule.

**Program on Corporate Governance.** The Program on Corporate Governance seeks to contribute to policy, public discourse, and education in the field of corporate governance. It seeks to advance this mission in two inter-related ways: 1. **Bridging the gap between academia and practice:** The Program seeks to foster interaction between the worlds of academia and practice that will enrich both. Such interaction enables academic researchers to better understand the issues and the environment facing practitioners, thereby facilitating research that will be more relevant for practice. Interaction between academia and practice also keeps public and private decision-makers better informed about research activities in corporate governance, and enhances the public discourse on corporate governance. 2. **Fostering policy-relevant research:** The Program fosters empirical and policy research that sheds light on corporate governance questions facing public and private decision-makers. By providing relevant research that is grounded in the best methods of academic research, such projects can have an important impact on decision-making and public discourse in the field.

The Program’s director is Professor Lucian Bebchuk. Other Harvard Law School faculty members contributing to its activities during 2015-16 were Robert Clark, John Coates, Alma Cohen, Allen Ferrell, Jesse Fried, Oliver Hart, Howell Jackson, Reinier Kraakman, Mark Ramseyer, Mark Roe, Robert Sitkoff, Holger Spamann, Leo Strine, Jr., and Guhan Subramanian. Also contributing to the Program’s activities were its Senior Fellows, Alon Brav, Stephen Davis, Assaf Hamdani, Oliver Hart, Ben W. Heineman, Jr., Robert J. Jackson, Jr., Wei Jiang, Lewis Kaden, and Robert Pozen.

**Law and Economics Seminar.** At these seminars, which are held weekly, research papers are presented to an audience of HLS students as well as HLS and other faculty. During AY 2015-2016, 24 professors presented papers at the seminar.

**Thursday Evening Law and Economics Seminar for Students.** These seminars provide students with the opportunity to present their own work to the Law and Economics Seminar students and to the HLS faculty. The seminars have proved to be very popular and valuable to students, especially those who plan to pursue academic careers. This past year, six students presented their work at the seminars.

**Law, Economics, and Organization Research Seminar.** This seminar is co-sponsored by Harvard Law School and Harvard Department of Economics. At the seminar, more technical research work in law and economics is presented to HLS and Economics Ph.D. students and to the HLS and Harvard Department of Economics faculty. During AY 2015-2016, 16 research papers were discussed.
Conferences. The Center sponsors conferences on topics in law, economics, and business, at which scholars meet with colleagues from other universities to present and discuss work-in-progress. Conferences play a key role in generating new ideas among academics and practitioners in the world of law and business. The 2016 Annual Meeting of the American Law and Economics Association (ALEA) co-founded by the Center’s Director, Professor Steven Shavell, took place this past May. Professor Kathryn Spier, who was President of the Association, presided over the meeting, at which HLS law and economics faculty and two AY16 Olin Center Fellows, Meirav Furth and Kobi Kastiel, presented their work.

A.2. Contributions to the HLS Teaching Program

Courses with an economic orientation: Courses that have an economic orientation and that are taught by HLS faculty who have been affiliated with the Center in various ways include the following:

LAW AND ECONOMICS
- Law, Economics and Psychology, Oren Bar-Gill
- Seminar: Law and Economics, Louis Kaplow and Steven Shavell
- Economic Analysis of Law, Steven Shavell
- Seminar: Law, Economics, and Organizations, Louis Kaplow, Lucian Bebchuk and Kathryn Spier
- Seminar: Behavioral Economics, Law, and Public Policy, Cass Sunstein

CONTRACTS
- Consumer Contracts, Oren Bar-Gill and Florencia Marotta-Wurgler
- Contracts 4, Oren Bar-Gill

CORPORATIONS AND FINANCE
- Topics in Mergers and Acquisitions, John Coates
- Securities Litigation, Allen Ferrell
- Law and Finance of Start-Up Companies, Allen Ferrell and Richard Forrest
- Venture Law and Finance, Jesse Fried
- Federal Budget Policy, Howell Jackson
- Introduction to Securities Regulation, Howell Jackson
- Regulation of Financial Institutions, Howell Jackson and Margaret Tahyar
- Antitrust Law, Louis Kaplow
- Seminar: Insider Share Ownership, Management Compensation, and CEO Turnover in U.S. Public Corporations, Reinier Kraakman
- Seminar: Management Turnover in the S&P 500, Reinier Kraakman
- Corporations, Reinier Kraakman
- Corporations, J. Mark Ramseyer
- Bankruptcy, Mark Roe
- Seminar: Comparative Corporate Governance, Mark Roe
- Corporate Governance and Finance of the Public Firm, Mark Roe
• Deals, Guhan Subramanian
• Seminar: Law and Business, Guhan Subramanian
• Seminar: Current Issues in Corporate Governance, Jesse Fried

TAXATION
• Taxation, Mihir Desai

OTHER
• Trusts and Estates, Robert Sitkoff
• Analytical Methods for Lawyers, Kathryn Spier
• Business Strategy for Lawyers, Kathryn Spier

Analytical Methods for Lawyers course and textbook. This law school casebook was developed by a team of professors at Harvard Law School to introduce students with little or no quantitative background to the basic analytical techniques that attorneys need to master to represent their clients effectively. It presents clear explanations of decision analysis, games and information, contracting, accounting, finance, microeconomics, economic analysis of the law, fundamentals of statistics, and multiple regression analysis. Enrollment in the course at Harvard Law School for the Fall 2015 semester was 56.

Mentoring of students who wish to become academics. A major objective of the Center is to train students to become academics. This past year, five former Fellows have made notable strides on that path.

• Yonathan Arbel – SJD ’16 at Harvard Law School and an Olin Center Fellow in Law and Economics from AY10 to AY15. Following a postdoctoral and teaching fellowship at Harvard Law School, Yonathan is spending the current academic year as a Visiting Assistant Professor at Villanova University where he teaches a course on Contracts and the Advanced Contracts Seminar. He is an expert on contracts, commercial law, torts, and consumer law and uses economic, sociological and empirical analysis to study and illuminate the implications of enforcement for substantive law. His work was published or being considered for publication, in law reviews, peer review journals and books.
• Janet Freilich – Janet received her JD magna cum laude from Harvard Law School in 2012 where she was an AY12 Olin Center Fellow in Law and Economics. In AY17, Janet joined the faculty of Fordham University School of Law as an Associate Professor of Law. Her area of research is in patent law, with a focus on the life sciences. At Fordham, Janet will teach Patent Law; Intellectual Property and Civil Procedure.
• Rachel Sachs – Rachel earned her JD in 2013 magna cum laude from Harvard Law School, where she was a Fellow with both the John M. Olin Center for Law, Economics, and Business and the Petrie-Flom Center. In AY17, Rachel was appointed an Associate Professor at the
Washington University in St. Louis School of Law. Her primary research interests lie at the
tersection of patent law and health law, with a particular focus on problems of innovation and
access and the ways in which law helps or hinders these problems. At Washington University,
Rachel will continue to teach and research in these areas.

- Roy Shapira – SJD ’14 at Harvard Law School and a John M. Olin Fellow from AY10
through AY14, Roy spent AY16 working most of the time as the Research Director at the
Stigler Center (University of Chicago Booth School of Business). In AY17, he joined the
faculty of the Radzyner Law School at IDC Herzliya in Israel while continuing his work
with the Neaman Institute, an Israeli public policy think tank, on a project on economic
regulation in Israel. (IDC Herzliya a non-profit organization modeled after American Ivy
League universities, an academic institution that has become a successful pioneering
model.) Roy has also signed a book contract with Cambridge University Press for a book
on Law and Reputation.

Thursday Evening Law and Economics Seminar for Students. As was mentioned
above, this component of the Law and Economics Seminars gives students the opportunity to
present their own work to the seminar students and to faculty. It has proved to be very popular.
This past year, seven current or former fellows presented.

A.3. Participation of HLS Students in Program Activities

The Center’s student activities are as follows:

- John M. Olin Student Fellowships. Law students who are selected as John M. Olin
Fellows in Law and Economics make a significant commitment of time and effort to research
and writing in the area of law and economics and are supposed to produce a substantial paper by
the end of the fellowship period. They also attend the weekly law and economics seminars and
meet with their faculty advisers to discuss their research. Those fellows whose main interest is
on corporate governance are partially supported by the Program on Corporate Governance.
During AY 2015-2016, four students were awarded John M. Olin fellowships in Law and
Economics.

- Terence M. Considine Graduate and Postgraduate Fellowships. The purpose of these
fellowships is to contribute further to the training of individuals planning an academic career in
law and economics. Fellows are chosen with this goal in mind, and candidates must exhibit high
productivity and achievement. Fellows must be students at Harvard Law School or in an
advanced degree program at Harvard University. We recently began to offer Considine
fellowships with a focus on corporate governance, co-supported by the Program on Corporate
Governance. During AY 2015-2016, there were four Terence M. Considine fellows in Law and
Economics and one Terence M. Considine Fellow in Corporate Governance.

- John M. Olin Research Assistantships. This is an important program, because it fosters
interaction between faculty and students, and redounds to the benefit and greater productivity of
both. Over AY 2015-2016, nine Harvard Law School JD and SJD students participated in the
program on a consistent basis contributing to the Center’s research initiatives and significantly
advancing its academic pursuits.
**John M. Olin Prizes.** John M. Olin Prizes in the amount of $1,000 are awarded for outstanding student papers in law and economics. HLS faculty may nominate papers for a prize, and usually one, two, or three papers receive prizes in a given year. Two prizes were awarded this past year: Ledina Gocaj, JD ’16, for “Living with Money Market Fund Reform” and Michael Morelli, JD ’16, for “Regulating Secondary Markets in the High Frequency Age: A Principled and Coordinated Approach.”

**Conferences and Special Events.** Student fellows often attend the conferences we sponsor here at Harvard Law School. Also, the Center frequently pays the travel expenses of fellows who have been invited to present papers at professional meetings elsewhere. Annual meetings of the American Law and Economics Association (ALEA) are traditional venues where John M. Olin past and current fellows (along with the Center’s Harvard Law School faculty) present their scholarly work. In AY 2015-2016, the Twenty-Sixth ALEA Annual Meeting was held on home turf at HLS, and the papers of two current fellows, Meirav Furth and Kobi Kastiel, were among those selected for presentation (the Center supported their expenses associated with participation in this event).

**Law & Economics Seminar.** As noted, these seminars provide HLS students with an opportunity to hear presentations of scholarly work and to engage in discussion with faculty presenters.

**Thursday Evening Law and Economics Seminar for Students.** As noted, this seminar gives students an opportunity to present their own work to seminar students and to the HLS faculty.

**Law, Economics, and Organization Research Seminar.** As noted, this seminar, which is co-sponsored by the Department of Economics at Harvard, provides HLS students with the opportunity to hear presentations of more technical research work on law and economics.

A.4. **Collaborations with Other Schools and Departments at Harvard University**

**Law and Economics course for Spanish legal academics.** For the past ten years, the Center has hosted a week-long law and economics course for Spanish legal academics. The course is supported by the Universidad Complutense de Madrid and the Rafael Del Pino Foundation. Last year, the number of Spanish students in the course was 32, and the HLS teaching faculty were Steven Shavell, Oren Bar-Gill, Jesse Fried, John Coates and Louis Kaplow.

**Law, Economics, and Organization Research Seminar.** As has been mentioned, this is a joint seminar co-sponsored and co-taught by Harvard Law School and the Harvard Department of Economics.
Joint Degree Program. HLS has a JD/PhD program with the Harvard Department of Economics enabling the increasing number of students with interests in law and economics to obtain training in both subjects.

B. Plans for Academic Year 2016-2017

In AY 2016-2017, the Center’s intention is to continue strengthening its effort in all the areas outlined in this report, aiming to maintain a sustained strong presence in the national and international law and economics community through teaching, mentoring, scholarly research and financial support of outstanding young talent.
C. Additional Information

Responses to specific informational requests are given here.

*To the extent practical, please include an estimate of the number of students that participated in your activities in the past year and the nature of that participation.*

Student participation in Olin-sponsored activities is substantial. Here is a summary of their participation during AY 2015-2016:

**Fellowships, Research Assistantships, Prizes**
- Student Fellowships (AY): Olin-4; Considine-4; Considine/Corporate Governance-1
- Research Assistantships: 15
- Prizes: 2

**Attended Courses**
- Analytical Methods for Lawyers (fall): 56
- Economic Analysis of Law: 44
- Law & Economics Seminar (fall): 18
- Law & Economics Seminar (spring): 29
- Law, Economics, and Organization Research Seminar (fall only): 2
- Law, Economics, and Organization Research Seminar (spring only): 2
- Law, Economics, and Organization Research Seminar (entire year): 1

**Presented at Seminars**
- Thursday Evening Seminars: 7

**Attended or Presented at Annual Meetings in USA and Abroad:**
- Two fellows, American Law and Economics Association (ALEA) Annual Meeting

**Contributed to John M. Olin Discussion Paper Series:**
- One current Olin Center Fellow and two HLS students (both JD ‘16) authored papers in the Fellows’ Discussion Paper Series.

**Space Plans**

During AY16, the Center occupied a one-room office space in Langdell 175-I. This switch to a smaller and less costly working area that was effected in AY14 lent itself to significant reduction in rental costs, as well as other incidentals, associated with occupying Harvard-owned premises. We anticipate maintaining the same economical arrangement which is beneficial for the Center and results in a significant positive long-term impact on our balance sheet.