

Αριστείδης Ν. Χατζής
Αναπληρωτής Καθηγητής
Φιλοσοφίας Δικαίου & Θεωρίας Θεσμών

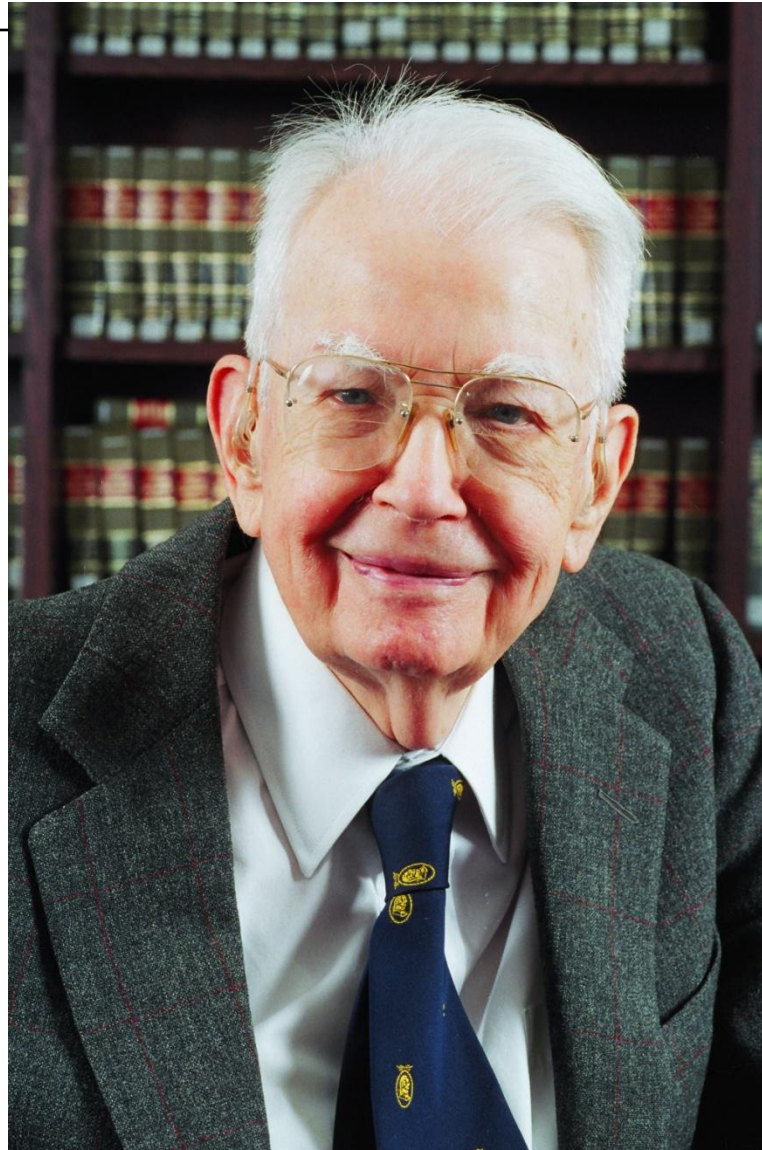
Η ελεύθερη αγορά και τα όριά της στο έργο του Ronald Coase



ΕΘΝΙΚΟ ΚΑΙ ΚΑΠΟΔΙΣΤΡΙΑΚΟ
ΠΑΝΕΠΙΣΤΗΜΙΟ ΑΘΗΝΩΝ
Τμήμα Μεθοδολογίας, Ιστορίας
και Θεωρίας της Επιστήμης

Ινστιτούτο Διπλωματίας & Διεθνών Εξελίξεων
19 Δεκεμβρίου 2013

Ronald Coase (1910-2013)



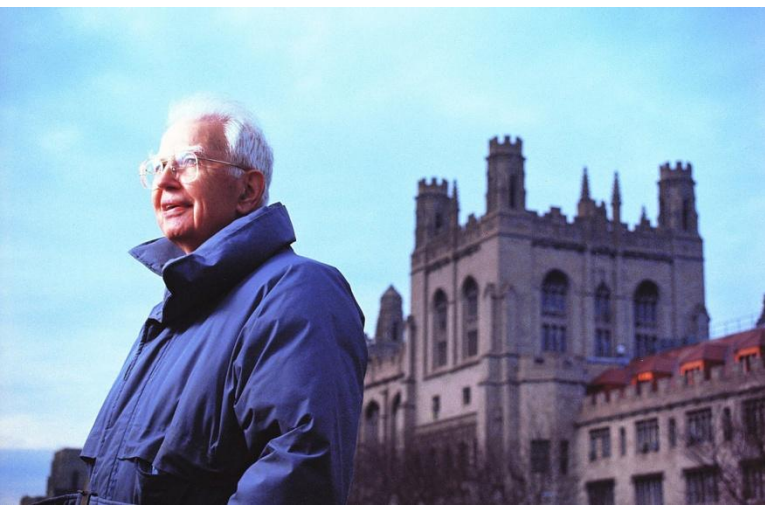




TABLE I.
MOST-CITED LAW REVIEW ARTICLES OF ALL TIME
COMPILED BY FRED R. SHAPIRO

1. 5157 R.H. Coase, *The Problem of Social Cost*, 3 J.L. & ECON. 1 (1960).
2. 3678 Samuel D. Warren & Louis D. Brandeis, *The Right to Privacy*, 4 HARV. L. REV. 193 (1890).
3. 3138 O.W. Holmes, *The Path of the Law*, 10 HARV. L. REV. 457 (1897).
4. 2771 Gerald Gunther, *The Supreme Court, 1971 Term—Foreword: In Search of Evolving Doctrine on a Changing Court: A Model for a Newer Equal Protection*, 86 HARV. L. REV. 1 (1972).
5. 2343 Herbert Wechsler, *Toward Neutral Principles of Constitutional Law*, 73 HARV. L. REV. 1 (1959).
6. 1980 Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 HARV. L. REV. 1089 (1972).
7. 1874 Charles A. Reich, *The New Property*, 73 YALE L.J. 733 (1964).
8. 1794 Charles R. Lawrence III, *The Id, the Ego, and Equal Protection: Reckoning with Unconscious Racism*, 39 STAN. L. REV. 317 (1987).
9. 1701 William J. Brennan, Jr., *State Constitutions and the Protection of Individual Rights*, 90 HARV. L. REV. 489 (1977).
10. 1653 Robert H. Bork, *Neutral Principles and Some First Amendment Problems*, 47 IND. L.J. 1 (1971).

TABLE 6
THE MOST-CITED LEGAL SCHOLARS
Compiled by Fred R. Shapiro

Most-cited legal scholars:	
Richard A. Posner	7,981
Ronald Dworkin	4,488
Oliver Wendell Holmes, Jr.	3,665
John Hart Ely	3,032
Roscoe Pound	3,018
Herbert Wechsler	3,011
Lon L. Fuller	2,957
Alexander M. Bickel	2,935
Archibald Cox	2,915
Guido Calabresi	2,887
Harry Kalven, Jr.	2,872
Richard A. Epstein	2,819
Lawrence M. Friedman	2,723
Henry M. Hart, Jr.	2,713
Cass R. Sunstein	2,701
Robert H. Bork	2,586
Bruce A. Ackerman	2,547
Karl N. Llewellyn	2,539
Louis L. Jaffe	2,452
Gerald Gunther	2,440
Frank Easterbrook	2,432
Frank I. Michelman	2,373
Felix Frankfurter	2,338
Louis Henkin	2,191
Duncan Kennedy	2,166
Grant Gilmore	2,145
Henry J. Friendly	2,123
Charles A. Reich	1,991
Mark V. Tushnet	1,989
Owen M. Fiss	1,971
William M. Landes	1,969
Catharine A. MacKinnon	1,958
Thomas I. Emerson	1,949
Marc Galanter	1,798
Charles L. Black, Jr.	1,785
Joseph Goldstein	1,762
Myres S. McDougal	1,738
William W. Van Alstyne	1,738
Steven Shavell	1,691
Edward S. Corwin	1,659
Philip B. Kurland	1,629
Albert A. Ehrenzweig	1,628
Erwin N. Griswold	1,592
Richard B. Stewart	1,572
Geoffrey C. Hazard, Jr.	1,538
Daniel A. Farber	1,536

THE JOURNAL OF LEGAL STUDIES

TABLE 6 (*Continued*)

Most-cited younger scholars (age 50 or under): ^a	
Cass R. Sunstein (1954)	2,701
Frank H. Easterbrook (1948)	2,432
Daniel A. Farber (1950)	1,536
A. Mitchell Polinsky (1948)	1,245
Daniel R. Fischel (1950)	1,095
William N. Eskridge, Jr. (1951)	1,071
Jonathan R. Macey (1955)	1,051
Martha Minow (1954)	1,021
Akhil R. Amar (1958)	859
Lewis A. Kornhauser (1950)	854
Most-cited very young scholars (age 40 or under): ^a	
Akhil R. Amar (1958)	859
Ian Ayres (1959)	598
Kimberlé W. Crenshaw (1959)	550
Kathryn Abrams (1958)	310
Angela P. Harris (1961)	287

^a Year of birth is in parentheses.

Μύθοι και λάθη

- Το θεώρημα του Coase περιγράφει έναν κόσμο χωρίς κόστος συναλλαγών
- Ο Coase υπερασπίζεται την ελεύθερη αγορά και την ανάγει στο μοναδικό τρόπο αποτελεσματικής οικονομικής οργάνωσης
- Η ιδέα του Coase προήλθε από παρθενογένεση
- Το κόστος συναλλαγών είναι μόνο το κόστος των συναλλαγών
- Ο Coase είναι μέλος της σχολής του Chicago και των νεοκλασικών οικονομικών

Ο Coase όμως δεν αντιλήφθηκε τη σημασία των ιδεών που παρουσίασε το 1960 καθώς έχει μια ιδιαίτερη στενή προσέγγιση στο αντικείμενο των οικονομικών

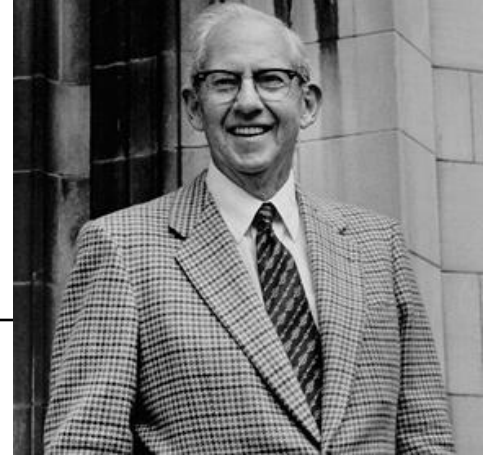
Coase Theorem

When parties can bargain without cost and to their mutual advantage, the resulting outcome will be efficient, regardless of how the property rights are specified. (Pindyck & Rubinfeld 1995)

According to the Coase theorem, if private parties can bargain over the allocation of resources at no cost, then the private market will always solve the problem of externalities and allocate resources efficiently. (Mankiw 2009)

Whenever there are externalities, the parties involved get together and make some set of arrangements by which the externality is internalized, and efficiency ensured. (Stiglitz 1986)

George Stigler



*Under perfect competition private and social costs
will be equal.*

Stigler (1966)

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AARON DIRECTOR

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The Journal of LAW & ECONOMICS

VOLUME II

OCTOBER 1959

THE FEDERAL COMMUNICATIONS COMMISSION*

R. H. COASE
University of Virginia

I. THE DEVELOPMENT OF GOVERNMENT REGULATION

IN THE United States no one may operate a broadcasting station unless he first obtains a license from the Federal Communications Commission. These licenses are not issued automatically but are granted or withheld at the discretion of the Commission, which is thus in a position to choose those who shall operate radio and television stations. How did the Commission come to acquire this power?

About the turn of the century, radio began to be used commercially, mainly for ship-to-shore and ship-to-ship communication.¹ This led to various proposals for legislation. Some of these were concerned with the promotion of

* This article constitutes part of a study of the Political Economy of Broadcasting, the research expenses for which are being met out of a grant from the Ford Foundation. In acknowledging this financial assistance, I should make clear that the Ford Foundation does not necessarily agree with any of the views I express. This article was largely written at the Center for Advanced Study in the Behavioral Sciences, and I am greatly indebted to Mrs. Barbara Anderson for research assistance.

¹ This short account of the development of radio regulation does not call for extensive documentation, but sources are given for all quotations and in other cases where they might be difficult to identify. I found the following books and the references contained therein particularly helpful: H. P. Warner, *Radio and Television Law* (1948), and L. F. Schmeckebier, *The Federal Radio Commission* (1932).

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The Journal of LAW & ECONOMICS

VOLUME III

OCTOBER 1960

THE PROBLEM OF SOCIAL COST

R. H. COASE
University of Virginia

I. THE PROBLEM TO BE EXAMINED¹

THIS paper is concerned with those actions of business firms which have harmful effects on others. The standard example is that of a factory the smoke from which has harmful effects on those occupying neighbouring properties. The economic analysis of such a situation has usually proceeded in terms of a divergence between the private and social product of the factory, in which economists have largely followed the treatment of Pigou in *The Economics of Welfare*. The conclusions to which this kind of analysis seems to have led most economists is that it would be desirable to make the owner of the factory liable for the damage caused to those injured by the smoke, or alternatively, to place a tax on the factory owner varying with the amount of smoke produced and equivalent in money terms to the damage it would cause, or finally, to exclude the factory from residential districts (and presumably from other

¹ This article, although concerned with a technical problem of economic analysis, arose out of the study of the Political Economy of Broadcasting which I am now conducting. The argument of the present article was implicit in a previous article dealing with the problem of allocating radio and television frequencies (The Federal Communications Commission, 2 J. Law & Econ. [1959]) but comments which I have received seemed to suggest that it would be desirable to deal with the question in a more explicit way and without reference to the original problem for the solution of which the analysis was developed.

Coase Theorem (the *positive* version)

*The ultimate result (which maximizes the value of production) is **independent of the legal position if the pricing system is assumed to work without cost.** [...] With costless market transactions, the decision of the courts [...] would be without effect on the allocation of resources.*

(Coase 1960)



Coase (1960)

*This is of course, a
very unrealistic
assumption.*



Stigler (1972)

*The world of zero transaction costs **turns out to be as strange as the physical world would be without friction.** Monopolies would be compensated to act like competitors, and insurance companies would not exist.*



A world that doesn't really exist

*When there are no costs of making transactions, it costs nothing to speed them up, so that **eternity can be experienced in a split second.***

It would not seem worthwhile to spend much time investigating the properties of such a world.



The missing factor

*The world of zero transaction costs has often been described as a Coasian world. **Nothing could be further from the truth.** It is the world of modern economic theory, one which I was hoping to persuade economists to leave. [...]*

*The reason why economists went wrong was that their theoretical system did not take into account a factor which is essential if one wishes to analyze the effect of a change in the law on the allocation of resources. This **missing factor** is the existence of transaction costs.*



The failure

*What my argument does suggest is **the need to introduce positive transaction costs** explicitly into economics analysis so that we can study the world that exists.*

This has not been the effect of my article.



The Cost of Market Transactions

Once the costs of carrying out market transactions are taken into account, it is clear that such an rearrangement of rights will only be undertaken when the increase in the value of production consequent upon the rearrangement is greater than the costs which would be involved in bringing it about.



Normative version

*In these conditions, the initial delimitation of legal rights **does have an effect** on efficiency with which the economic system operates.*

*The problem is one of **choosing the appropriate social arrangements** for dealing with the harmful effects.*

Coase (1960)



Regulation?

[f]or anything approaching perfect competition to exist, an intricate system of rules and regulations would normally be needed.

Alternatives to market!

*It is clear that **an alternative form of economic organization** which could achieve the same results at less cost than would be incurred by using the market would enable the value of production to be raised. [!!!!]*

The Nature of the Firm (1937)

- Markets vs. Hierarchies
- Firm as a nexus of contracts

*The main reason why it is profitable to establish a firm would seem to be that there is **a cost of using the price mechanism.***

*We may sum up [...] the argument by saying that the operation of a market costs something and that, by forming an organization and allowing some authority (an "entrepreneur") to direct the resources, certain **marketing costs** are saved.*



Transaction cost economics

*The solution was to realize that there were costs of making transactions in a market economy and that **it was necessary to incorporate them into the analysis**. This was not done in economics at that time – nor, I may add, is it in most present-day economic theory.*



Market – Firm - Government

*Direct governmental regulations will not necessarily give better results than leaving the problem to be solved by the market of the firm. But equally, **there is no reason** why, on occasion, such governmental administrative regulation should not lead to an improvement in economic efficiency.*

Rudolf von Jhering



Der Zweck im Recht (1877-1883)

Δεν υπάρχουν φυσικά δικαιώματα (δικαιώματα δηλαδή που συνδέονται με τη φύση του ανθρώπου) αλλά ζωτικά συμφέροντα και ανάγκες. Όταν αυτά τα συμφέροντα και οι ανάγκες έρχονται σε σύγκρουση μεταξύ τους το δίκαιο θα πρέπει να επιλέξει ποια από αυτά θα προστατεύσει. Με την προστασία που θα τους δώσει θα τα μετατρέψει σε δικαιώματα. Τα δικαιώματα λοιπόν είναι ουσιαστικά εννόμως προστατευόμενα συμφέροντα.

[We are dealing with a problem of a reciprocal nature - Coase]

Δικαίωμα είναι η εξουσία που παρέχει η έννομη τάξη στο πρόσωπο, προκειμένου αυτό να πραγματοποιήσει το βιοτικό του συμφέρον. [Γεώργιος Μπαλής, Γενικές Αρχές §22]

Θεώρημα του Coase

- Όταν τα έξοδα συναλλαγής είναι μηδενικά (ή πολύ χαμηλά) τα μέρη, αν διαπραγματευτούν, θα καταλήξουν στην αποτελεσματική κατανομή των πόρων ανεξάρτητα από την κατανομή των δικαιωμάτων από το δίκαιο.*
- Όταν τα έξοδα συναλλαγής είναι τόσο υψηλά ώστε να καθιστούν ανέφικτη την διαπραγμάτευση, η αποτελεσματική κατανομή των πόρων θα εξαρτηθεί από την κατανομή των δικαιωμάτων από το νομικό σύστημα.*

Coase (1960)

The Cost of Market Transactions Taken into Account

- Δεν υπάρχει μόνο το κόστος παραγωγής αλλά και το κόστος συναλλαγών
 - Κόστος έρευνας (*search cost*) και συγκέντρωσης της πληροφόρησης (*information cost*)
 - Κόστος διαπραγμάτευσης (*bargaining cost*)
 - Κόστος εφαρμογής (*enforcement cost*) και επίβλεψης (*monitoring cost*)



Εξέλιξη της έννοιας

Από κόστος συναλλαγών (*cost of market transactions*)

Εμπόδια στις συναλλαγές (barriers to transactions)

Εμπόδια στη δημιουργία πλεονάσματος /
εμπόδια στην αύξηση της κοινωνικής
ευημερίας

Τι είναι το TC;

- Όχι μόνο το κόστος των συναλλαγών (το **ενδογενές κόστος της αγοράς**) αλλά και
 - Άλλα εμπόδια στη συναλλαγή
 - Strategic behavior
 - Opportunism
 - Coordination cost
 - Market Power
 - Informational asymmetries
- Δηλαδή **όλα τα εμπόδια στην αποτελεσματική κατανομή των πόρων** (δικαιωμάτων)

Θεσμικά εμπόδια

- Κανόνες κοινωνικής συμπεριφοράς (*social norms*)
 - «Αναποτελεσματικοί» άτυποι κανόνες
 - Φοροδιαφυγή
 - Απουσία «αποτελεσματικών» άτυπων κανόνων
 - Εμπιστοσύνη (trust), φήμη, συναλλακτικά ήθη
- Υπερβολική Ρύθμιση
- Υπερβολική Φορολόγηση
- Διαφθορά
 - Ανοχή στη διαφθορά
- Προσοδοθηρία



Cognitive TC

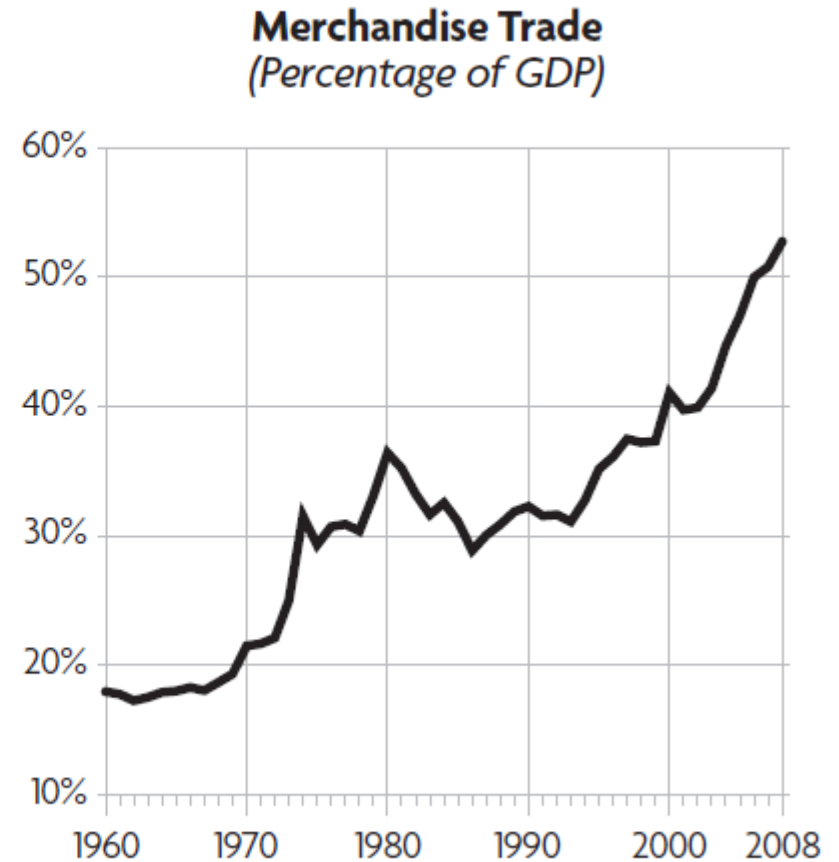
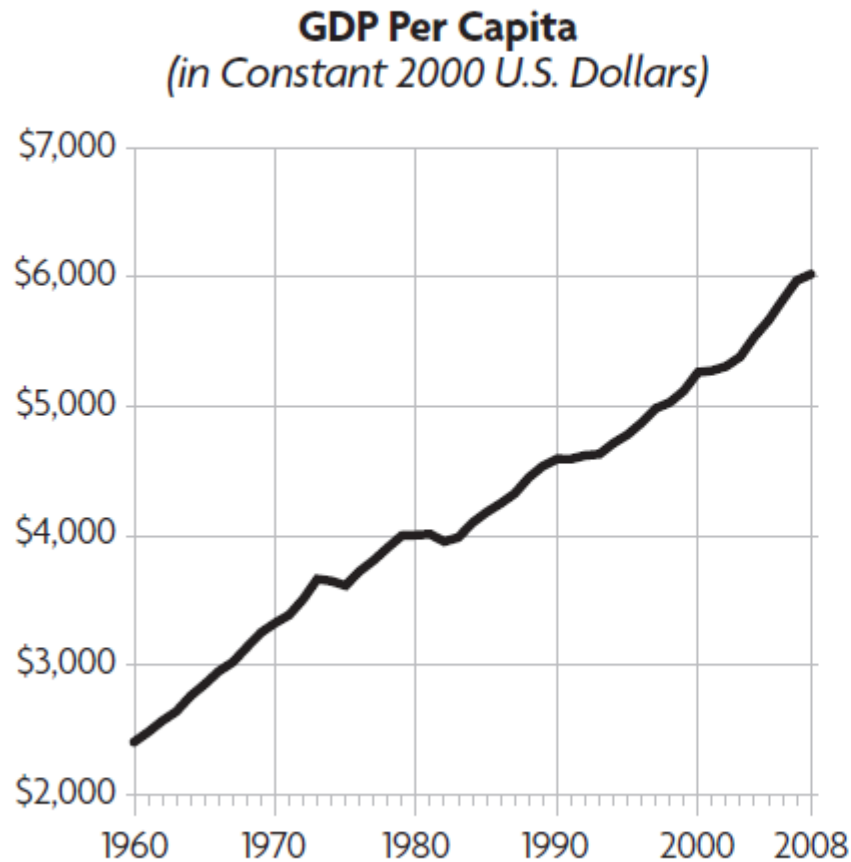
- Endowment effect
- Wealth effect
- Overoptimism
- Hyperbolic discounting
- Inequity aversion
- Path-dependency / Herd Behavior
- Sunk-cost fallacy
- Loss aversion
- Cognitive dissonance / Adaptive preferences



Γιατί τα υψηλά TC αποτελούν σοβαρό πρόβλημα;

- Αυξημένα TC
- ...οδηγούν σε λιγότερες συναλλαγές
- ...υπολειτουργεί ο μηχανισμός της αποτελεσματικής κατανομής των πόρων
- ...δεν δημιουργούνται πλεονάσματα
- ...δεν αυξάνεται ο πλούτος

Global Trade and World GDP Per Capita



Source: World Bank, World Development Indicators Online, at <http://publications.worldbank.org/WDI> (October 19, 2009).

Παγκοσμιοποίηση 1988-2008 (**“the period might have witnessed the first decline in global inequality between world citizens since the Industrial Revolution”**)

Milanovic (2012)

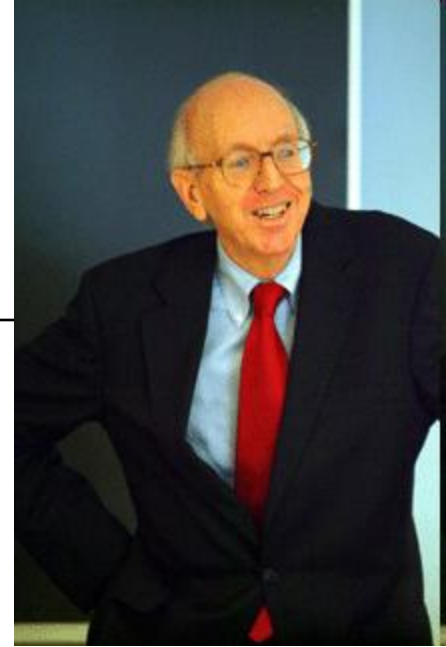
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Coase = Chicago?

This preoccupation of economists with the logic of choice, while it may ultimately rejuvenate the study of law, political science and sociology, **has** nonetheless had, in my view, **serious adverse effects on economics itself.** One result of this divorce of the theory from its subject matter has been that the entities whose decisions economists are engaged in analyzing have not been made the subject of study and in consequence lack any substance. **The consumer is not a human being but a consistent set of preferences.**

Posner on Coase

- *antitheoretical*
- *disdain for theory*
- *dislike of theory*
- *hostile to theory*



*the binding force
of a field of social
investigation is the
subject matter
rather than the
theory*





Coasian/Coasean Dynamics

*Once the costs of carrying out market transactions are taken into account, it is clear that such an rearrangement of rights will only be undertaken **when the increase in the value of production consequent upon the rearrangement is greater than the costs which would be involved in bringing it about.***



Σας ευχαριστώ!



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