



SECTION ON SOCIO-ECONOMICS NEWSLETTER

December 2004

Number 24

Section on Socio-Economics Association of American Law Schools Annual Meeting Program

Thursday January 6, 2005 San Francisco Hilton

Socio-Economics - Culture, Biology, Economics and More

- 8:30 - 8:45 Introduction and Welcoming Remarks
8:45 - 10:05 Plenary Session - "Economics and Culture"
10:05 - 10:15 Break
10:15 - 11:25 Concurrent Sessions
1. Developments in Neuroscience and the Future of the Rational Actor Model
2. Other Paradigms of Economic Thought: Leakage - The Bleeding of the American Economy
3. Socio-Economics and Economic Theory
11:25 - 11:35 Break
11:35 - 12:20 The Future of Socio-Economics
12:30 - 1:45 Socio-Economics Luncheon: Robert Cooter (Law and Economics, Boalt Hall, Cal. Berkeley) "Biology, Law and Economics"

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Program Description

The 2005 Annual Meeting Program of the AALS Section on Socio-Economics will focus on Culture, Biology, and Economics." It will also explore "Developments in Neuroscience and the Future of the Rational Model," "Socio-Economics and Economic Theory." In a continuing series on "Other Paradigms of Economic Thought" the Section will focus on the "Leakage Theory" of scientist Treval Powers (which predicts a potential real annual growth rate for the US economy of greater than 10%). The program is intended not only for specialists, but also for generalists interested in legal education.

The Program is offered to further the Section's long-term goal to encourage and facilitate the inclusion of socio-economic analysis in law teaching by way of (1) courses in law and socio-economics, (2) enriched courses in law and economics, and (3) socio-economic segments in other courses.

With the help of more than twenty-one participants (including nine economists) from twenty member schools and six other schools, the program is offered to demonstrate that socio-economics has important practical consequences in the representation of client interests and the formulation of law-related economic policy and is therefore essential to the professional responsibilities of lawyers and law teachers because it (1) recognizes the importance of the institutions such as law and private property in shaping and understanding economic behavior, (2) draws upon all disciplines necessary and helpful to understanding economic behavior, (3) provides the foundation for a rigorous approach to economic understanding (consistent with the scientific method) that is both paradigm-conscious and value conscious.

9:00 - 10:10 Plenary Session Economics and Culture

This plenary session will address the topic of how culture must be taken into account in law and economic models. Professor Wing's perspective is that of global critical race feminism, with particular expertise in the Muslim world. Professor Porter speaks and writes on sovereign Native American peoples surrounded by an often conflicting set of majoritarian values. Professor Jankovich speaks as an anthropologist with particular expertise in the role traditional Chinese values played in the transition to a market economy.

10:20 - 11:30 Concurrent Sessions

1. Developments in Neuroscience and the Future of the Rational Model

Developments in neuroscience that allow the isolation of the neurochemicals associated with human emotions and charting of the parts of the brain involved in human reactions are creating a much richer picture of human motivation. This panel will consider the impact of these

Socio-Economics Luncheon

12:30 - 1:45 PM

"Biology, Law and Economics."

Robert Cooter

Professor of Law and Economics,
Boalt Hall School of Law, Cal. - Berkeley

developments on (1) the concept of rationality in economics, (2) their potential for contributing to a more accurate model of human behavior, and (3) the implications for law, norm development, and socio-economics.

2 Other Paradigms of Economic: Leakage: the Bleeding of the American Economy

In a book entitled "Leakage: The Bleeding of the American Economy," using readily available data provided by the Statistical Abstracts of the United States and training as a scientist, the Late Dr. Treval Powers, a distinguished research chemist, advances a model and formula that suggests that for many years, the US economy has had an untapped real annual growth potential of eleven per-cent per capita. This is a potential wealth maximization that cannot be predicted or achieved by mainstream law and economic thinking. In this session, two professors of economics and one law professor with Ph. D. in mathematics in the area of economics explore this growth potential and its implications for teaching economic theory. Professors Huang and Kantarellis report on the book; and Professor Wray provides corroborating support for Dr. Power's growth predictions based on his application of Post-Keynesian Economics.

3. Socio-Economics and Economic Theory

According to the definition of socio-economics, socio-economists seek to examine the assumptions of the neoclassical paradigm, develop a rigorous understanding of its limitations, improve upon its application, and develop alternative, perhaps complementary, approaches that are predictive, exemplary, and morally sound. Not surprisingly, there is a range of opinions among socio-economists regarding the relevance and implications of the neoclassical paradigm both in particular contexts and systemically. The panel will offer a range of views on this subject.

11:40 - 12:15 The Future of Socio-Economics

A roundtable of professors of law, economics, and other disciplines actively involved in socio-economic teaching, scholarship and service will share their views on the future of socio-economics.

**Berkeley Conference on Socio-Economics
Boalt Hall School of Law
Berkeley, California
Tuesday, January 4, 2005**

8:30 - 9:00	Continental Breakfast and Reception
9:00 - 9:50	Introductory Plenary: Socio-Economics and Economic Theory
10:00 - 12:00	Morning Sessions
12:15 - 2:00	Lunch: Speaker and Discussion
2:00 - 4:00	Afternoon Sessions
4:15 - 5:00	Concluding Plenary: The Future of Socio-Economics

The Program will begin with a general discussion of the relationship of socio-economics to economic theory. (See definition of Socio-Economics on page 4 of the December issue of *AALS Section on Socio-Economics Newsletter*.) The connection between socio-economics and topics of each of the morning and afternoon sessions will be briefly articulated.

Topics for morning and afternoon sessions include:

- (1) Economic Analysis in Aid of the Economically Disadvantaged
- (2) Corporate Fiduciary and Social Responsibility
- (3) The Economics of Henry George
- (4) Behavioral Economics: with special focus on Corporate and Criminal Culture
- (5) Unutilized Productive Capacity: Part I
The Leakage Theory of Treval Powers
- (6) Unutilized Productive Capacity: Part II
Binary Economics.

The time and sequence of the presentations is yet to be determined.

Participants include: Morris Altman, (Ph.D. Economics, University of Saskatchewan, Editor, *Journal of Socio- Economics*, and President Society for the Advancement of Behavioral Economics); Robert Ashford (Syracuse University, Founder AALS Section on Socio-Economics); William Black (Ph.D. Criminology, University of Texas, LBJ School of Government); June Carbone: (University of Santa Clara); Robert Cooter (Law and Economics, University of California, Berkeley), Professor Fred Foldvary (Ph.D. Economics; University of Santa Clara); David Giesen (Henry George School of San Francisco); Richard Gershon (Dean & Professor of Law, Charleston School of Law); Phillip Harvey (Ph.D. Economics, Rutgers, Camden); James Hawley (Ph.D. Sociology) Center for Fiduciary Capitalism, St. Mary's College, California); Lyman Johnson (Washington and Lee), Demetri Kantarelis (Ph.D. Economics, Assumption College); Richard Marken (Ph.D. Psychology, The Rand Corporation); David Millon (Washington and Lee), (15) Marleen O'Connor; (Stetson University), Valerie Philips (University of Tulsa); Edward Rubin (University of

Conference Registration

\$50 in advance and \$60 on site. Registration includes transportation from and to the San Francisco Hilton, continental breakfast, box lunch, mid-morning and afternoon refreshments.

To register, or for more information, contact: Robert Ashford, Syracuse University College of Law, Tel (315) 677-4680; << rhashford@aol.com >>

Pennsylvania); Cheryl Wade (St. John's University); and Andrew Williams (Ph.D. Economics, Center for Fiduciary Capitalism, St. Mary's College. California).

Stephen Pressman, Professor of Economics at Monmouth University, and Editor of the *Review of Political Economy* and the Ashgate Publishers' book series entitled *Alternative Voices in Contemporary Economics*, has offered to publish an edition of selected papers and proceedings related to this program.

AALS Section on Socio-Economics: Founded in 1997

Chair, Margaret Brinig, University of Iowa; Tel. 319-335-6811; << margaret-brinig@uiowa.edu >> . Chairs -elect James Hackney, Northeastern University, Tel. 617-373-4260 << j.hackney@neu.edu >> and Peter Huang, Minnesota, Tel. 612-626-3070; << phuang@unm.edu >> Robert Ashford, Program Chair, Syracuse University, College of Law, Syracuse New York, 13244; Tel. (315) 677-4680; 443-1111; << rhashford@aol.com >>.

Opinions expressed herein are not necessarily those of the Section and do not necessarily represent the position of the AALS.

Socio-Economics for Judges

Call for Papers

The Section on Socio-Economics is seeking contributions to a collection of papers for a publication entitled "Socio-Economics for Judges." Suggested length is fifteen to thirty double-spaced pages. All those involved in socio-economic scholarship are encouraged to submit papers. The collection is intended for publication either in a symposium issue of a law review or as a book. The deadline for submissions is March 31, 2005. Submissions should be sent to Jeffrey Harrison: << HarrisonJ@law.ufl.edu >>

Definition of Socio-Economics

Socio-economics begins with the assumption that economics is not a self-contained system, but is embedded in society, polity, culture, and nature. Drawing upon economics, sociology, political science, psychology, anthropology, biology and other social and natural sciences, philosophy, history, law, management, and other disciplines, socio-economics regards competitive behavior as a subset of human behavior within a societal and natural context that both enables and constrains competition and cooperation. Rather than assume that the individual pursuit of self-interest automatically or generally tends toward an optimal allocation of resources, socio-economics assumes that societal sources of order are necessary for people and markets to function efficiently. Rather than assume that people act only rationally, or that they pursue only self-interest, socio-economics seeks to advance a more encompassing interdisciplinary understanding of economic behavior open to the assumption that individual choices are shaped not only by notions of rationality but also by emotions, social bonds, beliefs, expectations, and a sense of morality.

Socio-economics is both a positive and a normative science. It is dedicated to the empirical, reality testing approach to knowledge. It respects both inductive and deductive reasoning. But it also openly recognizes the policy relevance of teaching and research and seeks to be self-aware of its normative implications rather than maintaining the mantle of an exclusively positive science. Although it sees questions of value inextricably connected with individual and group economic choices, socio-economics does not entail a commitment to any one paradigm or ideological position, but is open to a range of thinking that treats economic behavior as involving the whole person and all facets of society within a continually evolving natural context.

Unique among interdisciplinary approaches, however, socio-economics recognizes the pervasive and powerful influence of the neoclassical paradigm on contemporary thought. Recognizing that people first adopt paradigms of thought and then perform their inductive, deductive, and empirical analyses, socio-economists seek to examine the assumptions of the neoclassical paradigm, develop a rigorous understanding of its limitations, improve upon its application, and develop alternative, perhaps complementary, approaches that are predictive, exemplary, and morally sound. With modest amendment, this description of socio-economics was the substance of the petition signed by more than one hundred twenty law professors from over fifty AALS member schools, to establish the AALS Section on Socio-Economics. It serves as the constitution of the Section.

Socio-Economic References

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3. Robert Ashford, "Socio-Economics: What Is Its Place in Law Teaching?" *Wisconsin Law Review*, Volume 1997, p. 611-623.
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10. Lynne Dallas, *Law and Public Policy: A Socio-Economic Approach* (2004).