CCCL Legal Research Talk: Introudction to Empirical Law and Economics (22 Feb 2023)

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The Centre for Chinese and Comparative Law (CCCL) of the School of Law of the City University of Hong Kong organized an offline and online legal research talk on 22 February 2023 to assist students in developing an understanding of empirical law and economics. Dr. LAI Sin Chit Martin has been invited as a guest speaker to introduce the reverse causality problem researchers face and a research method called different in different analyses.

The seminar kicked off with a welcoming speech by **Professor Wang Jiangyu**, Director of the CCCL.

Dr. LAI Sin Chit Martin is an assistant professor at the City University of Hong Kong. Martin specializes in Competition Law and Law & Economics, with a particular interest in enforcement-related issues. His research has appeared in respected journals such as the Journal of Competition Law and Economics, the University of Pennsylvania Journal of Business Law, and the Berkeley Business Law Journal. Martin has received his BEcon & Fin and MEcon from the University of Hong Kong, Juris Master from Tsinghua University, and LLM and SJD from the University of Pennsylvania. Martin also received some European Union competition law training from the University of Munich.

Dr. LAI first gave the definition of economics at the beginning of the talk. He stated that economics is a positive science that follows some universal patterns and explains why events happen in the ways they do and predicts the occurrence of similar events in the future. He then explained the importance of empirical law and economics, using an example of a region willing to increase the minimum wage. He provided more examples of the correlation between two variables on the graph, such as unemployment rate and minimum wage, crime rate and the number of policies, gross domestic product and the number of private antitrust enforcement, crime rate and level of fine. With a regression analysis which could be done by STATA or Python or even Excel programs, the most crucial advantage is controlling for other variables and checking if the correlation is statistically significant. Turning the focus on calculating casual effect, there are several ways to do so such as randomized control experiments and difference-in-difference analysis. The latter method compares the changes in outcomes over time between a

population enrolled in a program (the treatment group) and a population that is not (the control group). Last but not last, he suggested a few main takeaways: correlation is not equal to causation; difference-in-difference is a method to identify causal relationships; the choice of the control group affects the quality and reliability of the analysis; and it is difficult to find a good control group in practice, especially at the national level.

After Dr. LAI's thought-provoking speech, we moved on to a discussion session led mainly by Professor Wang Jiangyu, who presented his insightful views on writing skills. The majority of attendees jumped on the opportunity to express their opinions, many of which were thoughtful and innovative. The seminar concluded with a closing speech by Professor Wang, who thanked the speaker for his valuable contributions and all the participants for their attendance, which made the seminar a fruitful one.