



NEWS RELEASE

New book explores key ideas of UCLA School of Economics including role of property rights in economy

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For immediate release

VANCOUVER—A new book about the economics department at the University of California, Los Angeles (UCLA), which gained prominence during the last few decades of the 20th century and remains influential today, spotlights the school’s history and impact on the study of economics.

Published by the Fraser Institute, [*The Essential UCLA School of Economics*](#) is accompanied by a website and animated videos.

“By focusing on the role of institutions, particularly property rights, regulation, the legal system and social norms—and how they guide and influence the economy—the UCLA School distinguished itself from most other economics programs,” said the book’s co-author David R. Henderson, professor emeritus of economics at the Naval Postgraduate School in California and senior fellow of the Fraser Institute.

The UCLA School’s approach became known as New Institutional Economics, which essentially began in 1946 when economist Armen Alchian joined the department. Rather than favour increased government intervention in the economy (the common trend in economics at the time), Alchian’s work showed how well-defined property rights with entrepreneurs and businesses seeking profits, most effectively aligned the interests of consumers and producers.

Harold Demsetz, another key member of the UCLA School, also routinely challenged contemporary wisdom after joining UCLA in 1971. For example, due to a common perception that business size equalled power, governments heavily regulated large firms and prevented them from buying their competitors. Demsetz explained that large firms were often more profitable simply because they were more efficient—not because of their large size.

Finally, UCLA economist Sam Peltzman argued against the efficacy of government regulation, noting that the complex nature of human behaviour makes it impossible for regulators to anticipate all the consequences of regulation. In fact, one of Peltzman’s key observations—that making things “safer” causes people to take more risks—is now known as the “The Peltzman Effect.”

“To this very day, the UCLA School’s tradition carries on in the work of hundreds of economists,” said the book’s co-author Steven Globerman, professor emeritus at Western Washington University and resident scholar of the Fraser Institute.

At www.EssentialUCLAEconomics.org, you can download the complete book and individual chapters for free and view several short videos summarizing key points of individual chapters. The videos are also available on the Fraser Institute’s YouTube [channel](#).

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