



Recognizing and Reacting to Market Failure

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By: Thomas A. Lambert

It doesn't happen often, but markets can fail. Markets usually work with almost [uncanny](#) efficiency, but free market proponents should recognize failure when it happens so that government intervention—which is almost always inefficient and often backfires—occurs only when absolutely necessary.

Award-winning legal scholar, teacher, and University of Missouri Law Professor Thomas Lambert recently brought this message to our state in a Show-Me Institute Policy Series. His new book, *How to Regulate: A Guide for Policy Makers*, outlines the narrow circumstances in which markets fail and how regulators should approach the situation—like a doctor carefully considering the risks to the patient before prescribing surgery where a band-aid would suffice.

About the Author



Thomas Lambert

Thomas A. Lambert is the Wall Chair in Corporate Law and Governance and a Professor of Law at the University of Missouri School of Law.

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<https://showmeinstitute.org/blog/regulation/recognizing-and-reacting-market-failure>

Links

[1] <https://showmeinstitute.org/blog/regulation/recognizing-and-reacting-market-failure>

[2] https://www.youtube.com/watch?v=-CqMMxsN_7c

Mission Statement

Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

Show-Me Institute

5297 Washington Place 3645 Troost Avenue

Saint Louis, MO 63108

Kansas City, MO 64109

Phone: (314) 454-0647

Phone: (816) 287-0370

Fax: (314) 454-0667

Email: info@showmeinstitute.org

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