Recognizing and Reacting to Market Failure

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

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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.

Read Online

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

Links

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

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