

SIXTH EDITION

# Law & Economics

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# Preface

**T**his sixth edition of *Law and Economics* arrives as the field celebrates its (roughly) 30<sup>th</sup> birthday. What began as a scholarly niche has grown into one of the most widely used tools of legal analysis. The subject has spread from the United States to many other countries. As scholarship deepens, the concepts in the core of law and economics become clearer and more stable, and new applications develop from the core like biological species evolving through specialization. With each new edition, we continue to refine the explanation of the analytical core and to incorporate new applications selectively as space permits. This edition expands previous discussions of empirical legal studies and behavioral law and economics. As we incorporate new material and respond to the suggestions that so many people have sent us, the book feels more like a symphony and less like a duet. We hope that you enjoy reading this book as much as we enjoyed writing it.

The book continues to cover the economic analysis of the law of property, torts, contracts, the legal process and crimes. Instructors and students who have used previous editions will notice that we have reversed the order in which we treat torts and contracts, and we have divided the material on legal process into two chapters—one on theory and one on topics—in parallel with our treatment of all the other substantive areas of the law. Below we describe what is new in this edition, followed by an account of the book's website.

## **New to This Edition**

The Sixth Edition has been revised and updated to reflect the latest developments in law and economics. Major changes to the text are as follows:

- Tables and graphs have been updated.
- New boxes and suggested readings have been added throughout the text.
- Web Notes have been updated and added.
- Chapter 6 contains additional information on liability and customs in trade.
- Chapter 8 improves the explanation of contractual commitments through a better representation of the principal-agent problem.

- Chapter 9 now includes new material on lapses, vicarious liability, incomprehensible harms, punitive damages, mass torts, medical malpractice, and some behavioral aspects of contract remedies.
- Chapter 10 contains a new treatment of decision making by potential litigants and their lawyers, and new figures and decision trees.
- Chapter 11, a new chapter, combines new material on the legal process and an updated empirical assessment of various aspects of legal disputes.
- Chapter 12 now contains the theoretical material on crime and punishment, updated and clarified.
- Chapter 13 applies the theoretical insights of the previous chapter to wide-ranging policy issues in criminal justice and updates data and information from previous editions.

## Online Resources

The Companion Website presents a wealth of supplementary materials to help in teaching and learning law and economics. “Web Notes” throughout the book indicate the points at which there is additional material on the Companion Website at [www.pearsonhighered.com/cooter\\_ulen](http://www.pearsonhighered.com/cooter_ulen). These notes extend the text presentations, provide guides and links to new articles and books, and contain excerpts from cases. We also include some examples of examinations and problem sets.

An updated *Instructor’s Manual*, reflective of changes to the new edition, will be available for instructors’ reference. The *Instructor’s Manual* is available for download on the Instructor’s Resource center at [www.pearsonhighered.com/irc](http://www.pearsonhighered.com/irc).

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We should also thank the many colleagues and students at other universities who have used our book in their classes and sent us many helpful suggestions about how to improve the book. We particularly thank Joe Kennedy of Georgetown, who has given us remarkably thorough and singularly helpful comments on improvements in the text.

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