

*Law and Development Economics*

By

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ABSTRACT

Why do so many poor countries fail to implement growth-promoting legal reforms? Confused ideas and conflicting interests explain much of the problem. The confusion of ideas comes from development economics, as I will explain through its peculiar history. Extending the economic analysis of law to development economics reduces the confusion in ideas. In the process, law gives something back to economics and corrects the imbalance in trade of ideas between the disciplines. Turning from ideas to interests, economic growth benefits many and harms few. The few who are harmed may be strategically placed to obstruct growth-promoting reforms. Recent history of economic development suggests how to overcome its opponents. This paper is a chapter in a book manuscript on law and development by Robert Cooter and Hans Bernd Schaefer entitled Solomon's Knot.