**The Boundaries of Normative Law and Economics**

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Normative law and economics remains controversial decades after its emergence despite its successes in legal scholarship and its similarity to influential approaches in economics. The reason is that many of its proponents have exaggerated its value for policy while discounting other methods, tainting the enterprise. Normative law and economics as a method of policy analysis properly operates within narrow boundaries defined by its four main premises: (1) welfarism based on unrestricted preferences; (2) unimportance of distributional effects; (3) unimportance of impacts on non-welfare values; and (4) rational instrumental behavior of affected persons. Scholars have made progress in normative law and economics by abstracting away from these premises. The most successful work proposes “modular” insights at a middle level of abstraction. But this work can be properly put to use only if the excluded factors are reintroduced into analysis prior to application.