



Introduction: Tribute to Henry Manne's contributions to law-and-economics

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Dr. Henry N. Manne was a special person. He was a path-breaking scholar, an extraordinarily influential entrepreneur, a successful academic administrator, an energetic participant in a variety of professional enterprises—and a great friend. His successes came in many forms.

For one, Henry was critical to creating the institutional framework for a vibrant academic law-and-economics movement in the United States, beginning with his founding of the Law and Economics Center at the University of Miami, later moved to Emory University in Atlanta, then to George Mason University in the Virginia suburbs of Washington, D.C. The Center held workshops for law professors, training them in the rudiments of economics and later in some of the more subtle lessons of economic analysis with potential import for the law. It also educated economists in the law, expanding the scope of academics contributing to the burgeoning law-and-economics literature. Most notably, the Center pioneered education for judges that focused more on analytics from cognate disciplines and serious inquiry into questions that underlie legal thinking than on seeing that judges were cognizant of the details of recently decided cases or recently altered laws. When Henry became Dean of George Mason's law school, he transformed the institution, infusing his enthusiasm for economics into every aspect of the school—faculty hiring, curriculum reform, and student selection—and raising the school's stature enormously in the process.

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Beyond promoting an expansion of law-and-economics scholarship by others and encouraging its reception by nascent lawyers and the judiciary, Henry was a formidable scholar in his own right. As one of us noted elsewhere:

Manne's early writings explicitly or implicitly embody a startling number of the themes that have animated the past 35 years of law and economics scholarship. Manne built on a rational expectations model. He saw stockholders and managers as parties to a principal-agent compact that runs in both directions, as later works by Fama and by Jensen and Meckling would explain further. Manne understood that information is costly to obtain and that each person has a point at which the cost of searching for additional information is greater than the expected benefit. He saw as well that traders in a market should not be expected to possess identical values or identical information—whether the market is a securities market or any other market—and that traders understood this point and adjusted their behavior to it. Manne accepted that price typically was an efficient mechanism to encapsulate information. And he knew that the best way to get information into the public domain quickly was to provide an incentive for those most likely to have it to act on it. All of these points have become the foundations on which substantial literatures have been built. And all were within Henry's grasp long before they were accepted orthodoxy even in the law and economics camp.¹

Those advances to the scholarly corpus form the backbone of the celebrations of Henry's contributions to law-and-economics in this volume. In particular, his emphasis on viewing conduct as rational and, where multiple parties are involved, more often efficient responses to divergent interests than a means for one person to sabotage others and on private property rights as routinely providing better incentives than regulatory interventions are cited as keystones to the evolution of economically-informed bodies of scholarship in a wide range of fields.

The articles in this issue devoted to Henry's insights encompass environmental law, corporate mergers, insider trading, antitrust enforcement—and constitutional law, a field that Henry wrote about late in his career, bringing a perspective grounded in economics to a problem widely viewed as quintessentially the province of standard legal reasoning. Authors in this issue also considered writing about Henry's commentary on the dynamics of non-profit enterprises, especially academic ones, yet another topic that benefitted from Henry's attention.

Most of all, however, all of us benefitted from Henry's friendship. Beyond being a successful scholar, dean, and academic entrepreneur, Henry was a great devotee of people, investing in them, cultivating friendships with them, promoting them and their careers along with his own. His many contributions to law-and-economics will be valued, and his many kindnesses and enthusiasms will be missed.

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¹ Ronald A. Cass, *Introduction—One Among the Manne: Changing Our Course*, 50 CASE WESTERN RESERVE LAW REVIEW 203, 204–205 (1999) (footnotes omitted).