

## Is a Contract Law Necessary?

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A modern economy requires courts to enforce contracts. Courts cannot enforce unless they can recover the parties' intentions. Hence, a contract law must contain an enforcement mechanism and a set of interpretive rules. Much contract law goes beyond these minimal requirements. The contract laws of advanced states contain default rules and standards, designed to fill gaps in incomplete contracts; mandatory rules that override parties' intentions; and directives to courts to police contracts so that contractual outcomes are fair. This Lecture argues that only the minimal requirements are necessary for a modern economy, and that much of the rest of contract law imposes costs on contracting parties, with almost no offsetting benefits. States need contracts, but not contract law.

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