



Key Points from
In Defense of the Economic Analysis of Regulation

By Robert W. Hahn

- Summary measures of the impact of regulations have made important contributions to our understanding of the regulatory process—a point often overlooked by critics who call for abandoning scorecards measuring costs, benefits, cost savings, lives or life-years saved, cost-effectiveness, and net benefits.
- Making refinements to scorecards rather than wholly rejecting them as an analytical tool could address many of the critics' concerns that the techniques and applications of economic analysis are fundamentally flawed.
- Some of the suggestions made by the critics are legitimate, but many are not. Supporters of economic analysis of regulation agree that placing monetary values on the costs and benefits of regulation is difficult. But that does not mean we should abandon the tool.
- The solution to legitimate concerns raised by the critics is not to eliminate quantitative economic analysis but to gain a deeper understanding of its strengths and weaknesses and to use it wisely.