

## MY REASON FOR SAVING IS A NEST EGG THAT WON'T CRACK.

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# Should States Deregulate the Practice of Law?

There's been a lot of deep thinking going on in the past week about law's little sliver of the gross national product.

The issue: Should the legal business be deregulated? In many states, people need to graduate from an ABA-accredited law school to take the bar exam. And state bars, of course, impose numerous regulations on who can and can't practice law.

Unleash these shackles, the argument goes, and you'd allow a broader array of folks to offer legal services, thus lowering their cost.

Clifford Winston and Robert Crandall cranked up the deregulation talk this week with [this](#) WSJ editorial.

Here's the nut of their argument:



*“The competition supplied by new legal-service providers, who may or may not have some type of law degree and may even work for a non-lawyer-owned firm, will not only lead to aggressive price competition but also a search for more efficient methods to serve clients. Every other U.S. industry that has been deregulated, from trucking to telephones, has lowered prices for consumers without sacrificing quality.”*

Over at the Cato Institute, folks are [on board](#) with the idea of opening up the legal biz to more comers. State unauthorized-practice-of-law regulations, Cato [maintains](#), unnecessarily limit consumer choice.

Ditto [OpenMarket.org](#), which recommends that state lawmakers simplify court procedures so that people can more easily represent themselves in court. “People can represent themselves in small-claims courts, which have simplified procedures, but in many states, such courts can hear only the tiniest legal claims, like those seeking less than \$5,000,” OpenMarket states.

The New York Times, meanwhile, has an [editorial](#) this week noting the oft-cited concern that “most low-income Americans cannot afford a lawyer to defend their legal interests, no matter how urgent the issue.” The Times does not explicitly argue for deregulation, but the editorial does state that nonlawyers should be given broader license to provide certain types of legal services, like processing uncontested divorces.

Case closed? Hardly. State bars obviously would push back mightily against an effort to open up the practice of law, and there are legitimate consumer concerns that arise. How do you adequately police charlatans if barriers to entry are lowered? There are very few cut-and-dried legal matters, some argue, and consumers should be able to trust that when they shell out money for legal services, providers have been vetted and screen relatively rigorously.

Other commenters in the blogosphere have noted that there already is an oversupply of *licensed lawyers*. Do we really need unlicensed folks crashing the party?

For those who want more on this topic (you know who you are), Winston and Crandall, who are fellows at the Brookings Institution, have a book out entitled, "[First Thing We Do, Let's Deregulate All the Lawyers.](#)"

Also, the [Truth on the Market](#) blog has announced a symposium next month on the topic of whether the legal business should be deregulated. Go [here](#) for details.

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