

plied in the setting of the terms and conditions of the transaction. The notion of a market transaction also incorporates the notion of substantive fairness in that such a transaction is deemed to represent an exchange of value for value—hence the notion of "fair market value". Indeed, the very possibility of exchange is seen as allowing each party to be better off than before the trade.

In terms of their roles in societal development, law and economics are in many ways symbionts. Economics, if it be given its due, helps to drive the evolution of our economies. But ever larger, more complex, socioeconomic arrangements generate new problems to be overcome in order that their benefits can be accessed and indeed sustained. Law helps to establish the institutional frameworks that regulate the new forms of social interaction stimulated by developments in the economic sphere. Law provides the disciplines that mediate the frictions that inevitably emerge. And, by injecting its own norms and values into the socioeconomic DNA, law in some sense helps shape the emergent socioeconomic form, allowing it to serve as a more viable base for the erection of the next stages of the socioeconomic edifice.

Let me give a few practical examples from various fields of economics and law.

The term *legal tender* preserves the memory of the transition from metallic to fiat money. As economic growth generated increasingly large incomes and transactions volumes, these outstripped the capacity of the mines and mints to supply what once was known as the "coin of the realm" to meet the resulting demand for a medium of exchange. The institutional development of fiat money was made possible by the legal requirement that it be accepted in fulfillment of debts. A gold sovereign had its own intrinsic value; no law was needed to require its acceptance. Not so with paper. Trust amongst a small group known to each other, as in the Italian financial brokers whose practice of borrowing and lending money through IOUs issued on benches in city squares gave rise to the term "bank" (from the Italian for "bench"), also has its limits. To function in the anonymity of an evolved marketplace, fiat money proved necessary. But eco-