

Contents

<i>List of figures</i>	<i>page</i> viii
<i>List of tables</i>	ix
<i>List of contributors</i>	x
<i>Acknowledgments</i>	xvi

Part I Introduction

1 The economics of contracts and the renewal of economics	3
ERIC BROUSSEAU AND JEAN-MICHEL GLACHANT	
<i>Appendix: Canonical models of theories of contract</i>	31
M'HAND FARES	

Part II Contracts, organizations, and institutions

2 The New Institutional Economics	45
RONALD COASE	
3 Contract and economic organization	49
OLIVER E. WILLIAMSON	
4 The role of incomplete contracts in self-enforcing relationships	59
BENJAMIN KLEIN	
5 Entrepreneurship, transaction-cost economics, and the design of contracts	72
EIRIK G. FURUBOTN	

Part III Law and economics

6 The contract as economic trade	99
JACQUES GHESTIN	
7 Contract theory and theories of contract regulation	116
ALAN SCHWARTZ	

- 8 Economic reasoning and the framing of contract law:
sale of an asset of uncertain value 126
VICTOR P. GOLDBERG
- 9 A transactions-cost approach to the analysis of property
rights 140
GARY D. LIBECAP

Part IV Theoretical developments: where do we stand?

- 10 Transaction costs and incentive theory 159
ERIC MALIN AND DAVID MARTIMORT
- 11 Norms and the theory of the firm 180
OLIVER HART
- 12 Allocating decision rights under liquidity constraints 193
PHILIPPE AGHION AND PATRICK REY
- 13 Complexity and contract 213
W. BENTLEY MACLEOD
- 14 Authority, as flexibility, is at the core of labor contracts 241
OLIVIER FAVEREAU AND BERNARD WALLISER
- 15 Positive agency theory: place and contributions 251
GÉRARD CHARREAU

Part V Testing contract theories

- 16 Econometrics of contracts: an assessment of
developments in the empirical literature on contracting 273
SCOTT E. MASTEN AND STÉPHANE SAUSSIER
- 17 Experiments on moral hazard and incentives: reciprocity
and surplus-sharing 293
CLAUDIA KESER AND MARC WILLINGER

**Part VI Applied issues: contributions to industrial
organization**

- 18 Residual claims and self-enforcement as incentive
mechanisms in franchise contracts: substitutes or
complements? 315
FRANCINE LAFONTAINE AND
EMMANUEL RAYNAUD

19	The quasi-judicial role of large retailers: an efficiency hypothesis of their relation with suppliers BENITO ARRUÑADA	337
20	Interconnection agreements in telecommunications networks: from strategic behaviors to property rights GODEFROY DANG-NGUYEN AND THIERRY PÉNARD	358
21	Licensing in the chemical industry ASHISH ARORA AND ANDREA FOSFURI	373

Part VII Policy issues: anti-trust and regulation of public utilities

22	Inter-company agreements and EC competition law MICHEL GLAIS	395
23	Incentive contracts in utility regulation MATTHEW BENNETT AND CATHERINE WADDAMS PRICE	416
24	Contractual choice and performance: the case of water supply in France CLAUDE MÉNARD AND STÉPHANE SAUSSIER	440
25	Institutional or structural: lessons from international electricity sector reforms GUY L.F. HOLBURN AND PABLO T. SPILLER	463
26	Electricity sector restructuring and competition: a transactions-cost perspective PAUL L. JOSKOW	503

	<i>Bibliography</i>	531
	<i>Index of names</i>	570
	<i>Subject index</i>	579