

## **Topics in the Economics of Organization**

### **Transaction-Cost Economics: Overview**

1. Oliver E. Williamson, *The Economic Institutions of Capitalism*, 1985, chapter 1.
2. Oliver E. Williamson, "Transaction Cost Economics," in Claude Menard and Mary M. Shirley, eds., *Handbook of New Institutional Economics*. Springer, 2005.
3. Harold Demsetz, "The Firm in Economic Theory: A Quiet Revolution," *American Economic Review* 87: 426-429, 1997.

### **The Coasean Approach**

4. Ronald H. Coase, "The Nature of the Firm," *Economica* 4: 386-405, 1937.
5. Steven N. S. Cheung, "The Contractual Nature of the Firm," *Journal of Law and Economics* 26: 1-21, 1983.

### **Moral Hazard, Monitoring, and Measurement Costs**

6. Armen Alchian and Harold Demsetz, "Production, Information Costs, and Economic Organization," *American Economic Review* 62(5): 777-795, 1972.
7. Michael C. Jensen and William H. Meckling, "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure," *Journal of Financial Economics* 3: 305-360, 1976.
8. Bengt Holmstrom and Paul Milgrom, "Multi-Task Principal-Agent Analyses: Linear Contracts, Asset Ownership and Job Design," *Journal of Law, Economics and Organization* 7: 24-52, 1991.

### **Asset Specificity**

9. Benjamin Klein, Robert G. Crawford, and Armen Alchian, "Vertical Integration, Appropriable Rents, and the Competitive Contracting Process," *Journal of Law and Economics* 21(2): 297-326, 1978.
10. Benjamin Klein, "Vertical Integration as Organizational Ownership: The Fisher Body-General Motors Relationship Revisited," *Journal of Law, Economics, and Organization* 4(1): 199-213, 1988.
11. Harold Demsetz, "Vertical Integration: Theories and Evidence," in *Ownership, Control, and the Firm*, 1988.

12. Paul L. Joskow, "Vertical Integration," in Claude Menard and Mary M. Shirley, eds., *Handbook of New Institutional Economics*. Springer, 2005.
13. Peter G. Klein, "The Make-or-Buy Decisions: Lessons from Empirical Studies," in Claude Menard and Mary M. Shirley, eds., *Handbook of New Institutional Economics*. Springer, 2005.

### ***Incomplete-Contracts Theory***

14. Sanford J. Grossman and Oliver D. Hart, "The Costs and Benefits of Ownership: A Theory of Vertical Integration," *Journal of Political Economy* 94: 691-719, 1986.
15. Oliver D. Hart, "Incomplete Contracts and the Theory of the Firm," *Journal of Law, Economics, and Organization* 4(1): 119-140, 1988.
16. Oliver D. Hart, "An Economist's Perspective on the Theory of the Firm," *Columbia Law Review* 89(7): 1757-1774, 1989.
17. Kirsten Foss and Nicolai J. Foss, "Assets, Attributes and Ownership," *International Journal of the Economics of Business* 8: 19-37, 2001.
18. Harold Demsetz, "Review of Oliver Hart, *Firms, Contracts, and Financial Structure*," *Journal of Political Economy* 106: 446-452, 1998.

### ***Property Rights and Ownership of the Firm***

19. Yoram Barzel, "The Entrepreneur's Reward for Self-Policing," *Economic Inquiry* 25: 103-116, 1987.
20. Eugene F. Fama and Michael C. Jensen, "Separation of Ownership and Control," *Journal of Law and Economics* 26: 301-325, 1983.
21. Harold Demsetz, "The Structure of Ownership and the Theory of the Firm," *Journal of Law and Economics* 26: 375-390, 1983.
22. Harold Demsetz and Kenneth Lehn, "The Structure of Corporate Ownership: Causes and Consequences," *Journal of Political Economy* 93(6): 1155-1177, 1985.
23. Randall Morck, Andrei Shleifer, and Robert W. Vishny, "Management Ownership and Market Valuation: an Empirical Analysis," *Journal of Financial Economics*, 20: 293-315, 1988.
24. Lucian A. Bebchuk, Reinier Kraakman, and George Triantis, "Stock Pyramids, Cross-Ownership, and Dual Class Equity—The Mechanisms and Agency Costs of Separating Control from Cash-Flow Rights," in Randall Morck, eds., *Concentrated Corporate Ownership*, 2000.

25. Harold Demsetz, "Enterprise Control, Wealth, and Economic Development," in *The Economics of the Business Firm: Seven Critical Commentaries*, Cambridge University Press, 1995.

### ***Economic Capabilities and Resource-Based Views***

26. Harold Demsetz, *The Economics of the Business Firm*, Cambridge University Press, 1995, chapters 1 and 2.
27. Sidney G. Winter, "On Coase, Competence, and the Corporation," *Journal of Law, Economics, and Organization* 4(1): 163-180, 1988.
28. Richard N. Langlois and Nicolai J. Foss, "Capabilities and Governance: the Rebirth of Production in the Theory of Economic Organization," *Kyklos* 52(2): 201-218, 1999.
29. David J. Teece, Gary Pisano, and Amy Shuen, "Dynamic Capabilities and Strategic Management," *Strategic Management Journal* 18(7): 509-533, 1997.
30. G. B. Richardson, "The Organisation of Industry," *Economic Journal* 82(327): 883-896, 1972.
31. David J. Teece, "Economies of Scope and the Scope of the Enterprise," *Journal of Economic Behavior and Organization* 1(3): 223-247, 1980.

### ***Corporate Governance and Market for Corporate Control***

32. Andrei Shleifer and Robert W. Vishny, "A Survey of Corporate Governance," *Journal of Finance* 52: 737-783, 1997.
33. Benjamin E. Hermalin and Michael S. Weisbach, "Boards of Directors as an Endogenously Determined Institution: A Survey of the Economic Literature," *Economic Policy Review* 9: 7-26, 2003
34. John E. Core, Wayne R. Guay, and David F. Larcker, "Executive Equity Compensation and Incentives: A Survey," *Economic Policy Review* 9: 27-50, 2003.
35. Clifford G. Holderness, "A Survey of Blockholders and Corporate Control," *Economic Policy Review* 9: 51-64, 2003.
36. Michael C. Jensen, "The Modern Industrial Revolution, Exit, and the Failure of Internal Control System," *Journal of Finance* 48: 831-880, 1993.
37. Michael C. Jensen, "Takeovers: Their Causes and Consequences," *Journal of Economic Perspectives*, 21-48, Winter 1988.
38. Andrei Shleifer and Robert W. Vishny, "Value Maximization and the Acquisition Process," *Journal of Economic Perspectives*, 7-20, Winter 1988.

## ***Market Structure and Antitrust***

The following readings are from *Efficiency, Competition, and Policy* by Harold Demsetz (1989)

39. "Why Regulate Utilities?"
40. "Two Systems of Belief About Monopoly"
41. "Purchasing Monopoly"
42. "Economics as a Guide to Antitrust Regulation"
43. "The Antitrust Dilemma"
44. "The Trust Behind Antitrust"
45. Harold Demsetz, "Industry Structure, Market Rivalry, and Public Policy," *Journal of Law and Economics* 16: 1-8, 1973.
46. Harold Demsetz, "How Many Cheers for Antitrust's 100 Years?" *Economic Inquiry* 30: 207-217, 1992.