Index

adaptive expectations (AE) 59
  development of 59–60
  RE critique of 60–61
agency theory 149
Airbnb 259
air pollution
  allowances 105
  cap and trade 104
  permits 104
Alchian, Armen 90, 93, 152–3, 184–5
  influence of 70
  ‘Private Property and the Relative Cost of Tenure’ (1959) 91
  theories of property ownership
  use of moral hazard and opportunistic behaviour 91
  ‘Vertical Integration, Appropriable Rents, and the Competitive Contracting Process’ 91
allocation mechanisms 50
Amazon.com, Inc. 259
antitrust 37–8, 335, 337–8
  Chicago School of 338
Apollo Real Estate Advisers 177
Apple, Inc. 259
Arrow, Kenneth 38, 40
  ‘Organization of Economic Activity, The’ (1969) 38
  view of lighthouse concept 321, 324–5
  view of vertical integration 36
Asquith, Paul 175
AT&T 241
Australia 313
Austrian Economics 22, 161
  opposition to socialism 164–5
  views of opportunity costs 168–9
Babbage, Charles 8
Bagnoli, M. 219
Barnett, William
  view of lighthouse concept 326–8
Baron, D.P. 265
Barzel, Yoram 71, 84
Bass v. Gregory 88–90
Batson, Harold E. 24
Baumol, William 48
Becker, Gary S. 100, 301
Benham, Frederic 23, 26
Berle, Adolf 48
Bertrand, Elodie 51
Beveridge, William Henry 20–22
  Unemployment: A Problem of Industry 21
Block, Walter E.
  view of lighthouse concept 326–8
Böhringer, Christoph 104
Boone, Audra L. 174, 183
Borcherding, Thomas 71
Botswana 278
Bowley, A.S. 19
Bradley, Michael 175
Bray, M. 63
Bretton Woods 23
Brian Simpson, A.W. 14
British Broadcasting Corporation
  (BBC) 26, 188–9, 192, 195, 197–8, 255–6, 258
  monopoly of 85–6, 124, 196, 253, 299–300
  license 299–300
Brown, F.J.
  Assistant Secretary of Post Office 254
Buchanan, James 9, 100
Bulgaria 278
Bulow, Jeremy 183, 227
  focus on Coase conjecture 218
Cagan, P. 59
Cambridge University 21–2, 24–5, 193, 293
  Peterhouse College 23
Campbell, D. 121
Canada 103
Cannan, Edwin 19–22
examples of use 346–9
  in criminal justice system 340–41
  in debt collection 341–3
  in property rights 87, 99, 166–7
related formats 333
coبweb model 51, 53, 63–4
  analysis of 54–5
  opposition to 56
  producers in 64
  structure of 53–4
Cold War
  end of 278
Commons, John R. 39–40, 131, 292
conservation 106–7
  banking 102
  easements 102
contract and organization theory 68, 71–3, 77–8
  asset ownership 75
  Coasean Theorem in 70–71, 74–5
  development of 73–4
  risk aversion in 73
cost accounting
  opportunity cost 163–4
Costello, Christopher J. 103–5
Cox, Michael 102
Cramton, P.C. 218
credit 102
Cremer, Jacques 46
Crocker, Thomas D. 104
Cross, Philip S. 236
Dales, John H. 104
Dalton, Hugh 20
Darwin, Charles 9
debt 343
  collection 341–2
  consumer 341
decision theory
  strategy in 49
Demsetz, Harold 83, 87, 90, 92, 152–3, 237, 244, 263, 266, 271, 329
  observation of transaction cost tilt toward market failure 237
  theories of property ownership 92–3, 101–2
  criticisms of 92
Director, Aaron 10, 301
Dockwra, William 251
Donohue, John
  application of Coase Theorem 346–8
Dow Jones News Retrieval 175
Drèze, Jacques 37
DuPont Company 133

Eagle Hospitality Properties Trust
  (Eagle) 177
Economica 36, 51
Edwards, Ronald 23, 25
Egbertsson, Thrainn 92
Ellickson, Robert 347
  application of Coase Theorem 349
emerging markets 276, 283, 285
  Coasian observations of 277–9, 285
  examples of 283–4
  processes of 284
employment relation 148, 150–51
  close control 151–3
  legal definition of 152–4
  right of control 153–5
  residual control rights 155
entrepreneurship 168–9, 280, 283
Epstein, Ralph C.
  Chairman of Economics
  Department of University of
  Buffalo 26
Epstein, Richard 238
European Union (EU)
  Emission Trading Scheme (ETS) 104–5
Evans, G.W. 63
externalities 81, 106–7, 222, 235, 237, 263, 335
  Coasean exchanges in 309–11
  exchange-related 306, 312–13
  mitigation of 99
  property rights 85, 87
  taxation of 263
  use-related 306
Ezekiel, M. 54
Fabian Society
  members of 18
Famous Fables in Economics 321
firms 45, 47, 148–9, 152, 155–6, 164–6
  interfirm communication 46
  intrafirm communication 45–6
  managerial authority 160–62
  principal–agent issues 47–8
property rights of 166–7
role in Coasean theory of social institutions 117–18
value
impact of M&A 176–7
First World War (1914–18) 20
Fisher Body Company 139, 141
assembly plants 141
holdups 135–7, 139–42
arguments regarding 137–8
integration into General Motors (1926) 1, 14, 131–6, 320
fisheries 104–5
cap and trade in 104
total annual allowable catch (TAC) 103
Ford Foundation
rejection of TJC funding proposal (1960) 9–10
Ford Motor Company 132–3
Model T 136–7
Foss, Kirsten 169
analysis of pig cycle 55–9, 61, 65
Foxwell, H.S. 19
France
government of 327
Freeland, Robert F. 136
French, Kenneth R. 183
Friedman, Milton 10, 40, 59, 320
Fudenberg, D. 218
game theory 206–7, 209, 213–16, 219–20, 329
asymmetric information 205, 209–10
equilibrium 205, 209
models
Coase conjecture 218–19
durable goods monopoly 209–16
subgame perfection 205, 207, 209–12
General Motors 131, 136–7, 139, 141
integration of Fisher Body into (1926) 1, 14, 131–6, 320
production strategy of 139–40
George, Henry 280
Georgescu-Roegen, Nicholas 40
Germany 313
fall of Berlin Wall (1989) 278
Gibbon, Edward
Decline and Fall of the Roman Empire, The 283
Gillette 222, 225, 231–3
founding of (1901) 225, 228
product range of 227–30, 232
Gillette, King Camp 225–6
globalization 282
Goldberg, Victor 131, 143, 259
Gorbenko, Alexander S. 182–3
Gordon, H. Scott 99, 102
Grafton, R. Quentin 103
Grainger, Corbett A. 104–5
Great Depression 7–8
greenhouse gas (GHG) emissions
efforts to reduce 105–6
Gregory, Theodore 22
Grossman, S. 74
Gul, Faruk 218
Hale, Robert Lee 292
Hansen, Robert G. 183
Hardin, Garrett
Tragedy of the Commons, The (1968) 99, 236
Harsanyi, John C.
Nobel Prize in Economics recipient (1994) 205
Hart, Oliver 68, 74–6
Hayek, Friedrich 12, 22–3, 26, 49, 51, 163
visit to LSE (1931) 22
Hewins, W.A.S.
Director of LSEPS 19
Hicks, J.R. 21, 51, 62
Hill, Rowland
Post Office Reform: Its Importance and Practicability 252
holdup 131, 136–8, 141–2
arguments regarding 137–8
origin of term 131
Hommes, C.H. 64
Honkapohja, S. 63
Hotelling, Harold 256–7, 263
Huang, Yen-Sheng 175
Hutchinson, Henry 18–19
Iceland 103
industrial organization (IO) 37–8
institutional economics 40, 111, 121
International Society for New Institutional Economics (ISNIE) 15, 39–40, 111–12
founding of (1997) 13, 281
members of 76

Journal of Institutional Economics 260
Journal of Law and Economics (JLE) 15, 120, 223
editorial staff of 10–12, 38, 120, 301
Journal of Law, Economics, and Organization (JLEO) 34

Kahn, C. 219
Kaldor, Nicholas 26, 51
Kampfe Brothers
Star Safety Razor 229
Keynes, John Maynard 22–3, 25
General Theory of Employment and Labour (1936) 23
students of 20
Keynesianism 36, 279
Kilburn Grammar School 24
King’s College, London 19
Klein, Benjamin 14, 143, 169
role in development of ‘holdup’ concept 131–2, 134, 138–40
Klemperer, Paul 183
Knight, Frank 160, 163
Uncertainty and Profit 23, 169
Kreps, David 40
Kydland, Finn E. 208
labor 36, 157
division of 279
Laffont, Jean-Jacques 47, 73, 100, 265
land trusts 102
Laura Spelman Rockefeller Foundation 22
Lawson, T. 125
legal–economic nexus 291, 293–4, 299–302
economy as function of law 294–5
regulatory environment 298–9
rights analysis 295–6
reciprocal nature of 297–8
Lenin, Vladimir 277
Lerner, Abba 24, 51, 256
construction of 322, 326–7
private 191, 322, 328
property rights regarding 297, 326
provision of 120, 189, 193, 296
role of government in 326–7
Liverpool University 18
Loeb, M. 265
London School of Economics (LSE) 7, 18–20, 23, 35, 51, 162–3, 293
Economics Department 20, 23
faculty of 8, 18, 21–4, 52, 249, 277, 320
formerly London School of Economics and Political Science (LSEPS) 18–19
Lucas Jr, R.E.
RE critique of AE 60
Lueck, Dean 305
Macher, Jeffrey 41
macroeconomics 60, 208
Magat, W.A. 265
Malenko, Andrey 182–3
Man and the Economy 68
Mao Zedong 283
Marconi Company 188
marginalist revolution 163, 285
Markov equilibrium 217
market failure 99, 120, 235, 237, 296, 320
non-market failure 244
market relations 110
market theory 73
Marris, Robin 48
influence of 173
Martimont, David 47
Matoussi, M.S. 73
McCormick, Robert E. 183
Meade, James 23
Means, Gardiner C. 48
Medema, Steven G. 119
criticism of market failure theory 321
mergers and acquisitions (M&A) 173, 175, 178–82, 185
announcements 178
public 177
auctions 183–4
cash mergers 176
causes of 173–4
deal premiums 180–81
Benchmark Price 180–81
Final Deal Price 180
impact on firm value 176–7
Merrill, Thomas W. 308
Miceli, Thomas J. 305
microeconomic theory 205–6, 208
Mill, John Stuart
view of lighthouse concept 321–3
Mises, Ludwig von 22
Mitchell, Mark L. 174
Mitchell, W.C. 40
monopolies 85–6, 123–4, 195, 213, 222, 263, 296, 299, 335–6
bilateral 321
disposable goods
durability issues 226–7, 231
durable goods 208, 223–4, 231–2
Coase Conjecture 218–19, 224–6, 232
game-theoretic model of 209–16
government 85
legal 195
price 206, 223
state 250
Morgan Stanley 177
Mulherin, J. Harold 174–5, 183
Muth, J.F. 51, 56, 60–61
Myerson, R.B. 265
Nash Jr, John F.
Nobel Prize in Economics recipient (1994) 205
Nash bargaining theory 342
neoclassical economics 184–5
Nerlove, M. 59
network infrastructures 187, 190–94, 197–9
political economies of 189
political interferences 190–91
public monopolies 195
new institutional economics (NIE) 13–14, 40, 77, 83, 90, 93, 111, 291–2
focus on institutions 292
New Zealand 103
fisheries in 105
Nextel 241, 243
Norman, Sir Henry 253
North, Douglass 71–2, 84, 89, 269
President of ISNIE 39
Nutter, Warren 9
opportunity costs 87, 98–100, 160, 163–8, 243, 350
arranging/delineating property rights 162
subjective nature of 166–9
Ostrom, Elinor 102
Oxford University 193
New College faculty of 21
Paish, Frank 23
Pareto, Vilfredo 142
Peltzman, S. 14, 100, 265
Phelps Brown, Henry 23
Phillips curve 208
Picker, Randall 226
focus on development of Gillette 228–30
pig cycle 51–2
analysis of 56–9, 61, 65
articles 57–8
Pigou, Arthur Cecil 10, 45, 119, 161, 245
critiques of 238
view of lighthouse concept 321, 323
views on externalities 87
Pilkington Report (1962) 115–16
Plant, Arnold 20–21, 25–6, 35, 52, 249, 293
influence of 7, 23, 27, 320
du Pont, William 131
Posner, Richard 14, 15, 37, 266, 301
open season mechanism for franchising bids 264–5
Poulsen, Annette B. 175
Prescott, Edward C. 208
principal–agent model 72
private costs 100
privatization 284
property/property institutions 305–7, 312–13
Coasean assumptions of 306–8, 310–11, 316–18
as collection of rights 308, 310–11
assumption of perfect information 310
role of third party enforcer 314–15
public 307
property rights 70, 83–4, 91–3, 97–8, 149, 155–7, 160–61, 196, 245, 285, 310, 312, 326
Coase Theorem in 87, 99, 166–7
court decisions 89–90
definitions of 84, 90–91, 99, 101–3, 106–7
delimitation of 167
economic 312–13
enforcement of 313–14
externalities 85, 87
formal 99
grouping of 85
impact of cap and trade on 104
informal 99
insecure 106
legal 313
liberal 239
of firms 166–7
policy-induced 106
private 235, 238–9
protected 105
radio spectrum 235–6, 239–40
private ownership issues in 238–9
transaction costs in 236–7
relationship with transaction costs 102
role of legal personality in 149–51, 156
sources of 92
value of production 88, 90
public–private partnership 329
public utilities 8, 249
marginal cost pricing 256–7
postal services 188–93, 195, 198, 250–52, 258–9
state monopoly 250, 252–3
infringements 250–51, 254–6

Rabin, M. 73
radio frequencies 10, 240, 243–4
allocation of 10, 296
spectrum allocation policies 243–5
rational expectations (RE) 63
adaptive learning approach 63
critique of AE 60–61
eductive learning approach 63
forecast rule 64
Readings in Price Theory 36
realism 12
regulation 97–8, 104, 194, 199, 252
government 236
in natural state societies 270–71
provider as regulator 193
rate-of-return 270–71
regulatory agency 193–4
self-regulation 192–3
traditional 106
critiques of 97–8
transaction-cost perspective of
262–3, 266
utilities 262, 268, 324
Reorganisation Commission for Pigs
and Pig Products 54–6, 63, 65
Report of (1935) 52
Richman, Barak 41
Robbins, Lionel 20–22, 25–7, 51, 163
An Essay on the Nature and
Significance of Economic
Science (1932) 22
Director of Economic Section of
Cabinet Office 23
Robertson, Denis 23
Robinson, Joan 161
Economics of Imperfect Competition,
The 24
Ronald Coase Institute 15
founding of (2000) 13
Russian Empire
October Revolution (1917) 277
Ryngaert, Michael 184
safety razor industry 222, 225, 227–9
development of 228–9
durability issues 226–7, 231
monopoly 227
Salsbury, Stephen 133
Samuelson, Paul 277, 325
Sargent, T.J. 60
Savin, N. 63
Sayers, Richard 23
Schmalensee, R. 226
Scholten, Ralph 184
Schwert, G. William 175, 177
M&A research of 182
Second World War (1939–45) 23, 25, 85, 278, 292, 299
Securities Data Corp. (SDC) 175
Selten, Reinhard 210
Nobel Prize in Economics recipient (1994) 205
Shannon, Claude 46
Sidgwick, Henry
view of lighthouse concept 321–3
Simon, Herbert 38–9, 73
Simsir, Serif Aziz 175
Smith, Adam 8, 23, 116, 118, 249, 257, 279, 292, 299, 336
Smith, Henry E. 72, 308
Sobel, J. 218–19
social costs 100, 160, 325
internalization of 104
of carbon 105–6
social institutions
Coasean theory of 110–14, 119–23, 125
role of the firm 117–18
use of Pigouvian analysis 120
emergence of 114
market price 115–16
price mechanisms 116–17
public service 124
value of production 115
socialism 18–19, 164–5, 277, 281, 283–4
idealistic 307
Solow, Robert 40
Soviet Union (USSR) 277
economy of 278
Stavins, Robert N. 104
Stigler, George J. 265
conception of Coase Theorem 11, 338
Stiglitz, Joseph 73
‘Incentives and Risk-Sharing in Sharecropping’ (1972) 72
Stokey, N.L.
focus on Coase conjecture 218
Strotz, Robert H. 210
‘Myopia and Inconsistency in Dynamic Utility Maximization’ (1955) 206–8
Sweden 224
Tadelsis, S. 77
Takahashi, I. 218
taxation 87, 97–8, 102, 104, 106–7, 297, 322–3, 325
policies 99
rates
optimal 100
Telser, L.G. 263–4, 267
Thaler, R. 73
Thirly, G.F. 163
Tirole, Jean 100, 265
tradable development rights (TDRs) 102
transaction costs 1, 8, 36, 38, 69–70, 72, 78, 88–9, 98–100, 106–7, 113–14, 120, 160, 169, 236–7, 262, 266–7, 295, 309, 334
Coasean exchange 103, 106
definitions of 101, 162–3
high 101
low 103
opportunity costs in 164, 166–7
perspective of regulation 262–3, 266
third-party opportunism 268–70
positive 36–7, 69
radio spectrum 236–7
relationship with property rights 102
zero 11, 77, 334, 346
models 183
transaction costs economics (TCE) 39–41, 76
Trinity House 322, 326
founding of (1514) 322
Tullock, Gordon 100
Turner, Donald
Head of Antitrust Division of US Justice Department 37
UberPop 259
United Kingdom (UK) 12, 26, 85, 115, 258, 281, 292–3, 296, 298–9
British Central Electricity Board 192, 195–7, 258
Cabinet Office personnel of 23
Dundee 18
Economic Advisory Council 22
government of 23
London 7, 23
Index 367

London Passenger Transport Board 195, 197, 258
Oxford 21
Parliament 193, 197
House of Commons 322
University of London Act (1898) 19–20
pork industry of 51, 55–6
Post Office 188–93, 195, 198, 251–6
Post Office Reform Act (1840) 195
Wireless Telegraphy Act (1904) 188–9, 192
United States of America (USA) 1, 8–9, 24, 26–7, 35, 102–4, 136, 151, 194, 264, 277, 281
automobile industry of 132–3, 137
Chicago, IL 11–12
Cleveland, OH 138–9
Congress 86
criminal justice system of 340
Department of Commerce 240
Department of Justice Antitrust Division 37
Detroit, MI 133, 137, 139, 141
Federal Communications
Commissions (FCC) 2, 15, 69, 84–6, 119, 187, 191, 193, 197, 199, 240, 243–4, 296
allocation of radio frequencies 10 personnel of 10, 236
Specialized Mobile Radio (SMR) licenses 240–41, 243
Regional Greenhouse Gas Initiative (RGGI) 105–6
Securities and Exchange
Commission (SEC) 175, 182
Electronic Data Gathering and Retrieval (EDGAR) system 176, 184
Supreme Court 37, 336, 354
Tennessee Valley Authority (TVA) 26
TV industry of 85
Washington DC 25
University College, London (UCL) 19
University of Buffalo 26
Economics Department 9
faculty of 26
University of California, Berkeley
Economics Department 37
University of California, Los Angeles (UCLA) 70
University of Cape Town
faculty of 21, 24
University of Chicago 10, 35, 277, 300
Center for Research on Security Prices (CRSP) 175
faculty of 13
Law School 10
University of Dundee
Dundee School of Economics and Commerce
faculty of 8, 24
University of Liverpool 24
faculty of 8
University of London 8, 19
founding of (1836) 19
structure of 19–20
University of Pennsylvania 37–8
University of Virginia 10, 27
Thomas Jefferson Center (TJC) for Studies in Political Economy 9–10
Van Zandt, David E.
view of lighthouse concept 326–7
Veblen, Thorstein 40, 45
Verizon 241
Waldman, M. 227
Walkling, Ralph A. 175
Wall Street Journal 175
Wallas, Graham 19
Wang, Ning 14
Webb, Beatrice 18
Webb, Sidney 18
Whinston, Michael 41
Wicksteed, Phillip 8
Commonsense of Political Economy 23
Williams, Vaughan 143
Williamson, Oliver E. 76, 78, 149, 155, 160, 194, 264–6, 268–9
classification of regulatory contractual hazards 267
Economic Institutions of Capitalism, The (1985) 38–9
Economics of Discretionary Behaviour, The (1964) 37
<table>
<thead>
<tr>
<th>Firms model of 77</th>
<th>Wiseman, Jack 163</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Markets and Hierarchies</em> 38</td>
<td>Wolinsky, Asher 232</td>
</tr>
<tr>
<td>President of ISNIE 39</td>
<td>Young, Allyn Abbot</td>
</tr>
<tr>
<td>‘Vertical Integration of Production: Market Failure Considerations, The’ (1971) 38</td>
<td>death of (1929) 21</td>
</tr>
<tr>
<td>Winter, Sidney 34</td>
<td>Zerbe Jr, Richard O.</td>
</tr>
<tr>
<td></td>
<td>criticism of market failure theory 321</td>
</tr>
</tbody>
</table>