

Empirical

- What do contracts look like?
  - more words  $\nrightarrow$  more complete
  - could have "catch-alls" - very complete with few words.
- What is contractible? What is not contractible?

Legal backdrop

- Lawmakers know that commitment is a good thing, but there may be more important issues than preventing renegotiation. (ambiguity)
- Law and economics tries to understand the laws that have been implemented
  - Taking legal rules as given, how to find the optimal contract?

We do not know a lot about firms.

- Authority. Who is the most important person in an organization?

(\*) Authority when the agents are specialists.

The fusion approach is in vogue: contracts and political economy, contracts and macro.

- communication games are probably worth looking at.
- Crawford and Sobel, EMA '82.

- Norms as relational contracts.

## Theory of the Firm

- communication within a firm
- organizational structure
- information is decentralized. How to use this type of information?
- organizations are networks of sorts.
- perhaps transaction costs approach and asset ownership approach should not be separate. Is there a more unified theory?

## Theory

- continuous-time principal-agent problems
    - contracts in continuous time.
- "I've got a hammer, and I'm looking for a nail."
- departures from common knowledge.
  - 5-10 years from now - behavioral contracts
- (\*) Monotone comparative dynamics?