

Index

- access to finance, measurement of
105–8, 112, 116–17
- Agnello, R. 25
- Ahlering, B. 65
- Alchian, A. 22
- Allen, F. 120, 136
- Anderson, R. 29
- anti-director rights index 51, 52–5, 63,
64, 86–7
 - see also* investor rights
- arbitrage pricing theory (APT) 102
- Arcand, J. 111, 112, 124
- Argentina 70
- Armour, J. 55–6, 65
- Arnason, R. 26
- Arrow, K. 15
- Arruñada, B. 59–60
- Asian financial crises and relationship
banking 120
- asymmetric information problems in
financial contracting 97
- Austria 52
- Ayyagari, M. 116–17
- Azfar, O. 65, 110, 114, 118, 124, 125,
126, 128, 130, 132, 134–5
- banking
 - ATMs across income groups 107,
109, 112
 - bank accounts across income groups
106, 107
 - bank branches across income groups
106–7, 108, 112
 - bank credit and firm financing 114
 - bank financing of investment and
bias towards less risky projects
121
 - banking system operation costs,
developing countries 117
 - basic banking services across income
groups 116–17
 - branch networks 117
 - branchless 117
 - development measurement 110
 - directed lending and government-
owned banks 120–21
 - economies of scope, branch
networks used for other
purposes 117, 119–20
 - firm and bank, effects of long-term
relationship 119–20
 - government-owned banks and
directed lending 120–21
 - lending and growth, relationship
between 111–13
 - lending and informal institutions,
influence of 135–9, 140–41
 - lending versus stock market 114–18
 - ownership control, developing
countries 115–16
 - privatization effects 116
 - public credit registries and bank
lending 119
 - regulatory capacity of banking
versus stock market 115–16
 - relationship banking 119–20, 136–8,
162
 - size of commercial banks relative to
commercial banks plus central
bank 98
- bankruptcy issues 87, 114–15, 134
- Bardi, A. 85
- bargaining (negotiation) costs 16–17,
33, 38, 119, 154
- Beck, T. 50, 105–6, 109, 110, 111, 112,
124, 125
- Belgium 52
- Bell, F. 25
- Berglöf, E. 36, 37
- Berkowitz, D. 48, 61, 62, 63, 75, 76, 157
- Bernstein, L. 38
- Besley, T. 69

- big bang approach 36–7
- Blanchard, O. 37
- Blanchet, D. 65
- Bottomley, A. 25
- bounded rationality and transaction costs 17–19
- Brändle, U. 52, 65
- Breuer, W. 83, 84
- Canada 25
- capital asset pricing model (CAPM) 102
- capitalism
 - crony capitalism concerns 116, 120, 121
 - culture of 36, 37, 39–40, 85
 - and formalized property rights 68–9
- Caprio, G. 115–16
- Carlin, W. 121
- Carter, M. 70
- Central and Eastern Europe (CEE) 35–41, 63–4, 85–6, 87, 139
- Chamoro, J. 71
- Chang, H. 7
- Chen, D. 14
- China 6–7, 75–6
- civil law 48, 49–53, 56, 61, 63–4, 145–7, 160–61
- Claessens, S. 72, 73–4
- Clarke, G. 116
- Coase Theorem 15, 16, 17, 33–4, 35, 36, 155–6
- common land, disincentive to invest on 25–6
 - see also* land tenure
- common law 48, 49–53, 56, 61, 63–4, 145–7, 160–61
- common-pool resources, and property rights 25–31
 - tragedy of the commons 24, 27–8, 155
- competition, imperfect, and transaction costs 17–19
- complexity and transaction costs 18–19, 20–21
- conditionality, and legal transplants 61–2, 157
- contracts
 - contingent claims 18–19
 - contracting choices and transaction costs 16, 37, 38, 40, 79
 - and economics of transition 36
 - enforcement 21, 78, 119
 - financial 97
 - incomplete 15, 77–8
 - repudiation of 54, 66, 72, 73, 75, 128, 134
 - see also* property rights; transaction costs
- Cools, S. 52, 65
- Corbett, J. 120, 136
- corporate governance 82–3, 84, 97, 104, 123
 - see also* governance; regulation
- credit
 - link between formalization and credit 69–72
 - private 64, 98–100, 111, 117–18
- credit registries 119, 136, 138, 162
- creditor rights
 - culture and embeddedness 87
 - and estimating determinants of growth 132, 134–5, 139, 141, 143, 147
 - and financial markets 110, 119
 - Legal Origin Theory 48, 49–53, 56, 63, 64
 - see also* investor rights
- crony capitalism concerns 116, 120, 121
- cultural regions
 - Central and Eastern Europe (CEE) 35–41, 63–4, 85–6, 87, 139
 - common law/civil law comparison 146, 147, 160–61
 - and embeddedness 84–6
 - and financial sector size 144
- culture
 - common law jurisdictions 145–7
 - cultural differences effects 37–8, 39–40, 143–4
 - cultural heritage and path dependency 20–21, 37–8
 - institutional environment 139–44
 - culture of capitalism 36, 37, 39–40, 85
 - see also* capitalism
- culture, dimensional models *see* New Institutional Economics (NIE)
 - approach to law and development, culture and embeddedness
- customs 23, 81

- Dahlman, C. 16
 Dam, K. 65, 120, 121
 Davis, K. 60
 Davis, L. 19
 De Alessi, L. 25
 De Laglesia, J. 70–71
 de Soto effect 23, 57, 67–72, 156
 dead capital, and developing countries 67–8, 69
 Deakin, S. 22–3, 52, 65, 67
 Deininger, K. 71
 Demirgüç-Kunt, A. 112, 116, 117, 124
 Demsetz, H. 22
 dependency theory 4–5
 determinants of growth *see* New Institutional Economics (NIE) framework and estimating determinants of growth
 developing countries 4–6, 9, 67–8, 69, 115–16, 117
 development theories
 and financial markets *see* financial markets
 New Institutional Economics (NIE) to *see* New Institutional Economics (NIE) approach to law and development
 dimensional models of culture 82–7, 123, 155
 see also New Institutional Economics (NIE) approach to law and development, culture and embeddedness
 directed lending and government-owned banks 120–21
 directors' fiduciary duties 53
 Djankov, S. 55, 59, 119, 136, 138
 'Doing Business' project *see* World Bank, 'Doing Business' project
 Donnelly, L. 25
 Du Marais, B. 57–8, 59
 Duxbury, N. 7–8
 Eccles, R. 19
 economic development 4–6, 9, 10
 and property rights *see* property rights
 and role of finance 94–113
 and strength of law enforcement 118–19
 Washington Consensus 5, 36, 113, 121
 see also financial markets
 economic organization 11, 15, 46
 see also firms; governance; institutions
 economic transition research 36–7
 economies of scale 60, 96
 economies of scope 117, 119–20
 efficiency levels 17, 19, 94, 96, 98, 108, 109, 112–13, 117
 Egypt 138
 Ellickson, R. 42
 embeddedness
 culture and embeddedness *see* New Institutional Economics (NIE) approach to law and development, culture and embeddedness
 institutional environment, embeddedness level 78–9, 80–81
 enforcement
 across legal origins 54, 59
 credit markets 49, 119
 and economic growth 41, 118–19
 index 87
 law of contract 38
 policing costs 16, 154
 and property rights 22–3, 68, 73, 74, 75, 77, 78, 81
 see also legality; regulation
 enforcement costs 16–17, 21–2
 ethnocentrism 8, 9, 10–11, 52, 156–8
 European Bank for Reconstruction and Development (EBRD) 64, 87
 external financing of firms and investor and creditor protection rules 48, 49–53, 56
 externalities
 pecuniary 32, 42
 and property rights, absence of 31–5
 technological 32, 42
 Feder, G. 70, 71
 Field, E. and A. 70
 financial breadth 105–7
 financial depth 98, 105–6, 111
 financial intermediaries 94, 96–7, 99, 110, 118, 119

- financial markets 93–125, 158–9
 - access to finance, measurement of 105–8, 112, 116–17
 - and accounting rules 110
 - banking *see* banking
 - bankruptcy issues 87, 114–15, 134
 - clear and settle payments 96
 - and creditor rights *see* creditor rights
 - crony capitalism concerns 116, 120, 121
 - economic development and role of finance 94–113
 - economic development and strength of law enforcement 118–19
 - efficiency levels 17, 19, 94, 96, 98, 108, 109, 112–13, 117
 - finance and growth, relationship between 108–13
 - financial depth measurement 98
 - financial development as consequence of economic growth 94–5
 - financial intermediary role 94, 96–7, 99, 110, 118, 119
 - financial sector development (FSD) 98–105, 113–21, 158–9
 - financial sector size effects 110–11, 112–13
 - firm size and financial problems 112, 116
 - firms and availability of financial services 116–17
 - free riding issues 115
 - frictions in markets for goods and services, reduction of 95–6
 - incentive and asymmetric information problems in financial contracting 97
 - information processing and dissemination 96–7, 115
 - information theories of financial sector development 119–21
 - institutional foundations 113–14, 115, 119
 - international arbitrage pricing theory (APT) 102
 - international capital asset pricing model (CAPM) 102
 - legal institutions and financial sector development 118–19
 - lenders' rights as power theories 119
 - liquid liabilities of financial system relative to GDP 98, 101
 - market capitalization ratio and income group 102–4, 117–18, 121
 - market mobilized capital (MMC) measurement 110, 111, 118–19
 - mobile money 117
 - private credit 98–100, 111, 117–18
 - public credit registries 119
 - stock market capitalization as share of GDP 118–19
 - stock market development measurement 100–102, 110
 - stock market liquidity measurement 101–2, 109
 - stock market value traded ratio 104–5
 - sub-markets 95
 - transaction cost reduction and efficient financial intermediation 94
 - uncertainty and risk management 18–19, 23, 83, 93, 97, 134
- see also* economic development
- financial sector development (FSD)
 - facilitating 113–21, 158–9
 - and growth, relationship between 130–31
 - legal institutions impact 131–5
 - measurement 98–105
- firms 15, 36
 - and availability of financial services 116–17
 - and banks, effects of long-term relationship 119–20
 - corporate governance 82–3, 84, 97, 104, 123
 - financing and bank credit 114
 - growth and income inequality 112–13
 - size and financial problems 112, 116
- see also* economic organization; governance
- fisheries management 26
- formalized property rights 60, 68–72
- France 52, 120, 136
- Frank, A. 14

- free riding issues, financial markets 115
 Furubotn, E. 22, 35
- Galanter, M. 7, 8–9
 Gale, D. 120, 136
 Galiani, S. 70
 Germany 52, 53, 120, 136
 Ghana 71
 Glick, T. 29
 Glorious Revolution, England 21
 Goldberg, V. 18, 42
 Goldstein, A. 120, 136
 governance 6, 12, 15, 16
 corporate 82–3, 84, 97, 104, 123
 market economy 3, 63–4, 95–6
 structures 77–8, 79–80, 81, 88,
 127–8, 150, 154–5
 see also economic organization;
 firms; regulation
 government-owned banks 120–21
 Goyal, A. 71
 Greif, A. 21, 38
 growth
 bank lending and growth,
 relationship between 111–13
 determinants of *see* New
 Institutional Economics (NIE)
 framework and estimating
 determinants of growth
 finance and growth, relationship
 between 108–12
 financial development as
 consequence of economic
 growth 94–5
 institutions and growth 19–22, 37–8
 growth theories 5, 6, 10, 153–4
- Hardin, G. 24, 155
 Heitger, B. 73
 Hodgson, G. 90
 Hofstede, G. 83, 84–5, 155
 Holcombe, R. 32
 Honore, A. 23
 Hu, A. 6
- impersonal trade 21
 income groups 99–100, 102–4, 106–7,
 108, 109, 112, 116–18, 121
 income inequality and firm growth
 112–13
- India 71
 individualism, and transaction costs
 39–40
 Indonesia 121
 informal institutions 135–9, 140–41
 information
 asymmetric information problems in
 financial contracting 97
 impactedness 18
 processing and dissemination 96–7,
 115
 information costs 16, 95–6, 154
 see also transaction costs
 institutional environment
 constraints 86, 87
 and culture, influence of 139–44
 and economizing behaviour 78–9
 embeddedness level 78–9, 80–81
 and transaction costs 38–9
 institutions
 and economic growth 19–22, 37–8
 and financial sector development
 118–19, 131–5
 foundations 113–14, 115, 119
 informal 135–9, 140–41
 see also economic organization
 intellectual property rights protection
 73–4
 see also property rights
 investment 25–6, 121
 investor rights
 anti-director rights index 51, 52–5,
 63, 64, 86–7
 and estimating determinants of
 growth 132, 134, 135, 139, 141,
 143, 147
 Legal Origin Theory 48, 49–53, 56,
 63, 64
 see also creditor rights; stock
 market
- Japan 120, 136
 Johnson, S. 72, 73
- Kaufmann, D. 74
 Keefer, P. 128
 Kelley, J. 58, 59
 Kenya, land titling 71
 Kerekes, C. 71
 King, R. 65, 98, 124

- Klapper, L. 116, 117
 Knack, S. 112, 128
- La Porta, R. (LLSV approach) 47, 48,
 49–57, 63, 86, 87, 127, 128, 129,
 134, 146, 156–7
- Laeven, L. 72, 73–4
- Lancaster, K. 43
- land tenure 5, 25–6, 69–71
see also property rights
- law in action 64, 87, 119, 153, 161
- law on the books 64, 87, 118–19, 153,
 161
- Law and Development Movement 7–9,
 52
- law and finance theory, adaptability
 and political channels 50
see also LLSV approach
- law-and-economics (L&E) movement
 35
- legal effectiveness 143–4
see also legality
- Legal Origin Theory 47–65, 156–7
 anti-director rights index 51, 52–5,
 63, 64
 creditor rights index 51, 63, 64
 creditor and shareholder protection
 rules 48, 53, 56
 directors' fiduciary duties 53
 enforcement effect as addition to
 state of the laws 54
 external financing of firms and
 investor and creditor protection
 rules, common versus civil law
 countries 48, 49–53, 56
 investor and creditor rights,
 measurement of 50–53
 and legal environment 127, 144–9,
 160
 legal system and economic
 development links 49
 LLSV approach to role of law in
 process of development 47, 48,
 49–57, 63, 86, 87, 127, 128, 129,
 134, 146, 156–7
 securities laws 53, 55
- Legal Origin Theory, transplant effect
 60–65, 75, 157
 common and civil law development
 61, 63–4
 GNP, effect on 63
 law in action 64, 87, 119, 153, 161
 laws adapted to local conditions 62
 legality, receptive and unreceptive
 transplants 62–3
 private sector lending effect 64
 shareholders' rights 64
 transplants arising from conquest
 or imposition as supply-driven
 62–3
 unreceptive transplants and raised
 transaction costs 63
 World Bank, 'Doing Business'
 project *see* World Bank, Doing
 Business' project
- Legal Origin Theory, transplant effect,
 legal transplants 61–5, 157, 160
 and conditionality 61–2, 157
 receptive and unreceptive 62–3,
 64–5, 127, 146, 157
 and transition countries 63–4
 transition from socialism to market
 economy 63–4
- legal system, development of
 jurisdiction's 82–3
- legality 62, 63, 75, 146, 157, 161
see also enforcement; legal
 effectiveness; regulation
- Lele, P. 65
- lending 119, 120–21
- levels of social analysis 11–12, 77, 79,
 80, 81, 82, 123, 127, 154
see also Williamson, O.
- Levine, R. 54, 65, 98, 100–101, 102,
 108, 109, 110, 119, 124, 126, 128,
 130, 159
- Lewis, W. 14
- Libecap, G. 24, 26, 31, 38–9
- liberal legalism 7–8
- Libya 25
- Licht, A. 83, 84, 90
- Lipsey, R. 43
- LLSV approach (La Porta et al.) 47,
 48, 49–57, 63, 86, 87, 127, 128,
 129, 134, 146, 156–7
- Lucas, R. 124
- Maass, A. 29
- Macneil, I. 19
- Mahoney, P. 50

- 'make or buy' decisions 36, 77–8
- market capitalization ratio and income group 102–4, 117–18, 121
- market economy 3, 63–4, 95–6
- market failure 5, 33, 34, 117
- Market Mobilized Capital (MMC) 110, 111, 118–19, 130, 131, 132–4
- market transactions 16–17, 23, 38
- market-driven growth theory 153–4
- Matheson, T. 65, 110, 114, 118, 124, 125, 126, 128, 130, 132, 134–5
- Mayer, C. 120, 121, 124, 136
- Medema, S. 34, 43
- Ménard, C. 15, 16, 19, 20, 22, 57–8, 59, 77, 155
- Merryman, J. 7, 8
- Messick, R. 7, 8
- Migot-Adholla, S. 71, 90
- Miller, M. 108
- Mishan, E. 32
- mobile money 117
- modernization theory 4, 8, 9, 10–11, 52, 156–8
- Modigliani, F. 108
- Mohieldin, M. 3
- Mojuye, B. 120, 136

- negotiation costs 16–17, 33, 38, 119, 154
- neoclassical economics 5, 15, 16–17, 77, 81
- Netting, R. 29
- New Institutional Economics (NIE)
 - approach to law and development 66–90, 155–6
 - capitalism and formalized property rights 68–9
 - developing countries and dead capital 67–8, 69
 - possession and property rights, distinction between 22–3, 67
- New Institutional Economics (NIE)
 - approach to law and development, culture and embeddedness 82–7, 123, 155
 - anti-director rights index 86–7
 - 'bankruptcy effectiveness 87
 - corporate governance laws
 - and cultural dimensions, relationship between 83
 - and creditors' rights 87
 - cultural regions 84–6
 - cultural value dimensions 83–5
 - culture of capitalism 36, 37, 39–40, 85
 - and development of jurisdiction's legal system 82–3
 - 'enforcement' index 87
 - institutional and legal environment
 - constraints 86, 87
 - 'rule of law' index 87, 134
- New Institutional Economics (NIE)
 - approach to law and development, economic development, and Williamson/North framework comparison 76–81
 - governance structures 77–8, 79–80, 81, 88, 127–8, 150, 154–5
 - institutional environment and economizing behaviour 78–9
 - institutional environment, embeddedness level 78–9, 80–81
 - 'make or buy' decisions 36, 77–8
 - neoclassical economics 5, 15, 16–17, 77, 81
 - organizations as actors 79–80
 - and property rights enforcement 77, 81
 - reallocation restrictions 81
 - and transaction cost economics 76–8
- New Institutional Economics (NIE)
 - approach to law and development, property rights
 - evidence on true changes 75–6
 - high cost of asserting 67–8
 - institutions and rule of law 74–5, 155–6
 - intellectual property rights
 - protection 73–4
 - property rights measurement 72–6
 - reliability of enforcement of legal rights 75
- New Institutional Economics (NIE)
 - approach to law and development, property rights and de Soto effect 23, 57, 67–72, 156
 - link between formalization and credit 69–72
 - and quality of land administration 69–71
 - squatters and land tenure 70

- New Institutional Economics (NIE)
 framework and estimating
 determinants of growth 126–50,
 159–61
 bank lending and informal
 institutions, influence of 135–9,
 140–41
 common law jurisdictions and
 cultural effects 145–7
 common law/civil law comparison
 in cultural regions 146, 147,
 160–61
 credit registries and borrowers' credit
 histories 119, 136, 138, 162
 creditor protection 132, 134–5, 139,
 141, 143, 147
 data and estimation strategy 128–30
 financial sector development, legal
 institutions impact 131–5
 financial sector and growth,
 relationship between 130–31
 financial sector size and influence of
 cultural region 144
 institutional environment and
 culture, influence of 139–44
 legal effectiveness and cultural
 differences 143–4
 legal origin theory and legal
 environment 127, 144–9, 160
 Market Mobilized Capital (MMC)
 130, 131, 132–4
 property rights protection 135
 relationship banking 119–20, 136–8,
 162
 risk of contract repudiation index
 134
 rule of law index 134
 shareholder (investor) protection
 132, 134, 135, 139, 141, 143,
 147
 transplant theory 146, 147, 160
 New Institutional Economics (NIE),
 main concepts 6, 15–43, 154–5
 bounded rationality and transaction
 costs 17–19
 Central and Eastern Europe *see*
 Central and Eastern Europe
 (CEE)
 common land, disincentive to invest
 on 25–6
 complexity and transaction costs
 18–19, 20–21
 contracting choices and transaction
 costs 16, 37, 38, 40, 79
 economic transition research 36–7
 governance and transaction costs 16
 impact on mainstream economics 36
 imperfect competition and
 transaction costs 17–19
 institutional structure and
 transaction costs 38–9
 institutions and economic growth
 19–22, 37–8
 law-and-economics (L&E)
 movement link 35
 market exchange and property rights
 23
 mass privatization policy 36–7
 and nature of the firm 15, 36
 neoclassical economics 5, 15, 16–17,
 77, 81
 opportunism and transaction costs
 17, 18–19, 21, 31
 path dependency 20–21, 37–8, 41,
 60–61, 65
 price theory 15
 state expropriation and enforcement
 costs 21
 state's coercive power in enforcing
 laws 23
 transaction cost economics 15,
 16–19, 36, 37, 76–8, 156
 transaction costs *see* transaction
 costs
 vertical integration as efficiency
 enhancing 17, 19
 workers' co-operatives, property
 rights and effects on investment
 25–6
 New Institutional Economics (NIE),
 main concepts, property rights
 22–35
 absence of, and externality 31–5
 alienability and resource exploitation
 26–7
 collective 24
 and common-pool resources 25–31
 definition 22
 enforcement 22
 fisheries management 26

- missing or ill-specified 24–5
 and pollution 23–4
 and possession, distinction between 22–3, 67
 private and communal rights
 comparison 24
 and ‘tragedy of the commons’ 24, 27–8, 155
 and transaction costs, relationship between 23, 24, 34
 universal allocation 23–4, 33
 Nicaragua 70–71
 North, D. 19, 20, 21, 35, 36, 37, 40, 47, 65, 76, 77, 79, 126, 154
- Ochan, T. 70
 Olinto, P. 70
 opportunism 17, 18–19, 21, 31, 97, 115
 Ostrom, E. 24, 27–31, 35, 67, 155
- Paraguay 70
 path dependency 20–21, 37–8, 41, 60–61, 65
 pecuniary externalities 32, 42
 Pejovich, S. 22, 37–8, 39–40, 73, 82, 85, 86, 87
 Perkins, D. 121
 Peru 70
 Philippines 30, 31
 Pigou, A. 33
 Pistor, K. 61, 63, 64, 86–7, 157
 policing costs 16, 154
 see also enforcement
 possession and property rights,
 distinction between 22–3, 67
 price theory 15
 private and communal rights
 comparison 24
 private credit 64, 98–100, 111, 117–18
 see also credit
 privatization 36–7, 116
 production externality 32–5
 productions costs 17, 18–19, 20
 see also transaction costs
 property rights
 and credit 69–72
 de Soto effect *see* de Soto effect;
 New Institutional Economics
 (NIE) approach to law and
 development, property rights
 and de Soto effect
 enforcement 77, 81
 formalized 60, 68–72
 land tenure 5, 25–6, 69–71
 and market exchange 23
 and New Institutional Economics
 (NIE) *see* New Institutional
 Economics (NIE), main
 concepts, property rights
 possession and property rights,
 distinction between 22–3, 67
 protection 135
 registration 60, 68–9, 70–71
 workers’ co-operatives 25–6
 see also contracts; transaction costs
 public credit registries and bank
 lending 119
 see also credit registries
- Rajan, R. 65, 124
 registration 60, 68–9, 70–71
 see also property rights
 regulation
 civil and common law 48, 49–53, 56,
 61, 63–4, 145–7, 160–61
 law in action 64, 87, 119, 153,
 161
 law on the books 64, 87, 118–19,
 153, 161
 legal system, development of
 jurisdiction’s 82–3
 regulatory capacity of banking
 versus stock market 115–16
 rent-seeking concerns and regulation
 costs 59–60
 rule of law 56, 64, 74–5, 87, 134,
 155–6
 statute law 53, 157
 see also enforcement; governance;
 legality
 relationship banking 119–20, 136–8,
 162
 see also banking
 rent-seeking 59–60, 110–11
 repudiation of contracts 54, 66, 72, 73,
 75, 128, 134
 see also contracts
 Richter, R. 35
 Ricketts, M. 24

- risk management 18–19, 23, 83, 93, 97,
121, 134
- Rittich, K. 6
- Robinson, J. 124
- Rodrik, D. 74–5
- Roe, M. 53
- Roland, G. 36, 37
- Rostow, W. 4
- rule of law 56, 64, 74–5, 87, 134,
155–6
see also regulation
- Russia 75
- Rwanda 71
- Saltzman, A. 83, 84
- Schargrodsky, E. 70
- Schlager, E. 28, 31
- Schwartz, S. 83–4, 85–6, 87, 128, 129,
139, 140, 155, 159
- search costs 16–17
see also transaction costs
- securities laws 53, 55
- shareholder rights *see* investor rights
- Shirley, M. 15, 16, 20, 22, 43, 77, 155
- Sidgwick, H. 33
- Siems, M. 52–3, 65
- Simon, H. 17
- Siy, R. 29, 30
- size factors 19–20, 98, 110–11, 112–13,
116, 144
- small numbers condition 18–19, 31
see also transaction costs
- Sobel, R. 32
- socialism to market economy transition
63–4
- South Korea 121, 138
- Spain 26, 27, 29–30
- Spamann, H. 54–5
- speculative bubbles 111–12, 113, 158
- squatters and land tenure 70
- statute law 53, 157
see also regulation
- Stigler, G. 34
- Stiglitz, J. 5, 114, 117–18, 120, 121
- stock market 101–2, 104–5, 109,
114–19
see also investor rights
- Sussman, O. 124
- Svensson, J. 72, 73
- Switzerland 29
- taxation, Pigouvian taxes 33
- technological externalities 32, 42
- Thomas, R. 19
- Torero, M. 70
- Torstenson, J. 72, 73
- tragedy of the commons 24, 27–8, 155
see also common-pool resources, and
property rights
- transaction cost economics 15, 16–19,
36, 37, 76–8, 156
- transaction costs
and bounded rationality 17–19
and contract enforcement costs 21
and contracting choices 16, 37, 38,
40, 79
and governance 16
and imperfect competition 17–19
and individualism 39–40
information costs 16, 95–6, 154
institutional structure 38–9
market transactions 16–17, 23, 38
and opportunism 17, 18–19, 21, 97,
115
productions costs 17, 18–19, 20
and property rights, relationship
between 23, 24, 34
reduction and efficient financial
intermediation 94
search costs 16–17
size of transacting sector 19–20
small numbers condition 18–19, 31
transformation costs 20
unreceptive transplants and raised
transaction costs 63
see also contracts; property rights
- transformation costs 20
- transplant effect *see* Legal Origin
Theory, transplant effect
- transplant theory 146, 147, 160
- Trebilcock, M. 60, 69–70
- Trubeck, D. 7, 8–9
- UK 21, 53
- UN, Millennium Development Goals
6
- uncertainty and risk management
18–19, 23, 83, 93, 97, 121, 134
- unitization, oil field unitization and
extraction concerns 26–7
- US 7–8, 25, 26–7, 31, 38–9, 52, 53

- Van Hemmen, S. 49, 54, 56–7, 65, 114, 118, 124, 125, 126, 130, 132
- Veel, P. 69–70
- vertical integration as efficiency enhancing 17, 19
- Wallis, J. 19, 79
- Washington Consensus 5, 36, 113, 121
- Weingast, B. 21
- Wiggins, S. 26
- Williamson, C. 71
- Williamson, J. 5
- Williamson, O. 11–12, 15, 16, 17, 18–19, 35, 36, 76–9, 80, 81, 82, 86, 123, 125, 126, 127–8, 154, 155, 158, 159
- Woodruff, C. 69
- workers' co-operatives 25–6
see also property rights
- World Bank 3, 6, 68–9, 72, 117
- World Bank, 'Doing Business' project 47, 57–60, 68–9, 144
 compulsory procedures, costs of undertaking 60
 and economies of scale in reducing costs for developed countries, lack of focus on 60
 formalization benefits and reduction in future transaction costs 60
 implementation costs, focus on 59–60
 indicators of 'Ease of Doing Business' (EDB) 58–9
 rankings oriented towards Common Law regimes 57
 reforms linked to 58–9
 rent-seeking concerns and regulation costs 59–60
- Xu, G. 14
- Xu, L. 112
- Zerbe, R. 34, 43
- Zervos, S. 54, 65, 100–101, 102, 109, 110, 124, 126, 128, 130, 159
- Zingales, L. 65, 110–11, 124

