

Contract, law, and enforcement in static settings

Contract = agreement about behavior that is intended to be enforced

Contractual Relationship

External Players = third parties

Phases are contracting and implementation

Enforced by: SELF, external, automatically

Induced game comes from a self and externally enforced game

Complete contracting in discretionary environments

Complete Contract

With full verifiability, there is an enforced contract yielding the efficient outcome (that which maximizes players' total payoff)

Imperfect Verifiability