

Contents

1	Introduction	1
2	Literature Review	7
3	The Model	11
4	Unrestricted Contracting	14
5	Nonnegative Payments: Preliminaries	23
6	Nonnegative Payments and Delegated Agency: Congruent Interests	30
7	Nonnegative Payments and Delegated Agency: Conflicting Interests	38
8	Coalitional Behavior	42
9	Conclusion	46
	Appendix A Proofs of Main Results	48
	Appendix B Risk Aversion	60
	References	74

Further online supplementary material can be accessed at
www.cambridge.org/Martimort_Online appendix