

Contents

<i>List of Figures</i>	page ix
<i>List of Tables</i>	x
<i>Preface</i>	xiii
Part I Agenda	1
1 Introduction	3
2 Preview: Small Forces, High Frequencies, and Large Firms	10
Part II The Main Argument	31
3 Adaptation Costs in One Dimension: Firms, Contracts, and Price Lists	33
4 Adaptation Costs in Three Dimensions: Firms, Markets, and Contracts	58
5 All Adaptations Are Not the Same: The Scope of Firms and the Size of Markets	83
6 Resources and the Scope of the Firm	101
Part III Implications	113
7 The Allocation of Asset Ownership	115
8 Communication within and between Firms	128
9 The Power of Incentives within and between Firms	150
10 Decision-Making in Large Organizations	161
	vii

viii	Contents	
	Part IV Empirical Tests	179
11	Bargaining Costs: Existence and Sub-Additivity	181
12	Adaptation Frequency and the Boundary of the Firm	201
13	Asset Ownership and Externalities	229
	Part V Foundations	251
14	Endogenously Incomplete Contracts	253
15	Multiple Equilibria and Firm Heterogeneity	272
16	On the Endogenous Amplification of Small Differences	284
	Part VI Postscript	299
17	Summary and Final Reflections	301
	<i>Index</i>	303