Contents

Foreword by John H. McArthur ix
Preface xi

PART ONE
The Agency Relationship

1. Principals and Agents: An Overview 1
   JOHN W. PRATT AND RICHARD J. ZECKHAUSER

2. The Economics of Agency 37
   KENNETH J. ARROW

PART TWO
Institutional Responses

3. Agency Costs versus Fiduciary Duties 55
   ROBERT C. CLARK

4. Insider Trading as an Agency Problem 81
   FRANK H. EASTERBROOK

5. Empirical Evidence of Incentive Problems and Their Mitigation in Oil and Gas Tax Shelter Programs 101
   MARK A. WOLFSON

6. Agency Costs, Employment Contracts, and Labor Unions 127
   RICHARD A. EPSTEIN
PART THREE
Agency in Organizations

7. Transfer Pricing as a Problem of Agency
   ROBERT G. ECCLES
   151

8. Agency as Control
   HARRISON C. WHITE
   187

Contributors
   213

Notes
   215

Index
   233