

Markets → goods / services

* property rights

car

- own → restrictions - insure
- use → restrictions - tax

= sell
↳

↳ license
↳ rules - speed
↳ park
↳ inspections

title .
↙

invest incentive.

* - exclude - steal it.
↳ sell.

land - [surface rights → timber
sub-surface → mineral.]

Water ?

← (internal
from external.
absentee land owner.

- history → create property rights to ensure investment & efficient resource use
 - patent
 - trademark
 - copyright.
- intellectual property rights
- [fail to set up institution to ensure rights → lower investment declining economic activity

Mancur Olson. -

- transaction cost - costs of exchange

↳ search cost - finding good.

↳ enforcing - contract law =

↳ payment - currency

↳ cash
↳ barter - double coincidence

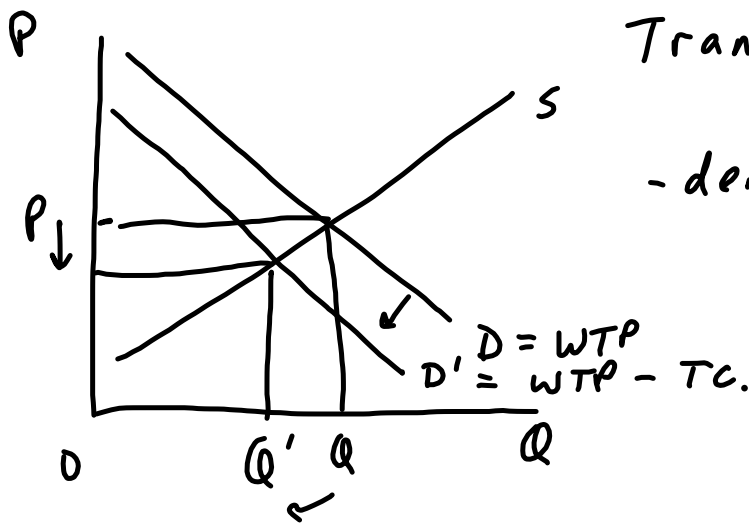
↳ shortage

↳ transaction cost ↑

of wants

- dividing large items.?

- informal networks - enforce "contracts"
- reputation effects



Transaction costs
as "tax"
- demand side
- search
- verification