

# alt.legal: The (Nobel-Winning) Theory Of Contracts



*Image by  
Dianakc*

**Ed Sohn** writes at Above the Law about the the 2016 Nobel Prize for Economics being awarded to Oliver Hart and Bengt Holmström for their research in contract theory, saying the two return to basic principles of contract and are well-reflected in our policy-making and contract negotiation today.

“At minimum, efficient contracts are complicated business, and the financial burden of well-negotiated contracts is high,” **Sohn writes**. “Whether we’re talking about hidden covenants sneakily obscured in bond indentures or whether we’re looking at bad commercial leases that cripple a small business’s ability to grow, a fair and efficient economy requires fair and efficient contracts. To get there, we need more visibility and fairer incentives.”

The article discusses managed services solutions and technology solutions.

**Read the article.**