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OLIVER E. WILLIAMSON

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OLIVER E. WILLIAMSON*
(University of California, Berkeley, Berkeley, CA 94720, USA)

1. Introduction

Economic and sociological approaches to economic organization have reached a state of healthy tension. That is to be contrasted with an earlier state of affairs in which the two approaches were largely distinct, hence ignored one another, or described each other's research agendas and research accomplishments with disdain (Swedberg, 1990, p. 4). Healthy tension involves genuine give-and-take. Neither the obsolescence of organization theory, to which Charles Perrow has recently alluded (1992, p. 162), nor the capitulation of economics, to which James March (rueful-in-cheek) remarks,¹ is implied.

A more respectful relation, perhaps even a sense that economics and organization are engaged in a joint venture, is evident in W. Richard Scott's remark that 'while important areas of disagreement remain, more consensus exists than is at first apparent' (1992, p. 3), in game theorist David Kreps's contention that 'almost any theory of organization which is addressed by game theory will do more for game theory than game theory will do for it' (1992, p. 1), and in my argument that a science of organization is in progress in which law, economics, and organization are joined.²

* The author is Transamerica Professor of Business, Economics, and Law at the University of California, Berkeley. This paper has benefited from oral presentations to the Macro Organization Behavior Society at the October 1992 meeting at Northwestern, the Stanford Center for Organizational Research, the Institutional Analysis Workshop at the University of California, Berkeley, and the 'Handbook of Economic Sociology Conference' at the Russell Sage Foundation in February 1993. Helpful comments by James Baron, Paul DiMaggio, David Levine, Neil Smelser, and Richard Swedberg are gratefully acknowledged.

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¹ James March advised the Fourth International Conference of the Society for the Advancement of Socio-Economics that economics had been so fully reformed that the audience should 'declare victory and go home' (Coughlin, 1992, p. 23).

² Richard Posner comes out differently. He argues that 'organization theory' (adds) nothing to economics that the literature on information economics had not added years earlier' (1993, p. 84).

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