

# PRIVATE PROPERTY, CONTRACT AND FREE MARKET IN THE RELATION TRANSACTION COSTS - GOVERNANCE STRUCTURES

## PROPRIETATE PRIVATĂ, CONTRACT ȘI PIAȚĂ LIBERĂ ÎN RELAȚIA COSTURI DE TRANZACȚIE - STRUCTURI DE GUVERNANȚĂ

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**Abstract:**

*Nowadays, the institutions of private property, contract and free market have a major impact on economic growth and development in all the countries of the world because the differences between countries are given by the level of development and particularism of these institutions.*

*Property and contractual rights represents the key element of the last two decades economic policy of motivating structure that affects human behavior in all points of our lives, from social cooperation on the market to non-market decisions or political options. The efficient activity of the market has it's origin in well defined property rights to reward the effort, the right judgment and initiative, so, in this way to contribute to creating wealth, economic growth, encouraging innovation rate and expanding the frontier of production possibilities.*

*Having legal property and contractual rights a country may have a free market, too. All these things can happen only if the governance structures take the right decisions and assure the security of them.*

**Key words:** *private property, contract, free market, transactional costs, governance structures*