

The Wide Angle: Agency

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- Customers of a company should want to see the employees of the said company buy their own products and services and own shares in the company or at least have a direct link between their compensation and the quality of the products and the satisfaction of the customers. As an employee of a company, I want to diversify my share holdings among my company's competitors and other industries as well.
- In some industries, the asymmetry of information between the seller and the buyer of the service is more acute. Examples are financial services, in particular retail financial services. There is the additional problem of institutions which represent systemic risk by being too big to fail. One solution to these problems is to require such institutions to constitute themselves as unlimited liability partnerships.
- The encouragement to greater scope for risk taking and risk sharing is incompatible with the concept of limited liability. On the one hand economists encourage individuals to take more entrepreneurial risk and on the other they condone limited liability business structures. In fact the limited liability institution is a structure designed to encourage risk taking.
- The interests of the shareholder, customer, employee troika is beyond resolution.