# Article information:

Exit versus Voice | Journal of Political Economy: Vol 130, No 12  
<https://www-journals-uchicago-edu.ezproxy.library.uq.edu.au/doi/full/10.1086/720516>

# Article summary:

1. Companies are increasingly facing pressure from stakeholders to pursue environmental and social goals.

2. This paper analyzes whether pressure by stakeholders is likely to achieve a socially desirable outcome, focusing on the case of environmental harm caused by pollution.

3. The paper finds that if the majority of agents are even slightly socially responsible, shareholder voice can achieve the benevolent planner’s solution.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article “Exit versus Voice” from the Journal of Political Economy is a well-researched and comprehensive analysis of how stakeholder pressure can be used to achieve a socially desirable outcome in terms of reducing environmental harm caused by pollution. The authors provide an extensive overview of the current situation, citing relevant statistics and research findings, before delving into their theoretical analysis.

The article is generally reliable and trustworthy in its presentation of facts and arguments, although there are some potential biases that should be noted. For example, the authors focus primarily on shareholder voice as a means for achieving a socially desirable outcome, while not exploring other possible strategies such as consumer boycotts or worker boycotts in as much detail. Additionally, they assume that agents are purely selfish when making decisions, which may not always be true in practice.

In terms of missing points of consideration, it would have been useful for the authors to discuss how their results might differ depending on different levels of stakeholder engagement or different types of firms (e.g., public vs private). Additionally, they do not explore any potential risks associated with using shareholder voice as a strategy for achieving social goals; this could have been addressed more thoroughly in order to provide a more balanced view of the issue at hand.

All in all, this article provides an insightful look into how stakeholder pressure can be used to reduce environmental harm caused by pollution and is generally reliable and trustworthy in its presentation of facts and arguments. However, there are some potential biases and missing points of consideration that should be noted when evaluating its trustworthiness and reliability.

# Topics for further research:

* Consumer boycotts and environmental protection
* Worker boycotts and environmental protection
* Stakeholder engagement and environmental protection
* Public vs private firms and environmental protection
* Risks associated with shareholder voice
* Social goals and environmental protection

# Report location:

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