“A new approach to organization theory”

**SPEAKER**

**Dr. Luc Leruth**  
*Director*  
*AFRITAC West 2 - International Monetary Fund (IMF)*

Dr. Leruth is currently working as a director at AFRITAC West 2 - International Monetary Fund (IMF). He has been involved with IMF since 1993, and has served the organization at various positions. Prior to this, he was the co-founding partner of Gambit Financial Solutions, S.A. He received his doctoral degree in Economics from Free University of Brussels, Belgium in 1989. He has also received various prestigious research grants, and has actively been involved as associate editor and editor to various journals. He has numerous publications in many acclaimed journals to his credit, and has innumerable working papers in progress. He has received the 'Most innovative paper in finance' award by the European department of the IMF for one of his research papers. He also received various other awards for his academic work, such as the award for 'International Achievement' by The University of Liege. His current research interests include microeconomics and IO (multi-homing); macroeconomics (country risk); the economics of networks and shareholding structures; infrastructure financing; systematic risk; taxation and environment; Public Financial Management; and Treasury systems.

**Abstract**

The paper observes that the Principal-Agent model has not yielded major lessons that would be applicable to the design of an organization. There is a well-respected (and rather old) body of literature in the management area that has yielded some interesting lessons, but even those have not contributed - as much as one could have hoped for - to organization design. Yet, some of these lessons have been applied by practitioners with encouraging results. The paper explores three such cases: the impact of the Value Added Tax; the adoption of result-based management; and recent advances in public financial management that led to major changes in some budget organic laws (in particular in France). It concludes that microeconomists should take a fresh look at the field of organization design.

**RSVP:** Suman Dalmia, sdalmia@jgu.edu.in, +91-8396907364