MSU Job openings, 1997: Does this need fixing?

- Secretary II grade 7 $21,840
- Nurse (B.Sc.) $27,490
- Cook, grade 9 $25,000
- Maintenance routine $27,040
  – one year experience

IUG between employers and between work and leisure

1. Learned rules of relative wages (& charges) may be discriminatory. SOP’s
2. Equal pay for equal work law (but equal work must be defined).

MVP of labor hard to measure. Proving discrimination is HIC.

- Women paid less than men.
- Car salespersons charge different prices to Blacks.

Some products have HIC & potential for leakage & opportunism.

1. Authority relation
2. Transportation
3. Interface leakage

Sum = 9
6. wages? Who gets efficiency gain?

Williamson: Economizing vs. Power

- Authority relations dominate in certain industries because they are efficient and not because actors were powerful. He does not include in performance variables any measure of wages and return to capital.
- In Williamson’s theory, impact is efficiency, and it is also a change theory evolving towards efficiency.
Wages, Employment, Business Cycle
MVP of added worker is HIC

- A. Employer accepts offer of unemployed to work for less.
- B. Employer rejects.

• A. Flexible wage during business cycle.
• B. Sticky wage.

Bowles
- Technology & institutions co-evolve
- The job affects personality
- Observation:
  - Truck firms installed recorders; allowed contracts based on speed driven.
  - Is the recorder a transaction or production cost?

Transporting firms: trans. or prod. cost?

| HIC to monitor drivers; inherent in technology | 1. Hired | 1. Drive too fast |
| Low info cost with recorder | 2. Owner-operator | 2. Drive is cost-effective |
| Both drive in cost-effective manner | 1. Hired | 2. Owner-operator |

Period 26, Labor