

People, Power, and Pay: The Economics of the Workplace

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Twitter/X: @simondhalliday	M: 11:00-12:30; W: 15:00-16:15
Canvas Announcements	Lectures: MW 13:30-14:45
	Class Venue: Wyman 325

This course syllabus is preliminary and subject to change.

People, Power, and Pay (PPP)

Requisite knowledge

In PPP we draw on content you have learned in microeconomics and macroeconomics. The following concepts are crucial for you to review and ensure you understand:

- marginal benefit and marginal cost
- best response and Nash equilibrium
- labor force, employment, unemployment, and unemployment benefits
- utility and indifference curves
- efficiency

Context and Questions that guide our learning

In PPP we will think broadly about the *incomplete contracts* that pervade the workplace: the inability of workers and employers to write contracts that can be verified and enforced at zero cost by third parties. We conceive of the workplace broadly as an organization and therefore draw heavily on *organizational economics* and *personnel economics* in thinking through what defines the workplace, the employment relationship, and the firms (or other organizations) in which people work. We draw substantially on advances in economics that draw on sociology, management, and psychology in the past generation or so. Consequently, we also think through the *behavioral economics* of the workplace: drawing on experiments in the laboratory and in the field (the workplace itself) to understand the roles of human psychology and social preferences in the workplace.

Below, I present a list of some important questions we'll think about to guide our learning.



"Not everything in the contract is contractual... the contract is not sufficient in itself but is possible only thanks to a regulation of the contract, which is social in origin." Émile Durkheim

- How do asymmetric information and contractual incompleteness affect how people behave? What motivates people when they can hide their actions or hide salient characteristics they might have?
- How do economic rents—the benefits people get from cooperation or mutual exchange compared to their next best alternatives—get distributed?
- What do people do when they have a *conflict of interest* with each other about distributing rents?
- How do *institutions*—laws, social norms, convention, markets—and how does *power* affect how people—workers, managers, owners—interact and the benefits they receive?
- What kinds of incentives motivate people? Do all incentives have to be extrinsic/material/pecuniary? What about intrinsic motivations?
- How do people respond to trusting behavior by their employers? How do they respond to control?
- How do the microeconomics and the macroeconomics of the workplace interact and intersect? What role does inequality play?
- How do we understand the role of unions? What role do they have to play in alleviating inequality?
- How does labor market power (of employers) affect the employment and wages of workers? Are there policies that can be adopted to combat concentration in labor markets?
- What kinds of laws affect the mobility of workers? How do these laws affect worker welfare and firm profits and efficiency?

How much reading are we doing? How strict do we stick to the syllabus?

Great questions! I have tried to be quite exhaustive in the reading list partly as a way to design the course and because I want to give us a lot of options of what to cover.

I have put “TBDs” in some places because I want to get a sense of you and your interests before deciding on what we should cover.

I may simply drop entire sections/weeks if I decide (based on you and your feedback) that we should rather go deeper into specific topics or linger in particular areas for some reason.

The syllabus is fluid and malleable; it is not set in stone. I encourage you to view it as a helpful companion to the course rather than a strict, legalistic document.

Required Texts & Online Service

Microeconomics - Competition, Conflict, and Coordination

We will use the following textbook: [Bowles and Halliday \(2022\)](#), *Microeconomics - Competition, Conflict, and Coordination*.

- The book is available as a flat PDF from my website, so navigate to the appropriate link at simondhalliday.com/microeconomics. I have linked to it on Canvas.
- I have asked the library to get a copy and I will link it on Canvas when they do.

Other core books

We will read a substantial chunk of [The Handbook of Organizational Economics](#), the chapters of which are available on Canvas in the week to which they pertain.

We will also read a good chunk of [Booth et al. \(2009\)](#), “The Craft of Research”, which is available as an ebook through the library. Part of the purpose of the course is for you to think through how to produce a research project and this book will guide our thinking about that. I also have a section at the start of the week-by-week reading list on “meta” readings. That is, readings that I will prescribe at particular points in time (which I’ll make clear in assignments) to do with conceiving a research question, conducting a literature review, and other research skills that are required for the research lab.

Course Assessment, Method of Instruction & Participation

The course assessment is broken down in the following way. I comment on each component below.

Assessment	Percentage	Cumulative
Problem sets	10	10
Brainstorming/half-formed thoughts	5	15
Project Proposal	5	20
Draft project	15	35
Project presentation	10	45
Final project and response to comments	15	60
Oral midterm exam	20	80
Final exam	20	100

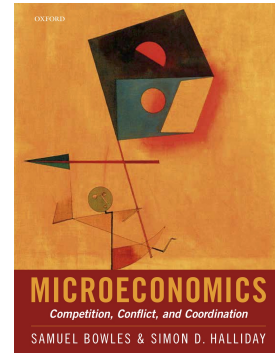


Figure 1: Our Textbook

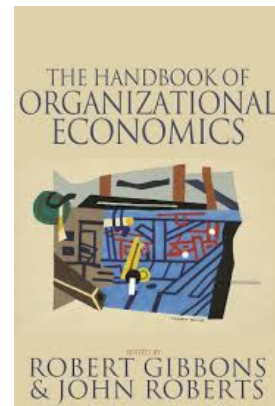


Figure 2: The Handbook of Organizational Economics

Assessment: Project and summative assessment tasks

- **Problem sets:** You will have two problem sets in the first 6 weeks of the course to get you to think through some of the core economic theory.
- **Brainstorming and half-formed thoughts:** This task will be part of the work with *The Craft of Research* where you consider a fact about the world that interests you and you start to conceive of a research question that you would find interesting to work on.
- **Proposal:** You will produce a brief proposal based on the fact about the world that motivates you and the research question you have articulated. You will find 3-5 pieces of research that you will read. You will outline the process you will go through to complete your project.
- **Research Project:** A document discussing the full structure of the project and responsible use of technology for the project will be provided on Canvas. You will hand in the project in two phases:
 1. *Draft research project:* The draft research project will be handed in prior to Thanksgiving recess. I will give comments on this paper and one of your peers will also give comments on the paper. It will be a good beta draft of your paper, but not the final output.
 2. *Final research project and response to comments:* You will be evaluated on the final paper as well as a supplementary “response to comments”, which includes my assessment of you responding to feedback you have been given and to how you thought about that feedback in your response to the comments you received. The final project hand in will be during reading week and prior to any final exams you have for other courses.
- **Presentation:** You will present your project to your peers. This is done in between having gotten feedback from me and your peers and doing the final project hand in during reading week.
- **Peer Review:** You will provide constructive feedback to a peer with whom you are partnered as a peer reviewer. Another peer will also provide you with constructive feedback. I will provide guidance on best practices for peer review on Canvas. Part of this will involve a presentation where you act as a “discussant” for the paper, which I will explain closer to the time.
- **Oral midterm exam:** A short oral exam where we will discuss, in person, questions that relate to content of the problem sets and discuss relevant class readings.
- **Final Exam:** A sit-down final exam to complement the research report to ensure you are comfortable with the basic theory the course covers and key readings. The final exam will include compulsory questions and questions where you choose among options.

Classes: Discussion and Participation

- This is a discussion-based course. I expect you to prepare for class by reading the relevant chapters in the textbook and the academic articles prescribed. You should be able to answer questions on topics that come up in the chapters and discuss the papers.
- I will post videos that discuss some of the materials on canvas that you can use for your learning. I will not cover the content in the videos in class in depth and will assume you have watched them before class.

Participation

We assess participation in a variety of ways, from participating in class proactively, to helping fellow students, to think-pair-share activities. I may ask you to hand in notes of in-class discussions, brainstorming, and quick responses.

Course Schedule

This Course Schedule is Preliminary and Subject to Change

Date	Week	Topic	Tasks
08/25	W1	Foundations: Organizations,	-
-	-	Contracts, and Transactions	-
09/01	W2	Information: Contracts, Norms, and Power I	-
09/08	W3	Information: Contracts, Norms, and Power II	PS1
09/15	W4	Work, Wages, and Unemployment I	Brainstorming
09/22	W5	Work, Wages, and Unemployment II	-
09/29	W6	Team production	-
10/06	W7	Productivity and management	PS2 & Brainstorming
10/13	W8	Behavioral economics and the	-
-	-	principal-agent relationship	
10/20	W9	Motivation: Extrinsic	Oral midterm
-	-	and intrinsic I	
10/27	W10	Motivation: Extrinsic	Proposal
-	-	and intrinsic II	-
11/03	W11	Control, trust,	-
-	-	and workplace norms	-
11/10	W12	Floating week	Presentations &
-	-	-	Project Draft
11/17	W13	Floating week	Peer review
11/24	W14	<i>Fall recess; no classes</i>	-
12/01	W15	Summing up & presentations	-
12/08	W16	Reading week	Final Project

I provide a breakdown of the reading for each week in the Weekly Reading Guide on Canvas. The two weeks labeled “Floating Week” (weeks 12 and 13) are there because I am trying to plan a field trip for the course and it is not yet clear when those will be. As a result, I view these two weeks as weeks where we can push topics around.

Problem Sets

We don't have formal problem sets for the course. You will have worked problems and discussion questions based on the readings for the tutorials that will be provided to you before the tutorial and which you should endeavor to complete before the tutorial. There are other formative tasks you can do during the term, including tasks to do with the project which will be discussed in the project document.

Email & Communication Policy

You should only email me about things that pertain to you **personally**. For issues that pertain to class content, quizzes, and more, you should post to the discussion board.

Other students may also have your questions and so many of you will benefit when you message the class on the discussion board. *You can search for topics in the discussion board!*

When you email me about personal issues, I shall do my best to respond to email within 24-48 (business) hours, i.e., within one day to two days during the week and by the end of Monday after a weekend. If your email requires more than a few sentences to respond, I'll suggest you come to see me during office hours.

Note: I will not respond to emails where I have already answered the question in this course syllabus or in an announcement on Canvas or the discussion board.

So, if I have not responded to your email within 48 hours, check the syllabus, or Canvas (announcements and discussion board).

Academic Integrity, Accommodations, Well-being, and Safety

Academic Integrity and Plagiarism

When you submit an assignment for grading, you confirm that your submission is consistent with JHU's policy on academic integrity and that you have not plagiarized. You can consult the policy [here](#).

Please also consult JHU's plagiarism resource [here](#). When you submit an assignment or complete a quiz, you are confirming that you understand the

definition of plagiarism, that you have not plagiarized, and that the work is your own.

Disability and Mental Health

Please inform me if you have any impediment that, through my lack of knowledge or my inaction, may disable you. I include physical, learning, and mental health disabilities in this categorization of impediments. I include this comment in my syllabus because some students at the University of Bristol may not realize the options available to them. In the literature, this is especially true of students with mental health issues. Please consult JHU's policies on [disability](#) and [mental health](#).

Responsible use of Artificial Intelligence

The use of large language models (LLMs) and other forms of artificial intelligence (AI) pervades higher education and the professional world (e.g., Anthropic's Claude, Open AI's Chat GPT, etc). I encourage you to learn how to use AI and LLMs responsibly and with care, attentive to their benefits and shortcomings (in particular their capacity to fabricate articles that do not exist and to get mathematical models wrong).

As part of your final project submission I will ask you to submit a reflection on your use of AI for this course and to specify the ways in which you have used it (if you have used it at all).

When we do brainstorming activities in class about your projects, I will encourage you to work with an LLM, but do not require you to do so. Consider LLMs as helpful assistants that are helpful, but that make errors and need guidance and training. Once they receive that guidance and training, they become quite useful.

References

Wayne C Booth, Gregory G Colomb, and Joseph M Williams. *The craft of research*. University of Chicago press, 2009.

Samuel Bowles and Simon D Halliday. *Microeconomics: Competition, conflict, and coordination*. Oxford University Press, 2022.