

Bill Watkins
June 3, 2010

Brian Caplan has a nice little model on employment markets that really does explain a lot of what we see:

In equilibrium, nice employers hire the rich, and mean employers hire the poor. It makes sense: Nice employers need rich workers they can trust, and poor workers misbehave unless there's a mean employer on their backs. Nevertheless, the firms where mean bosses employ poor workers look very different from the firms where nice bosses employ rich workers. An ethnographer who visited the mean boss/poor worker firms would probably tell a vaguely Marxist story about class conflict. An ethnographer who visited the nice boss/rich worker firms would tell a much more pro-market story about cooperation and meritocracy.

It's worth reading the entire [thing](#).