

PART THREE

How Should Governments Intervene in Labor Markets?

GOVERNMENTS INTERVENE in the workplace and in the lives of workers in many ways. But there is a growing debate over whether such interventions are really in workers' best interest. One side calls for aggressive action to protect workers, through regulations on minimum wages, restrictions on firing, and the like. The other side argues against such meddling, because it discourages job creation and helps only a privileged subset of workers, while hurting or, at best, neglecting the most vulnerable. This part of the Report analyzes the role of government in labor markets. Chapter 11 examines labor standards and their impact. Chapter 12 reviews the role of labor unions and their relation to government. Chapter 13 considers policies designed to deal with income insecurity. And Chapter 14 takes up the role of government itself as an employer.