

PART ONE

Which Development Strategies Are Good for Workers?

MARKET-BASED ECONOMIES have delivered faster growth than either centrally planned or protectionist economies. But how does growth affect workers? And what is the role of governments in supporting rising incomes for workers and their families? In this part of the Report we examine the relationship between long-term development and the fortunes of workers. We survey the consequences of economic growth for workers in Chapter 2, and the nature of interactions between households and labor markets in Chapter 3. We then, in Chapters 4 and 5, look at how policy choices can affect the growth of labor demand and the provision of skills. Finally, in Chapter 6, we ask how market outcomes affect inequalities in how the rewards of growth are distributed.