

Editorial

This first issue of the *SEER Journal for Labour and Social Affairs in Eastern Europe* for 2020 focuses on EU-western Balkans relations at the time of the COVID-19 pandemic, with some particular insights to the policy approaches in Croatia and Turkey.

In terms of the number of cases per capita, western Balkans countries have been affected by the pandemic to a lesser extent than most EU member states, although more so than neighbouring EU countries such as Greece, Bulgaria, Romania and Hungary. At the same time, the COVID-19 outbreak poses a major challenge to fragile health systems in the south-east Europe region which have been suffering from low health expenditures, a lack of medical equipment and a shortage of personnel not least due to massive outwards migration to western Europe.

The short-term economic impacts of the COVID-19 crisis in the six economies of the western Balkans are likely to be extremely severe as many economic activities have had to stop completely while others are operating with reduced capacity. The ILO is estimating an unprecedented reduction in economic activity and working time for the second quarter of 2020 for the region, with a likely loss of 11.6 per cent of hours worked as a result of the pandemic. This is equivalent to 810,000 employment losses in terms of full-time posts. Moreover, the economies of the region are extremely vulnerable to economic shocks in terms of trade, foreign direct investment, tourism and remittances. It is very likely that, in spite of its relatively lower level of exposure to the pandemic, the economic toll on the region will be higher than for the core economies of the EU.

In the early months of the pandemic, the narrative of an ineffective, weak and self-centred EU was spreading across the western Balkans, reinforced by the perception that the EU had already turned its back on the region. The ‘Zagreb Declaration’ of 6 May was an attempt by the EU to reassure the region of its commitment, but it avoided mentioning the issue of enlargement. Instead, the declaration points towards the EU’s COVID-19 assistance to the western Balkans, including the mobilisation of €3.3 billion, €750 million of macro-financial assistance and long-term support to be presented later this year as an Economic and Investment Plan for the EU’s neighbourhood region, as well as the latest joint procurement initiative and the unrestricted trade-flow of protective personal equipment.

The article by Jens Becker argues that the COVID-19 crisis has put the western Balkans back on the EU’s agenda for the reason that the COVID-19 assistance package has revitalised talk of the relationship between the EU and the region. The article draws on interviews carried out during a research trip to Serbia, reflecting on the recent disruption between the western Balkans and the EU, discussing the Gordian Knot of Serbia-Kosovo relations and the development perspectives of the two countries, but with an outlook which extends across the entire western Balkans.

Cvetan Kovač, Ivana Krišto and Ana Šijaković focus on the recognition of occupational diseases caused by COVID-19 infection in Croatia. On 28 April 2020, several European trade unions, including the ETUC and EPSU, have called on the Euro-

pean Commission to do all it can to protect workers and ensure that COVID-19 is recognised as an occupational disease. This article shows how effective social dialogue contributed to this happening in Croatia. It describes how representatives of the government and trade unions operating in the health sector, with the full support of and co-operation with professional associations, found a solution and, by changing a bylaw, removed an administrative barrier to the recognition of occupational diseases caused by COVID-19 in Croatia.

Arzu Çerkezoğlu, President of the DISK trade union in Turkey, explores policy responses to the pandemic in that country, specifically as regards the impact on workers' health, livelihoods and employment. Although the pandemic has had a disproportionate impact on working people and on members of the union, the government did not take the advice of trade unions and professional organisations. While the government has shortened the service record required to qualify for short-time working allowance, and has also imposed a ban on lay-offs, its measures have fallen short of the requirements. At the same time, its relief package – the 'Economic Stability Shield' – predominantly consisting of credit lines and debt relief, fails to address all workers, particularly unregistered ones, and neither does it address the issues raised by poor families in terms of the struggle to meet basic everyday needs.

Frederic De Wispelaere, Gabriella Berki and Snjezana Balokovic discuss Montenegro's accession to the European Union with a view to the potential impact on the Montenegrin social security system of the free movement of people within the EU. The authors argue that, in order to avoid an erosion of the workforce and consequently that of the nation's tax revenues, it might be useful to negotiate transitional arrangements as well as to promote other types of labour mobility, such as intra-EU posting. Furthermore, it can be expected that Montenegro's accession will have financial and administrative implications in the area of healthcare.

With the article by Evelyn Astor we come back to a core issue that has been dealt with by *SEER Journal* over a long period: fair pay and the challenge of poverty wages. The author argues that, although economic growth has been steady across the region, this is not being shared equitably with the workers that create that wealth. The lack of a living wage, the decline of collective bargaining and the violation and erosion of workers' rights continue to create despair and anger. Social protection for those not in work are woefully inadequate and leave many workers unprotected. Observing these injustices, this article calls for a fresh approach across eastern Europe which sees the economic and social benefits of various forms of social protection allowed to play their role in reducing poverty and wage inequalities. Consequently, ten countries from across the region have joined together to campaign under a single 'Fair Pay' banner.

In the open section of this issue, Ela Golemi and Klodian Muço discuss the possibility of a complementary currency as an instrument of economic development in the western Balkans. In response to the underdeveloped regional economic integration among the countries of the western Balkans, the authors propose the creation of a complementary supranational currency that would serve the common market of the region and also intensify trade exchanges between them. They argue that a comple-

mentary currency would make regional integration more effective within the western Balkans.

A research paper by Fabian Teichmann and Marie-Christin Falker analyses how countries in the western Balkans have been affected by corruption and how, despite significant efforts, corrupt practices continue to present barriers to their long-standing goal of joining the European Union. Expert interviews were conducted in an explorative research approach in order to examine the concept of anti-bribery compliance incentives. Interview partners were asked to address how anti-bribery incentives could be employed by multinational corporations in order to eliminate corruption. The authors' subsequent discussion of their findings illustrates that these could be combined with other measures towards the elimination of corruption across all sectors.

A second article by Fabian Teichmann and Marie-Christin Falker examines the case of the sanctions the EU imposed on Russia in response to its actions in the Ukraine conflict by drawing a balance between their impact in practice and the initial objectives set out for them.

Marsida Feshti and Jurgen Golemi examine the impact of the European Court of Justice on the principle of proportionality. Proportionality regulates the exercise of authority in terms of adjudicating whether the actions undertaken by the EU institutions are within set limits. The article delineates the meaning of proportionality, drawn from the approaches in practice of EU judges, and proceeds to an examination of the three types of issue that can be detected from their judgments: cases involving discretionary political choice, or which are of a social, political or economic nature; those related to the violation of rights under EU law; and those involving a disproportionate fine or imposition.

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