Editorial

This first issue of the *SEER Journal for Labour and Social Affairs in Eastern Europe* for 2024 focuses on 'European Minimum Wage Directive and its impact on south-east Europe'.

The European Minimum Wage Directive, adopted in October 2022, has been a milestone in EU legislation and a major success of the European trade union movement as it aims to ensure an appropriate minimum wage level and an adequate adjustment process in all EU states. The Directive, which must be transposed into national law across the EU over the course of 2024, is already having the intended effect in many countries and is contributing to the dynamic development of minimum wages. In addition to statutory minimum wages, the Directive is also about strengthening collectively agreed minimum wages by increasing collective bargaining coverage. According to this, all EU states whose collective bargaining coverage is below 80% should submit a concrete action plan to strengthen their collective bargaining systems. Having such binding legislation for EU member states is also a significant development for the countries of south-east Europe that are in the accession process.

Besides providing a broad-based overview of minimum wage developments in the EU and beyond, the SEER aims to launch a continuing exchange about what all this means for the region, with this issue containing three reflections from authors based there.

The lead article by Malte Lübker and Thorsten Schulten (based on 'WSI Report Nr. 93') sums up the gains in terms of minimum wage developments made as a result of the transposition of the European Minimum Wage Directive. The overview goes beyond EU member states, showing also developments in south-eastern Europe. The presented data demonstrate that, despite persistently high inflation rates in the majority of member states, minimum wage increases have been sufficient to maintain or even expand the purchasing power of the minimum wage.

In her article, Rositsa Makelova examines the implications of the Minimum Wage Directive for minimum wage setting in Bulgaria. Based on the criteria for minimum wage setting, set out in Article 5 of the Directive, the article delivers an overview of trends over the last ten years and provides information on how each indicator has developed, along with the growth in the statutory minimum wage. She concludes that the growth of the minimum wage does not follow the trends in some of these indicators even if it has increased by more than the rate of inflation in almost all the years under observation. Moreover, the current minimum wage still does not provide for a decent living as it covers only about 50% of the required living wage. The article is in support of the ongoing national debates within Bulgaria, characterised as they are by major tension between the social partners along with government moves towards reviewing the minimum wage framework that can best be described as hesitant.

Lyuboslav Kostov examines the role of collective bargaining as a tool for real wage increases. Taking account of the effects of the cost of living crisis, based on

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a cumulative rise of over 35% in the Consumer Price Index in the last three years, low and middle-income earners must spend an ever-increasing proportion of their income on essential goods. The author shows that trade union activities through collective bargaining and negotiations at national level have led to an accelerated income growth that has largely offset the increase in the cost of living and prevented a loss of real purchasing power in the medium term. He also shows that the presence of a collective agreement guarantees that the wage is at least 14% higher than in the absence of one. Taking manufacturing as a focus, the author concludes that the number of challenges that industry has to face cannot be done without an enhanced role for human capital.

The article by Ela Golemi provides a short reflective analysis of Albania's perspective on the European Minimum Wage Directive and its implications for the country's economy, labour market and society. While the Directive does present challenges for Albania, it also offers a unique opportunity to improve the lives of its citizens and increase social cohesion. She concludes that, in adopting the right path forwards, based on the correct mix of policies and reforms, Albania can move closer to realising the promise of EU membership with a vision of a prosperous, equitable and inclusive society within the EU.

The open section of this issue starts with an article by Margarita Matlievska, Liljana Pushova Stamenkova and Elena Matlievska on managing green growth in selected non-EU Balkan countries. The article is based on the concept of the Green Growth Index (GGI) and presents in a comparative manner the GGI scores achieved by five non-EU Balkan countries in 2019 and 2020. It concludes that each country has started on its path to achieving green growth and sustainable development, but there are possibilities for further improvement in separate/particular dimensions.

Calvin Allen and Béla Galgóczi, editors of the *SEER Journal*, examine a recent development that may have a major impact on Serbia's future development trajectory – that is, on its accession process – but also on the EU as a whole: the Jadar lithium mining project. The Serbian government has recently approved the highly controversial Jadar project to mine lithium at a site in the west of Serbia. Lithium is a critical raw material, in particular for batteries of electric vehicles, and is a central element of the EU's Critical Raw Materials strategy. Consequently, there is sizable political pressure to develop an industry, where reserves can be found, within Europe. The article considers why Europe needs to develop a lithium industry as well as some of the environmental considerations surrounding lithium mining, these being sizable enough for protesters to have played a significant role in halting the Jadar project in 2022. They conclude by locating the decision to reopen the project in the context of Serbia's European integration and point to some of the implications for Serbia's relations both with the EU and with its neighbours.

Two articles take up the issue of the role of local governments and municipalism in the western Balkans.

Norma Tiedemann takes a look at post-Yugoslav municipalism by examining 'dis/obedient democratic initiatives' in Zagreb and Belgrade. Challenging authoritarian capitalist management patterns in the wake of the 2008 financial crisis, new municipalist platforms have emerged across the globe, including south-east European

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initiatives in Zagreb and Belgrade – Zagreb Je NAŠ! and Ne Da(vi)mo Beograd – both of which have subsequently transformed themselves into political movements. Following an overview of the movements, the article concludes that the platforms, and the new parties into which they have been transformed, are not experiments in radical democracy but are characterised by an intention to establish the rule of law and democratic freedoms.

Belina Bedini reviews the European Charter of Local Self-Government as a tool for enhancing direct democracy in the case of western Balkans countries. The article compares the domestic institutional framework regarding local government in the five non-EU signatory countries from the region and seeks to highlight whether the Charter has indeed enhanced citizens' participation and whether it has enhanced direct local democracy in the western Balkans.

Finally, the article by Ermira Kalaj and Ela Golemi conducts a comparative study of western Balkan countries to reassess the complexities of corruption and inequality. By using econometric analysis to explore the relationship between corruption and income inequality in the western Balkans, they conclude that corruption indeed contributes to the increased levels of income inequality apparent within the region.

August 2024

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