

## Editorial

This 2013-2 edition of the *SEER Journal for Labour and Social Affairs in Eastern Europe* focuses on the role of the state in the economy of south-east Europe and particularly in Serbia. It has often been argued that one of the key factors in a successful transformation process towards a market economy, and one that is integrated into European and world economic systems, is a functioning state and functioning institutions. A number of articles in this issue examine the link between the state and the economy in the region, with an emphasis on corruption, morality and business ethics. What is the proper role of the state in the economy of a middle income transformation economy? What are the limits of the role of the state as an economic actor and what is the worst combination that hinders development and may block a successful catching up process?

First, we take a broader snapshot of the current state of play of the European Union and the western Balkans, paying particular regard to the prospects for the European integration project in south-east Europe. Qerim Qerimi and Bruno S. Sergi provide a thorough analysis of the economic and social indicators of the region and come to the conclusion that the lack of social cohesion acts as one of the main blockades on successful cross-cultural communication and integration. Functioning institutions and good governance would have a key role to play in improving the situation, most importantly in respect of the continued fight against corruption and greater efforts to establish the rule of law.

Nataša Tanjević examines the degree of interconnection between politics and the economy from a particular angle, i.e. how politics covers economic crime and *vice versa*. The author concludes that, sadly, there has been no political will in Serbia to apply the adopted laws consistently and indiscriminately in practice.

Vlajko Petković and Zorana Petković review the shortcomings of management practices in public enterprises in Serbia. One key aspect of the lack of competence is contra-selection and a high degree of political dependence.

Aleksandar Rašović looks at the moral and philosophical aspects of company organisations as a function of corporate governance.

Tea Golja, Roberta Kontošić and Samanta Požega take stock of the potential benefits of social entrepreneurship in the context of Croatia. Instead of profit generation, results are measured in terms of the number of new jobs generated, the number of people with disabilities who are included in entrepreneurial activities and the contribution made to the development of society.

Ivan Arnautović presents a theoretical review of the definitions of mobbing – sometimes called bullying – as a phenomenon related to the modern business organisation.

Two contributions in this issue are devoted to the issue of poverty in Serbia. Milovan Dimić provides an overview of the development of living standards, with a focus on the situation of poverty as it has changed since the start of the reforms in 2000. Meanwhile, Vladimir Obradović and Marko Kimi Milić deepen the analysis, focusing on the reasons for, and the profile of, the widespread poverty which exists in Serbia.

Finally, two articles deal with labour market issues, a permanent core topic for SEER.

Milan Beslač points to the importance of agriculture in employment creation in Serbia, taking stock of the main characteristics, patterns and future opportunities.

Pavel Janičko addresses the issue of precarious work in the Czech Republic and the related policies of the ČMKOS trade union. The author provides an analytical overview of the extent and usage of flexible forms of employment in the Czech labour market.

**Béla Galgóczi**

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**Calvin Allen**