

Editorial

With the current number (2008-2) of the *South-East Europe Review for Labour and Social Affairs (SEER)*, we address the topic of health care and pension reforms in the region, while devoting also attention to international trade and industrial relations.

We start the volume with a broad comparative overview of health care reform in the region provided by two experts from the World Bank: Caryn Bredenkamp and Michele Gragnolati. Their article explores the major challenges to the sustainability of health sector financing in the countries of the western Balkans – Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and the province of Kosovo. It focuses on how the incentives created by the different elements of the health care financing system affect the performance of these systems and the behaviour of health care providers and individuals.

Igor Guardiancich provides in his article a concise account of the pensions crises and responses in Croatia, Hungary and Slovenia. Apart from the differences in institutional design and social impact, the author identifies future unsustainability as the common feature of the multi-pillar retirement systems of these three countries.

Shahdad Naghshpour and Bruno S. Sergi look at issues of trade in south-east Europe and seek to establish a framework for the political economy of Balkans countries. The authors introduce a detailed comparative analysis of trade processes in the region and estimate the level of globalisation of each of the economies in question. They provide detailed statistics for the level of trade, and of imports and exports, of each Balkans country and its level of participation in international trade relationships.

Lyuben Tomev, Nadezhda Daskalova, Tatiana Mihailova and Violeta Ivanova provide a detailed analysis of wage developments in Bulgaria over the period 1995-2005. Showing wage increases in the light of other economic indicators makes it clear that wages in Bulgaria are not only the lowest in the EU27 but also that they have lagged substantially behind productivity developments in the period under examination. The authors also show what efforts have been implemented as regards wage bargaining to keep the value of wages and to ensure that economic growth is reflected in the living standards of employees.

Aleksey Petrov gives a detailed analysis of industrial relations and its development in Bulgaria. He uses contemporary sources and concrete examples to illustrate that co-operation between the social partners plays a crucial role in supporting social peace and how the lack of it might even be regarded as a national security risk.

The article by Aleksandar Fatić, based on Max Scheller's discourse, looks at the applicability of 'sympathy' to the social and moral theory of human action.

Finally, Christophe Solioz gives a detailed book review of Victor Peskin's new book *International Justice in Rwanda and the Balkans*.

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