Review of the Book “Support for Establishing a Minimum Wage- Setting Mechanism in Romania”, Lumen Publishing House, 2017

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Abstract: This paper is a review of the volume “Support for Establishing a Minimum Wage-Setting Mechanism in Romania”, published by Lumen Publishing House from Iași, Romania, in 2017, authored by Madalina Ecaterina Popescu, Eva Militaru, Dan Pele, Miruna Mazurencu Marinescu, Valentina Vasile, Simona Ilie, Adina Mihailescu, Adela Șerban.

Keywords: *minimum wage, criteria for determining the minimum wage, economic effects of the minimum wage, social effects of the minimum wage.*

How to cite: Bostan, I. (2020). Review of the Book “Support for Establishing a Minimum Wage-Setting Mechanism in Romania”, Lumen Publishing House, 2017. *Logos Universality Mentality Education Novelty: Economics and Administrative Sciences*, 5(1), 49-51.
<https://doi.org/10.18662/lumeneas/5.1/22>

Generally, we know that the minimum wage is part of the work reward system whose level is established by law (hourly and implicitly per month, at a certain hourly rate), updated periodically, below which no one can be employed in the whole country. It is at the same time a form of state intervention in wage policy, but also a means of ensuring a certain standard of living for employees. Therefore, the institution of the minimum wage is very important in the social-economic system.

However, the number of existing bibliographic works in this difficult subject, that of rewarding the labor force, is not very large or, most often, remains largely outdated. That is why we consider that the book elaborated by renowned specialists working in the institutes of the Romanian Academy and at the Academy of Economic Studies, entitled "Support for Establishing a Minimum Wage-Setting Mechanism in Romania", published in 2017 by Lumen Publishing House (authored by Madalina Ecaterina Popescu, Eva Militaru, Dan Pele, Miruna Mazurencu Marinescu, Valentina Vasile, Simona Ilie, Adina Mihăilescu And Adela Șerban) focuses on several major sub-themes, as it can be seen even from the title of the book, such as:

(1) Analysis of best practices on the mechanism for setting the national guaranteed minimum wage in some countries of the European Union and the OECD;

(2) Design of the most appropriate monitoring evaluation mechanism and system;

(3) Development of criteria for adjusting the minimum wage and alternative scenarios to support the mechanism in question;

(4) Measuring the ex-ante and ex-post economic and social effects of the adjustment of the minimum wage.

In our opinion, the reading of the paper is meant to convince any interested researcher in the field that the main goal of the approach has been fully achieved. This, as the authors themselves tell us, "consisted in providing a recommendation for a solid institutional process for setting the minimum wage in Romania, designing a transparent mechanism for setting the minimum wage based on objective criteria, to establish the basis for evidence-based dialogue and making the best decisions" (Popescu et al., 2017).

Scrupulously, the authors presented in their approach important tools with which they operated: social-economic indicators for European Union countries, potential indicators for the criteria used in setting the minimum wage, potential indicators for assessing the impact of minimum wage growth, estimates of macroeconomic results / impact assessment, correlation between the minimum wage index (ISAL_MIN) and the real /

effective exchange rate (REER) - proxy for competitiveness, the correlation between the minimum wage and the change in the nominal unit labor cost, labor questionnaires etc.

Finally, it should be mentioned that the approach / treatment of the topic we are referring to, which involved, among others, a documentation based on valuable bibliographic works, but also the scope and depth of the research, will certainly show utility for a long time, given that in Romania more than a quarter of employees (1.3 million people) are paid at the level of the minimum wage or slightly above it.

References

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