ABSTRACT: The economic and financial crisis became apparent in Romania somewhat delayed but persists and is aggravated due to the weak sustainability of the economic growth recorded in the last few years. The considerable diminishment of output because of reduced exports and domestic demand compression for goods and services generates new unemployed contingents and triggers the diminishment of employees’ earnings. Additionally, the distribution of employees on income brackets places the median under the level of the average wage on economy and heightens incomes’ inequality. In this context, the economic and social significance of the minimum wage increases from the perspective of sustaining domestic demand and from the social one of maintaining an adequate living standard, as well. In spite of the sizeable increase of the minimum wage during the transition period, it remains one of the lowest in EU and it does not exceed the minimum subsistence level. The paper presents the crisis impact on the labour market from the viewpoint of using the minimum wage as instrument of maintaining/stimulating domestic demand and social protection of employees and identifies the elements of adequate policies for the crisis situation and to the particularities of labour market and economic conditions in Romania.

Key words: minimum wage, financial crisis, labour market

JEL classification: J30, G01, J40