

# COMMENTS ON THE INTERDEPENDENCE BETWEEN THE MINIMUM WAGE, PRICES AND OTHER TYPES OF WAGES

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## **Abstract**

*Most of the times, the minimum wage is regarded as main instrument of poverty diminishment. From the experience of developed countries it results that the increase of the minimum wage must carefully be determined so as not to trigger negative effects on employment, and not to exceed the one of the average wage. The International Monetary Fund has shown concern with respect to the consequences of increasing minimum wage, indicating that even agreeing with social programmes, the significant increase of the minimum wage above the level of labour productivity increase shall hinder the deflation process and the Romanian economic competitiveness and that would affect, finally, more population categories with lowest incomes.*

*The paper researches, in its first part, the relation between the minimum wage, the average wage and the level of inflation from the theoretical viewpoint, and in the second a statistical analysis is performed with respect to the evolution of these indicators and the relationship between them in Romania for the period after 1990.*

**Key words:** *minimum wage, price, level of inflation*  
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