From the Editor

It is a great pleasure to introduce the new issue of the South East European Journal of Economics and Business (Volume 8, Issue 1). This special issue covers papers presented at the 6th International Conference of the School of Economics and Business in Sarajevo – ICES2012 - Beyond the Economic Crisis: Lessons Learned and Challenges Ahead. After a rigorous selection and reviewing process, this special issue carries five papers. A common feature of these studies is that they focus on one or more countries of the South-Eastern or Central Europe; all of them are empirical papers, three of them focus on the effects of the last global economic downturn in this part of Europe, and they are mainly based on new data. As such, this issue provides a nice compilation of five different economic and business research areas, which we present in turn.

The first paper is by Mikulić, D., Lovrinčević, Z. and Galić-Nagyszombaty, A., entitled "Regional Convergence in the European Union, New Member States and Croatia". The paper investigates the issue of regional convergence in the European Union with special reference to Croatia. The novelty of this empirical work is that the authors provide more insights into the differences in regional growth patterns of new member states, as well as Croatia, in addition to the factors influencing regional disparities within each country. This paper provides a nicely elaborated empirical analysis of regional convergence for the period 2001-2008 at the NUTS II and NUTS III levels. The main hypothesis that the authors test in their empirical work is whether the process of regional convergence in new member states (NMS) and Croatia is strong enough to dominate over other factors influencing regional potential growth (mainly industry structure and the quality of human capital). The authors report that absolute β-convergence can be found at the national level for EU countries. Convergence also can be found in NMS regions, but the pace of convergence at the regional level is lower in comparison to the national level, and the estimated β-convergence parameter is less significant.

The second paper by Čaršimamović-Vukotić, N., Jankulov-Suljagić, I. and Smirnov, I. is entitled "Post-crisis Potential Output in the Western Balkans". The study covers a contemporary issue – the effect of the last global economic downturn in the Western Balkans on the output (GDP) gap

of these countries. In the empirical part of their research, the authors calculate and compare pre- and post-crisis potential GDPs and GDP gaps for the Western Balkan countries. They use a symmetric filter method developed by Hodrick and Prescott to de-trend GDP time series data by decomposing it into growth and cyclical components. The authors report that there was a strong decrease in potential output growth compared to the pre-crisis potential output growth of the Western Balkans. One of the implications of this empirical investigation is that structural economic reforms are needed in order to support sustainable long-term production and employment growth. Moreover, the authors argue that recovery in the region will strongly depend on global international trade recovery as well.

The third paper written by Zaimović, A. under the title "Testing the CAPM in Bosnia and Herzegovina with Continuously Compounded Returns" is also an empirical work focused on the capital market of Bosnia and Herzegovina (BiH). Zaimovic argues that capital markets of the Western Balkan countries in general are characterized by higher returns, but also with higher volatility of stock returns as compared to those of developed markets. The recent economic and financial crises devastated capital markets worldwide, an effect the author identifies in the BiH capital market as well. To further investigate the BiH capital market's performance, the author explores whether there is a standard relation between stock returns and market portfolio returns as proposed by the Sharpe-Lintner Capital Asset Pricing Model. This is an empirical work based on a traditional two-stage regression OLS methodology. The obtained results imply that despite the crisis' effects on the BiH capital market, the systematic risk measured by the beta coefficient is priced and that the beta premium is positive.

The fourth paper written by Pop, L.N., Rovinaru, F. and Rovinaru, M. is entitled "Commodity Price Volatility During and After the Economic Crisis – Implications For Romania". The authors argue that under the impact of a wide range of determinants, the prices of globally traded commodities often experience sudden and significant fluctuations (especially over the last global economic downturn), putting under uncertainty and risk the economic status of producers, consumers and traders from the private to the national

level. In the authors view, Romania, due to the processes it has undergone in recent decades, experienced the international turmoil in a severe manner as well. This motivated authors to investigate the food price volatility experienced at the international level and on the Romanian market during the years of the crisis and immediately after its appeasement. The authors report that Romania's current volatility context is a mixture of imported volatility and internal instability and the lack of maturity of its market structures. The paper ends with some interesting policy implications.

Finally, the fifth paper by Dlačić, J. and Kadić-Maglajlić, S. is entitled "The Role of Gender and Situational Factors in Wine Consumption of Generation Y". The paper discusses theoretical, empirical and practical implications of wine consumption and offers ideas for further research. The main research motive of this investigation was to analyze the factors influencing the wine consumption of Generation Y consumers in the context of two countries from South-Eastern Europe (Bosnia and Herzegovina and Croatia). The paper's empirical analysis implies that self-expression, sociability, tradition and food are factors that have been recognized as significant predictors of wine consumption in these two countries. Multivariate regressions have been applied in order to explain the influences of the abovementioned factors on wine consumption. In particular, the research findings show that specific gender and situational differences exist in wine consumption behaviour between males and females in Generation Y.

In the end, we do hope that you will find reading this issue interesting and that you will be motivated to conduct and submit your research to the Journal as well. We would like to thank the journal's referees, who helped us improve the papers and who supported the continuity of publishing high-quality research. Without their support it would hardly have been possible to publish this issue.

On behalf of the Editorial Board
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