From the Editor

South East European Journal of Economics and Business announces its first issue in 2022, volume 17. This volume brings ten contributions, mainly from South East Europe (SEE), focusing on diverse regions and topics covering banking and financial sectors, institutions and public sector policy, financial management and remittances. A short overview of these contributions follows.

Sulejmani and Tevdovski in their paper "How the contagion is transmitted to the Macedonian stock market? An analysis of co-exceedances" investigates the transmission of shocks from selected developed and SEE stock markets to the stock market of the North Macedonia. The authors find that the probability of contagion from the stock markets of the United States, Serbia and Bosnia and Herzegovina to the Macedonian stock market increased during the last Global Financial Crisis.

Rebić et al. in their contribution „Measuring concentration and efficiency in Bosnia and Herzegovina banking sector using dynamic panel model" examine the determinants of profitability of the banking sector in Bosnia and Herzegovina with particular focus on the level of concentration. The analysis reports that concentration has positive impacts on profitability, while credit risk, deposit risk and cost to income ratio from bank-specific variables, including GDP growth rate from macroeconomic variables, have a statistically significant influence on banking performance.

Silajdzic and Mehic in their paper „Institutions and foreign direct investment: what role for investment policy in Southeast Europe?" analyse the impact of institutions on foreign direct investment (FDI) in SEE. The authors find evidence that investment policy efforts seemingly do pay off, highlighting the importance of progress and reforms embodied not only in FDI regulation, but also in FDI policy including promotion and facilitation, transparency, privatisation policy and public private partnership.

Alshammari et al. investigates „Empirical and political drivers of remittance transfer" using the data from the Gulf Cooperation Council (GCC) countries. The authors find that both the economic and political stability do matter to remittance transfers. While conventional findings on importance of economic factors for remittances are confirmed in this sample, the research signifies that any change in political stability might affect decisions made by foreign workers. This finding has general implications for similar regions throughout the world suggesting that political stability has a strong effect on the flow of remittances.

Basic in her research titled „Internationalisation-localisation debate in case of Croatian exporters' intangible-tangible asset investment" investigates the role of investment in intangible and tangible fixed assets on firm internationalisation pace. The author finds that investments in intangible assets significantly and positively increase export growth but not domestic revenue growth in Croatia. Investments in intangible assets positively affect firm internationalisation growth, while an increase in intangible assets negatively affects localisation growth. An implication is that investments in intangible assets are more important than investments in fixed assets, thereby providing practical implication for firms aiming to increase the pace of their international expansion.

Bucevska in her paper „Impact of remittances on economic growth: empirical evidence from South-East European countries" investigates remittances as a factor of economic growth in six SEE countries: Albania, Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia, and Serbia. The research confirms that remittances have a significant positive impact on economic growth in the observed sample.

Cwynar's paper „Are two heads really better than one in intra-household financial management? Evidence on the financial behaviour of couples in Poland" focuses on different intra-couple financial management styles among households in Poland. The author finds significant differences in credit management behaviour, with individuals who share participation performing better compared to sole managers. Credit management differences are more associated with socio-demographic variables such as age, place of residence, income, and number of dependent children.

Bronić et al. investigates „The effects of budget transparency on the budget balances and expenditures of Croatian local governments". This analysis shows that higher budget transparency tends to increase expenditures and the probability of achieving deficits, especially in poorer local governments. However, improved budget transparency increases electorates' confidence, making public goods and services more interesting to voters, ultimately increasing public expenditures.

Okuyan investigates „The nexus of financial development and economic growth across emerging economies" for 19 developing economies. The author finds that causality between financial development and economic growth was determined from economic growth to financial development in four countries and from financial development to economic growth in another four countries. However, in majority of countries in the sample, the author finds no causality.

Żebrowska-Suchodolska and Matuszewska-Janica analyse „Long-term relationships between mutual funds and equity market" focusing on the data from Poland. The authors examine the long-term relationships between open-ended equity funds and the stock exchange indices. The results indicate a lack of long-term relationships between the quotations of the selected indices and the valuation of the vast majority of funds. In the long-term, this may result in disturbances of the long-term balance to such an extent that the relation can no longer return to its long-term path, so the vast majority of the analysed funds do not follow the indices.

On behalf of Editorial Board

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