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From the Editor

The South East European Journal of Economics and Business introduces its new regular issue (Volume 9, Issue 2) containing five empirical contributions. Three papers are directly focused on the Western Balkans and Eastern Europe, one addresses emerging markets, while the last has general implications. The two economic papers concern institutional and monetary economics, while the remaining papers could be categorized as belonging to the financial, marketing and management disciplines.

The first contribution is "Money-in-the-utility-function: Model simulations and money demand estimation in the case of the Republic of Macedonia" by Ivanov, Petkovski and Naumovska. The authors investigate the money market in Macedonia with a particular focus on the interactions between money, prices and economic activity; they rely on monetary data covering the period 2002-2012. The first part of the paper simulates the property of the superneutrality of money - the real variables were mostly driven by productivity shocks, whereas monetary shocks did not have any real effects in Macedonia. In the second stage, the authors explore whether the validity of the Fisher equation holds and found that it does not. Next, they estimate the money demand equation represented by the M2 aggregate using the cointegration approach. The findings from the second stage are in line with economic theory - the estimated income elasticity is less than unity and consistent with previous studies.

"A risk metric assessment of scenario-based market risk measures for volatility and risk estimation: evidence from emerging markets", by Sitima and Hlatywayo, looks at the interdependency and concentration market risks of financial markets in terms of

how the emerging markets relate to some of the best and most advanced markets. The observed period of empirical investigation is 2000-2010. In particular, the authors address the sensitivity of the Value-at-Risk (VaR) and Expected Shortfalls (ES) approaches with respect to portfolio allocation in emerging markets. The results showed that ER has less risk tolerance than VaR based on the same scenario-based market risk measures.

Williams, Franic and Dzhekova bring us an interesting work entitled "Explaining the undeclared economy in Bulgaria: an institutional asymmetry perspective". The authors investigate whether institutional asymmetry – the mismatch between formal and informal institutions – is associated with the undeclared economy. As such, this paper contributes to the very dynamic but little explored field of institutional economics and its often neglected dimension – informal institutions. This is an empirical paper based on survey data – face-to-face interviews from 1,018 respondents in Bulgaria were conducted in 2013 – and probability modelling. The authors report that the greater the asymmetry between formal and informal institutions, the greater the likelihood of participation in the undeclared economy. A general implication is that tackling the undeclared economy requires focusing on reducing this lack of alignment between formal and informal institutions.

"Regional lifestyle segmentation in the Western Balkans", by Husić-Mehmedović, Čičić and Agić, investigates the lifestyle specifics of the Western Balkan market. More specifically, the paper explores whether current political issues and economic differences have led to dissimilar ways of living, or whether cultural similarities have prevailed and lifestyles can be defined accordingly. The empirical findings based on six underlying factors identify three lifestyle clusters

for the region. Indeed, the authors report three almost identical lifestyles for Bosnia and Herzegovina, Croatia, Serbia and Slovenia that are applicable to the entire region. These findings have significant managerial implications, as potential investors can apply identical marketing strategies to target the approximately twenty million consumers in the region.

"The effects of the administrator's role in training programmes and training motivation on training maintenance" by Ismail, Afiqah, Makhbul, Abdullah and Mat examines the relationship between the administrator's role in training programmes, motivation, and maintenance based on data collected from 123 employees in Malaysia. The results of SmartPLS path model analysis reveal two important findings. First, communication and training motivation are positively and significantly related to training maintenance. Second, delivery and training motivation are positively and significantly related to training maintenance. The authors conclude that training motivation does act as an effective mediating variable in the relationship between the administrator's role in training programmes and maintenance.

In the end, we need to mention the professional support we received from our referees who helped both the authors to improve their papers and the Editorial Board in the selection process. We should also acknowledge that without the administrative and financial support of the School of Economics and Business this Journal would not be possible.

On behalf of Editorial Board
Efendic Adnan

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