

Dear Readers,

We hereby commend the latest issue of *Argumenta Oeconomica Cracoviensia* to you. The journal publishes original contributions in the fields of economics and finance which are of a theoretical, empirical or methodological character. Our approach is a response to the global trend in economics and finance scholarship, especially pronounced since the financial crisis, towards the search for, and explanation of, the relationships and dependencies between phenomena and processes occurring in the financial sphere and in the real economy. Despite intensive research and lively international academic debate, there are no unequivocal conclusions as to the causes and consequences of the divergence between the real and financial spheres of the economy. Moreover, country-specific and international regulatory action have not reduced the powerful role of the financial sector. This could signal the beginning of another financial, economic, and social crisis. The unabated interest of speculative capital (investment funds, private equity funds, etc.) in the housing market (real estate) remains a cause for concern, and elevated house prices as a consequence of speculation are restricting part of the population's access to housing, a basic good. This is a major social problem. Speculation on the real estate market is encouraged by a worrying increase in income and property inequalities.

New research challenges are emerging in economics and finance related to the phenomenon of globalisation, which seems to be at a crossroads in the face of the rising contradictions between the world's superpowers and the temptation to return to protectionist practices. The COVID-19 pandemic, whose current and long-term effects are difficult to predict, has opened up a new research perspective. These new cognitive and practical challenges are accompanied by phenomena such as population ageing, climate change, digitalisation, the fourth industrial revolution, and artificial intelligence, whose implications for the economy and society are not yet fully understood. The economic and social consequences of these phenomena are likewise

hard to predict, although they are expected to provide sources of economic and social progress.

Some of the challenges mentioned above are directly or indirectly addressed in the articles contained in current issue of our journal. The papers make reference to the current clash of doctrines: further liberalisation of the global economy on the one hand, and protectionist tendencies on the other.

The issue opens with Kalim Siddiqui's article, "Can Global Imbalances Continue? The State of the United States Economy", in which the author argues, on the basis of literature research and available empirical data from international financial institutions, that global imbalances are exacerbated by inefficient resource allocation. An external symptom of this is the US current account imbalance, which is destabilising the global economy. According to the author, this negative phenomenon is the result of the excessive financialisation of the economy, made possible by the still dominant current of neoliberal economic thought (doctrine). The paper also deserves attention because the author offers an early assessment of the effects of the pandemic not only on the American economy, but – due to the role and reach of the US – on the global economy too.

The paper by Eliza Frejtag-Mika and Tomasz Mika, "Protectionist Practices as a Method of Restoring the Trade Balance", is closely related to the issues discussed above. In recent years, for various reasons, seemingly anachronistic recommendations for the application of protectionist policies by individual countries have been revived. This phenomenon, which before the pandemic was a result of, among others, the trade war between the United States and China, has now taken on a wider dimension in the context of the pandemic. This is understandable to a degree, as meeting the demand of health care systems in various countries has been hampered. The production of many goods connected with the fight against COVID-19 and with food distribution has become more and more strategic in the face of interrupted supply chains. It is also worth noting that the customs and other restrictions imposed by the US administration are a symptom of the struggle for global dominance. Therefore, considerations of a strictly political nature do not necessarily have a positive impact on the economy and international trade, and undermine the benefits of the international division of labour. In this paper, the authors attempt to demonstrate that protectionist practices (customs barriers, non-tariff barriers) are an ineffective means of restoring the balance of payments equilibrium. The use of protectionist tools by one country tends to lead to retaliatory action by the other country, which in the long run is not conducive to restoring equilibrium in the current

account balance and trade balance. A customs war gives impetus to a trade war, which diminishes the benefits of international trade, and is thus short-sighted.

Research on the strategy and consequences of monetary policy in countries where systemic change has taken place is still intriguing, not least because such countries have little experience of an economy which functions according to the business cycle and in which monetary policy is conducted by trial and error. For this reason, the research findings presented by Viktor Shevchuk in his paper entitled “Monetary Policy Transmission Mechanisms in the Central and Eastern European Countries” may prove interesting. Using a structural vector autoregression (SVAR) model, the author estimates the macroeconomic effects of monetary policies pursued by selected countries outside the euro area. The obtained results differ significantly across the analysed countries in terms of the strength and direction of changes in the business cycle (GDP) and inflation. In the research, changes in macroeconomic figures as a result of monetary policy responses take into account the classic channels of transmission of monetary decisions, i.e. the exchange rate and the fiscal channels. This article may serve as an inspiration for further in-depth research.

Dominika Polko-Zajac’s paper, “A Comparative Study of the Power of Parametric and Permutation Tests for a Multidimensional Two-sample Location Problem”, is of a methodological character and concerns statistical inference. The originality of this work lies in the fact that the author presents a permutational, complex procedure for assessing the overall achieved significance level value. She carries out a simulation study to determine the size and power of the test under normal conditions. A Monte Carlo simulation allows her to compare the empirical power of this test with that of Hotelling’s T^2 test. The advantage of the proposed method is that it can be used even when samples are taken from any type of continuous distribution in a population. The paper may be of interest to researchers of economic and social phenomena using statistical methods.

The issue of trust in broadly-understood financial institutions is becoming more important in line with the ongoing financialisation of economic and social processes, the use of increasingly sophisticated financial instruments, and the remote handling of clients of banks and financial institutions. Although the issue of trust in the activities of banks was present in research and in the subject literature long before the recent financial crisis, the scale and depth of the crisis has significantly undermined public confidence in these institutions. The impact of trust on the development of financial

institutions was finally recognised by the banks themselves. These issues are addressed in Grażyna Szustak and Łukasz Szewczyk's article, "Public Trust – a Bank's Non-financial Capital", in which the authors attempt, on the basis of surveys, to determine the importance of public trust and ethical attitudes both from the point of view of customers and stakeholders, and from the point of view of the banks themselves in the context of their current operations and development prospects. The research findings are interesting in that irrespective of the paradigm of the bank as an institution of public trust in academic debate and in banking practice, the main factor that protects customers' interests is the law, i.e. regulations. The authors rightly draw attention to the uncomfortable situation of banking staff and to the factors that foster unethical behaviour. Among the latter is the pressure to implement the sales plan, which plays the most important role. Incidentally, it may be noted that while it is relatively easy to perceive the ethical or unethical behaviour of banks, this is much more complicated in the case of other financial institutions, especially investment banks. The need for research on these institutions and forcing them to behave ethically is an even greater challenge. Despite the crisis of the financial sector in the first decade of this century, the sector has recovered relatively quickly, and its practices, as exemplified by the role of financial institutions in the real estate market mentioned above, cast doubt on whether its behaviour is ethical. Given the use of sophisticated financial instruments and operations which even people with a high level of economic knowledge find difficult to understand, assessing the behaviour of financial institutions from an ethical standpoint is made more difficult as the border between traditional banking and investment banking becomes blurred. And in the case of non-bank financial institutions, it is also – unfortunately – more difficult to apply effective regulation.

An economically and socially important topic is discussed in Przemysław Pluskota's article, "The Use of Microfinance to Mitigate Financial Exclusion". In view of the increasing financialisation of social life, citizens' access to financial services is important. This is significantly more difficult in less developed countries (regions). Where the development level is low, profit-oriented big financial institutions are not interested in investing in infrastructure. For this reason, too, the author's presentation of the importance of the emergence and development of local microfinance institutions focused on serving the poor should be seen as a valuable contribution. Social exclusion does not necessarily lead to financial exclusion, thanks to the products (services) offered by microfinance institutions that

are tailored to the needs of poorer people. Also noteworthy is the author's attempt to define financial exclusion, since this concept is still interpreted in different ways.

While commending the present issue to our readers, we would also like to invite contributions in the form of original texts, information about important academic events, and reviews of outstanding books. Texts in the field of economics and finance will be treated as most relevant to the journal's profile.

Prof. Stanisław Owsiak
Editor-in-chief