

## Dear Readers,

This issue of *Argumenta Oeconomica Cracoviensia* confirms the journal as one open to presenting theoretical issues and the results of research on how entities function in the economic system in different conditions, both in the macroeconomic and microeconomic dimensions. A characteristic feature of the development of economic sciences at this stage is the penetration of the disciplines of economics, management and finance. An approach to issues that takes the interplay of these three disciplines into account enables researchers to better recognise their nature and formulate recommendations to be implemented in practice. This trend in the development of the economic sciences has been reflected in the work included in this issue.

An example of just how is the article by Améziane Ferguene and Ibrahim Baghdadi, “Socio-political Governance, Institutional Function and Economic Development”, which analyses the concept of new public governance and its importance for a country’s socio-economic development. The European Union recommends the implementation of New Economic Management in Member States as an institutional response to the consequences of the most recent financial crisis. However, the authors’ considerations go beyond the EU level to more universally address the conditions upon which social development are built – the balance between the various types of public authorities, institutional transparency, the rational use of resources and the building of civil society.

The growth of the capitalist economy is characterized by ever-increasing production and consumption. Production processes are carried out in enterprises, while the model they follow – their objectives – is defined and perceived differently in the market model envisioned in the neoclassical economy and the dialectical perception of economic development, and in a model consistent with the assumptions of classical economics. Apart from how indispensable production may or may not be, as consumption increases, so too does the quantity of waste produced. It cannot be denied that increased consumption is a goal management needs to see met, but nor can we fail to notice the negative effects greater consumption involves. Business

models should therefore take into account environmental protection and, as a consequence, promote sustainable economic development. The increasing amount of waste is not only an important practical challenge, but also leads to a deeper theoretical reflection on the economic goals of human activity, its system of values, including protecting the environment humans occupy. Wojciech Piontek takes an interesting angle on these issues in his article “The Problem of Waste Intensity in Entrepreneurial Business Models”.

Another challenge economic theory has addressed in recent years is the human migration prompted, first, by the fall of communism in the early 1990s, then the enlargement of the European Union, which opened up the labour market to the citizens of EU Member States. Migration phenomena – humanitarian, social and economic alike – have intensified in the wake of the wars in the countries of North Africa and the Middle East. Due to the enlargement of the European Union, migration phenomena have been very prominent in Poland. This makes Ewa Genge’s theoretical perspective on the issue one of great importance. In her article, “A Longitudinal Study of Polish Attitudes to Emigration: A Latent Markov Model Approach”, she evaluates these phenomena with a proven econometric model.

The analysis of time series related to financial phenomena constitutes another methodological challenge. In many cases, the use of standard methods of estimating parameters and predicting phenomena does not yield satisfactory results. Here the model Monika Hadaś-Dyduch proposes for financial forecasting of time series, in her paper “Approximating Financial Time Series with Wavelets”, is worth considering.

Assessing the condition of small businesses in the overall economy is made all the more difficult by the lack of full information on the costs they incur and the resulting effects. That lack means economic data must be estimated at a low level of aggregation. In their paper, “An Evaluation of Company Performance Using the Fay-Herriot Model”, Grażyna Dehnel, Michał Pietrzak and Łukasz Wawrowski have undertaken just such an estimation. The article evaluates the applicability of this model to the estimation of one of the basic economic values in small enterprises: revenue. The authors’ assessment of the financial situation of small business entities in Poland was done on the basis of information contained in the registers of the state administration, the implications of which may form the basis for the critical assessment of the method and model they have used.

To evaluate the situation of economic entities in a given country, it is essential that there be not only reliable not reporting data, but also a system for recording economic events a country. This issue is addressed in an article

written by Sanja Broz Tominac and Kinga Bauer, “Regulations for the Preparation of Financial Statements by Banks in Croatia and Poland”, which compares the financial reports of commercial banks in those two countries. The comparative analysis shows that national accounting legislation allows some discretion in financial reporting, in the standards laid down by the IFRS. This issue affects those who use bank financial statements, including investors, regulators and stakeholders. Given that both Poland and Croatia belong to the European Union, it would be desirable to standardise the content of the financial statements of commercial banks, as the authors propose in the article.

In closing, I wholeheartedly recommend these articles to readers, and at the same time extend an invitation to authors, Polish and otherwise, to contribute original articles to future editions of the journal.

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Editor-in-chief