

Dear Readers,

The most recent edition of *Argumenta Oeconomica Cracoviensia* confirms the wide range of issues the journal features, including research on economy, management, finance and other subdisciplines of economics. The journal provides a forum for theoretical research findings not only in the language of economics, but also of mathematics, informatics and other disciplines. The editorial board's aim is to publish work that accomplishes the goals of economics and the paradigms used in this science, as well as writing that presents the results of empirical research with the use of existing methods of analysis. Research results in which the authors have modified existing methods of analysis are published, and so too is work that offers original perspectives.

In their article “Innovative Mechanisms in a Private Ownership Economy with a Financial Market”, Iłona Cwiczek and Agnieszka Lipieta take a mixed approach to economic research. The authors use Schumpeter's concept of innovation in the economy to formalise interactions between financial markets and the real economy. These interactions are modelled using Hurwicz's method, hence the main results are presented in the form of mathematical theorems interpreted in the language of economics.

In the next article, “On the Need for Cognitive Closure and Judgmental Trend Forecasting”, Marcin Czupryna, Elżbieta Kubińska and Łukasz Markiewicz discuss methodology that is crucial to modeling and forecasting economic phenomena. Among the factors determining the reliability of forecasts may be counted historical time series, the proper selection of these series, and the cleaning of the data involved. The approach the authors take to trend research is not only useful but also, in employing the concept of temporary closure that considers psychological inclinations, innovative.

The causes and effects of the recent financial crisis remain a matter of keen interest for economists. Initial measures taken by the state and supranational institutions to limit the risk of another crisis occurring are being assessed. In his article, “Restoring Balance in Public Finance in Europe in the Light of the Fiscal Compact”, Piotr Ptak examines these issues in the context

of the public finance crisis. While the assessments presented here regarding the effectiveness of the Fiscal Compact adopted by the European Union in 2013 in an effort to address public finances are perhaps early, and perhaps debatable, the author's arguments deserve attention.

Expenditures on research and development and their impact on economic growth are the subject of analyses from both a macro- and microeconomic perspective. While empirical analyses of the entire national economy duly consider the impact of expenditures on R&D, a fact reflected in the large macroeconomic models that are used, the study of the relationship between expenditure on R&D and enterprise performance remains less developed, particularly the role of motivating factors. Decisions on R&D expenditures are made at a variety of levels in the hierarchy of economic organisations, so understanding the relationship between the decisions made and the benefits that managers derive from the expenditure incurred on innovative tasks is important. Barbara Grabińska and Konrad Grabiński examine these issues in their article "The Impact of R&D Expenditures on Earnings Management". The results they obtained are compelling because the research concerns a relatively large group of American enterprises.

In theoretical work, as well as in empirical analyses, connections are sought between specific public expenditures, including public aid expenditure and economic growth. Piotr Podsiadło takes up this issue in his paper "State Aid for Environmental Protection in EU Member States – the Perspective of the Economic Growth and the State of Public Finance". Expenditure promoting economic growth processes is understood here as public aid in all its forms – that is, not only subsidies for enterprises, economic sectors and particular geographical regions, but also tax breaks and other fiscal measures. The author also considers the impact of public aid expenditure on state budgets.

In reading this edition of the journal, may you take inspiration from the original texts, reports on important scientific events and reviews of outstanding books.

Prof. Stanisław Owsiak
Editor-in-chief