

Dear Readers,

We hereby commend the latest issue of *Argumenta Oeconomica Cracoviensia* to you. The current issue reflects the profile of the journal, which publishes original contributions in the field of economics and finance. Its main purpose is to present theoretical views as well as the results of empirical research on current issues tackled by economists. We are particularly interested in publishing views and empirical research findings on the fundamental changes in the world economy in recent decades. This is all the more important because during that period we were able to observe the detachment of economic theory from political economy and also the separation of financial theory from economic theory. The result was the biggest financial crisis since Great Depression in the first decade of this century. Economists and politicians have noticed these negative trends, and this has led to a worldwide debate on the search for a new economic paradigm. There are also other reasons why it is necessary to look at economics as it was practised in the past, namely, the intensification of globalization and integration processes, deepening income inequalities, and the digitization of the economy and finance. These recent changes have implications for the development prospects of the world economy, also in terms of the stability of the conditions under which economic entities operate both nationally and supranationally. The excessive autonomization of financial phenomena in relation to the real economy, otherwise known as financialization, is reflected in the formal, classification-oriented approach to scholarship in Poland, where, as part of the review of the taxonomy of science, the disciplines of economics and finance have been merged. Although we should not attach too much importance to the way in which phenomena are classified, this change, at least in Poland, may have beneficial effects as regards the interpenetration of these two sub-disciplines. It may therefore be assumed that research projects and publications in the field of economics that result from them will take greater account of the financial aspects of phenomena and vice versa.

This latest issue of our journal fully reflects the directions of the debate and the interest shown by economists in current challenges. Many of the papers presented in the current issue are an expression of the continuing integration of economics and finance.

Such challenges undoubtedly include issues related to the aforementioned income inequalities in various countries and internationally. The problem of income inequalities and their negative consequences for the future of the economy has already been discussed in our journal. Due to the scale and complexity of the phenomenon and its various economic, social and political aspects, each new approach is worthy of attention. For this reason, readers may be interested in Kalim Siddiqui's article entitled "The Political Economy of Global Inequality: An Economic Historical Perspective", which draws attention to the decreasing role of political economy when examining the causes of income inequality. The value of this article lies in the fact that it offers a long-term analysis of the causes of inequality from a supranational perspective. The conclusions presented by the author may inspire further research and analysis, especially as climate change may exacerbate inequalities in individual regions of the world or between countries. This may give rise to further migration of peoples due to poverty and lack of food or water.

Income inequalities are varied and complex, which is why it is difficult to identify their nature and causes more accurately. It is therefore worth taking account of any methodological proposals in this area. In their article entitled "Application of a Systems Approach to Studying Global Socio-Economic Inequality", Czesław and Lidia Mesjasz emphasize the need to consider that income inequalities arise in a specific social system. Hence, the authors propose to use the findings of academic research on complex systems, in this case social systems, to investigate the sources of social and economic inequality.

An example of the aforementioned integration of economics and finance is the article by Sławomir I. Bukowski and Łukasz J. Zięba entitled "Financial Market Development and Economic Growth. New or Old Nexus in the Euro Area?", in which the authors try to explain the relationship between the development of financial markets and economic growth. The importance of this paper lies in the fact that it asks whether monetary integration (the euro zone) has caused a new kind of dependence between the development of financial markets and economic growth. The results of this ambitious research task should be of interest to readers and encourage further research or perhaps verification of the authors' findings.

The issue of sustainable economic development has been the subject of lively debate for many decades, but politicians have not drawn any conclusions from it that are favourable to the environment. This is evidenced by the progressive degradation of the environment and the ubiquitous primacy of economic growth over the natural environment. Moreover, the experience of recent years shows that these phenomena are either denied or ignored by many countries, particularly the United States and China, which are the countries that are contributing most to the environmental damage. The European Union distances itself from such a negative approach and is determined to comply with the Paris Agreement on Climate Change, which is manifested not only in the introduction of tougher pollution standards, but also in institutional changes. These include the idea, advocated by the EU authorities, to encourage capital markets to play a greater role in the financing of environmental projects. These issues are the subject of Małgorzata Janicka's article entitled "Financing Sustainable Growth and Building the Capital Markets Union in the European Union". What is interesting about it is that although the author refers positively to the idea of reorienting EU capital markets towards sustainable economic development, she questions the sequencing of the measures (changes) planned by the EU. For these reasons, her critique may provide inspiration for specialists dealing with these issues.

The issue of the impact of economic activity on the natural environment is addressed in Barbara Wieliczko's article entitled "Challenges of European Integration – to What Extent Should the Common Agricultural Policy Stay Common?". In this case, the issue is the impact of agricultural production on the natural environment within the concept of sustainable development. The author shows that only a coordinated agricultural policy creates an opportunity to take into account the regional and local conditions of agri-food production in order to neutralize negative effects on the natural environment and to meet the challenges related to the globalization of the agricultural market.

Another example of the focus on current issues in our journal is Elżbieta Kawecka-Wyrzykowska's article entitled "EU's Multiannual Financial Framework post-2020: Brexit Implications, with a Focus on Poland". It is therefore the mission or duty of researchers to assess the impact of this event on the European Union and individual countries. Much has been written on the issues raised by the author, but this article is notable for its positive approach to the consequences of Brexit. According to the author,

Brexit will force the EU to reform its budget rules due to the loss of the budget contribution made by the United Kingdom. The potential reduction in the EU budget will in turn force a new approach to the common agricultural policy and other programmes, which may prove beneficial to the EU's functioning and development. These and other anticipated effects of Brexit undoubtedly encourage a more in-depth reading of this article.

The phenomenon of population ageing observed in highly developed countries is also beginning to be noticed in middle-income countries such as Poland. The effects of population ageing are manifested in various spheres. For an economist, however, it is important to answer the question of what is the impact of population ageing on a country's economic and capital potential. This issue is tackled in Renata Knap's article, "Population Ageing and Poland's International Investment Position". The author assesses the effects of the ageing of Polish society in a fifty year time-frame. Her results may give rise to some doubt, which is natural in the case of long-term forecasts. Nevertheless, they should serve as a warning to politicians, as the research shows that Poland's net international investment position will dramatically deteriorate and demand for foreign capital will increase as the country's population ages. The author's conclusions are therefore of great practical significance. They are generally known, but the actions of the authorities are inconsistent: on the one hand, efforts are being made to increase the birth rate, but at the same time the retirement age is being lowered and the economic activity of women is decreasing. The arguments presented by the author in favour of an effective demographic and social policy demand to be addressed and thus may inspire readers of this article.

The financial crisis that began in 2008 caused a significant capital weakening of the banking system in many countries. In response to the negative phenomena, individual countries and groupings, such as the European Union, took a number of *ad hoc* measures (bank recapitalisation, mergers) as well as institutional and prudential ones. It is interesting, therefore, to try to examine how commercial banks reacted to institutional and capital changes in their operating conditions. On the example of selected commercial banks in Poland, Piotr Karaś and Andrzej Walitza present these issues in their paper entitled "Polish Commercial Banks' Efficiency in 2009–2016 under Stress Conditions for Recapitalization".

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