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## EDITORIAL

At the beginning of this Editorial, we would like to inform the domestic and international academic community that, since March this year, and along with EconLit, EBSCO, Cabell's Directories, ProQuest ABI/INFORM, Index Copernicus and Ulrich Web, the *Economic Horizons* has been included in the Directory of Open Access Journals (DOAJ) - an online directory that indexes and provides access to quality open access, peer-reviewed journals.

Issue 1 of Volume 17, Year 2015 of the *Economic Horizons* scientific journal contains four original scientific papers and one review paper, a book review and a review of the international scientific conference.

Pursuant to the endeavors of the Editorial Board of the Journal aimed at improving the quality of the published contributions as well as confirming its international character, we particularly point out that two original scientific papers and one review paper written by the authors from abroad (China, India) have been published in this Issue of the *Economic Horizons*, after double blind reviews and the manuscripts revisions.

Signifying foreign direct investments (FDI) and foreign trade (FT) as the fundamental drivers of the rapid economic growth in China and pointing to the indisputably worsening state of the environment in China, *Fan Xiufeng*, *Liu Bolong* and *Liu Qiong* determine the system of the indexes of pollution discharge with the aim of assessing the overall situation of pollution discharge in 30 provinces and cities in China during the period 1991-2012. Given the fact that the imbalance in the regional economic development has led to the heterogeneity of the FDI and FT influences on the environment, different influences of FDI and FT on pollution discharge have been analyzed from the

national standpoint and from the points of view of the three regions (Eastern, Central and Western). Relying on the consideration of the cumulative dynamic effects of pollution discharge and the established dynamic panel data model and applying the assessment methods GMM system, the relevant relationship between FDI, FT and pollutant discharge is critically examined. The obtained results have shown that FDI and FT have different influences on pollutant discharge in different regions; therefore, in accordance with local conditions, local governments at all levels should attract foreign investments and develop foreign trade.

Drawing on the relevant theoretical insight as well as practical knowledge, according to which successful industrialization is an important determinant of sustainable development, *Vladimir Micic* explores the key aspects of re-industrialization and structural changes in the function of the economic development of the Republic of Serbia (RS). Based on the comparison of the results of the development and structural reforms of the economy and the industry in the RS with the countries undergoing the industrialization process (Bulgaria and Croatia) and industrialized countries (The Czech Republic, Slovakia, Hungary and Slovenia), it is confirmed that more developed industrial countries have more efficient structural changes and more propulsive production, which reflects on the levels of industrial production and its competitiveness, the scope and quality of the export of the processing industries. Starting from the view that - due to sudden and premature tertiarization and inadequate reforms - the industry in the RS devastated, it is confirmed through the research process that premature deindustrialization stops economic development and implies re-industrialization and structural changes and that the level of the development and the competitiveness of an industry are in correlation with the intensity of industrialization.

Starting from the IPAT equation that embraces the multiplicative contribution of a population (P), affluence (A) and technology (T) to the environmental impact, *Fang Ying* and *Zhao Wen-ping*, first of all, consider the relationship between the circular economy - as an economic-ecological model requiring resources preservation and the environment protection during economic development - and the decoupling value, and formulate and examine the model of the development phases (initial, intermediate, advanced, super) of the circular economy. The obtained relevant insights have been quantitatively verified in the province of Shanxi, China, through the evaluation of the development phases of the circular economy in this province. Based on the prediction of the environmental impact in different phases - the advanced and the intermediate ones - as well as on the comparison of the environmental impact between the advanced and the intermediate phases, the advanced phase was found to have an advantage over the intermediate phase, considering energy consumption and solid waste production. The development the experience of this Chinese province can be considered as significant for China as well as for other developing countries.

Signifying capital budgeting and the performance measurement system as the connecting points of corporate finance and strategic management systems, i.e. as the fundament of strategic finance, *Miroslav Todorovic*, *Djordje Kalicanin* and *Aleksandra Nojkovic* critically examine the using of different Capital Budgeting Metrics (CBM) and Corporate Performance Metrics (CPM) through their empirical research into the corporate practice of choosing and applying different metrics in the Republic of Serbia, based on the survey of the chief financial officers in 64 companies during the period from March to September 2014. The obtained results indicate that the profitability index is used the most by the surveyed companies and that the earnings-based corporate performance metrics are the most represented. It is also pointed out that the companies' orientation towards Economic Value Added (EVA) and Balanced Scorecard (BSC) increases with the growth of the size and degree of

the internationalization of a firm i.e. the companies applying sophisticated capital budgeting metrics are more prone to applying sophisticated corporate performance metrics.

Within the critical reassessment of fair-value accounting, the procedures prescribed for their measurement and the provisions of some standards on auditing in the fair-value environment, *Jatinder P. Singh* and *Prince Doliya* identify the important aspects of fair-value accounting and measurement, i.e. they consider impediments in, pronouncements on, and safeguards in auditing of fair-value measurements. The assessment of internal controls in relation to fair-value measurements, the identification and evaluation of fair-value measurements that are likely to be a higher risk and potential auditors' biases are singled out as the three key dimensions of fair-value measurement audit. Accounting for intangibles and accounting for financial derivatives have also been considered as the two areas of accounting where fair value measurements manifest themselves most conspicuously.

This issue of the Journal also contains a book review: *Hill, C. W. L. (2014). International Business: Competing in the Global Marketplace*. Maidenhead, Berkshire, UK: McGraw-Hill Education, written by *Jovana Golo*.

Issue 1 of Volume 17, Year 2015, of the *Economic Horizons* scientific journal includes a review of the Third International Conference on Contemporary Issues in Economics, Business and Management - EBM 2014, written by *Gordana Radosavljevic*. The Conference was organized by the Faculty of Economics - University of Kragujevac, the Republic of Serbia, and it was held at the Faculty on 27<sup>th</sup> November 2014.

On behalf of the Editorial Board and on my own behalf, I would first of all like to thank the authors of the contributions published in this issue. At the same time, we owe special gratitude to the reviewers for their efforts and constructive and critical comments and guidelines for the authors of the submitted manuscripts.

Editor-in-Chief  
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