

EDITORIAL

In Issue 2 Volume 20 Year 2018, eight contributions are published: three original scientific papers, three review papers, a book review and the Acknowledgements to the reviewers of the manuscripts submitted to the Editorial Board of the Journal for publication in 2017.

By researching the interdependence of economic growth and the institutional infrastructure on the examples of the Republic of Serbia and the Southeast European countries, *Edvard Jakopin* has established a fact that these countries are still captivated in institutional transition. The mentioned condition is additionally influenced by a high degree of corruption, which reduces economic growth, the investment ambience and the quality of institutions. In spite of the assertion that the influence institutions have on the economic growth in the Republic of Serbia is insignificant, which can be said to be true of the influence of economic growth on the development of institutions as well, the author concludes that no sustainable economic growth is possible without stable and efficient institutions, nor is it possible, either, for stable and efficient institutions to be established in the conditions of the low rates of economic growth.

Given the fact that small and medium-sized enterprises have no adequate approach to financial institutions for the purpose of obtaining loans, there are importantly limited possibilities of the expansion of their business operations. Researching the stated issue in the Nigerian State of Plateau, *Joshua Solomon Adeyele* considers the relevant criteria and mechanisms, such as the financial liquidity indicator(s) and the implementation of the internal

control system, which financial institutions adhere to when making decisions on granting loans in favor of small and medium-sized enterprises. It is also indicated that employees' educational profile significantly influences the selection of the small and medium-sized enterprises that will be granted loans by financial institutions. Pursuant to that, the authors considers it necessary for small and medium-sized enterprises to comply their business activities with the criteria on the basis of which financial institutions extend loans so that they could improve their respective business doing.

Starting from the attitude that the significance of traditional concepts and techniques has been reduced by the transformation of the capital-intensive into knowledge-led economy, the co-authors *Marko Slavkovic*, *Goran Pavlovic* and *Marijana Simic* point out the fact that, in the contemporary conditions of business doing, the focus is on human resources and the management of them. In that context, the management of an enterprise is faced with a challenge of generating employee satisfaction so as to motivate them to be loyal to the employer. It is highlighted that employee recruitment and the employer brand generate a higher degree of employee satisfaction, which is an important precondition for the creation of an image of a company as an acceptable place to work in, which increases the probability of attracting new talents and potentially successfully solves the important problem of creating the personnel potential in the organization.

Pursuant to the attempts made by the creators of economic systems to make them more successful through reforming them, not only from the economic, but also from the social point of view, *Vladan Ivanovic* conducts a research study of the relevant aspects of the concepts of the Social-Market Economy on the example of the Federal Republic of Germany as the model manifesting its economic

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successfulness expressed by the level of the GDP *per capita*, high productivity, innovativeness and export performances. He puts a special emphasis on the significance of the competitive order, the key allocation mechanism without which no construction of an efficient and adaptable economic system as the assumption for achieving respectable economic, social and society-related goals is possible. Together with the market order, the freedom and accountability of economic actors, based on the rule of law principle, are also the starting point of the institutional structure and the irreplaceable generator of economic progress.

By considering the inter-relationship between the competition protection policy and economic growth, with an emphasis on developing countries, *Sinisa Milosevic, Dejan Trifunovic and Jelena Popovic Markopoulos* argue that variations in the national product *per capita* from one developing country to another are for the most part a result of the effective implementation of the competition protection policy. The research study considers the effect of competition on the stimulation of the entrepreneurial initiative and the creation of motivations for innovations and technological progress. It is highlighted that the effective implementation of the competition protection policy in function of meeting conditions for strengthening market competition, which *per se* is an important assumption of economically efficient outcomes, and pursuant to the said, of the accomplishment of more dynamic rates of economic growth and economic development. In order to effectively and efficiently protect competition, it is necessary to have quality legislation and, first of all, to have such legislation responsibly and consistently enforced by competent institutions, such as the Competition Protection Commission.

Within the framework of the considerations of the relevant aspects of reduction in the uncertainty of investment, simultaneously retaining the unchanged

expected return, *Miljan Lekovic* has conducted a comparative analysis of both simple and efficient and national and international diversification, by which he explores the development process of diversification as an investment strategy for mitigating investment risk. Pursuant to that, he has tested the hypothesis that, in comparison with a national diversification, the international diversification of investment enables the achievement of the same or even higher level of the expected return, with the additionally reduced risk of investment. The research study has shown that, in comparison with the national, the international diversification ensures better portfolio performances and, pursuant to that, results in reduction in the risk of investment with the unchanged or even higher expected return on investment.

In this Issue of the Journal, *Ana Krstic* presents her review of the monograph entitled: *Multicriteria decision analysis: State of the art surveys* by Greco, S., Ehrigott, M. and Figueira, J. R. (Eds.) (2016). New York, NY: Springer-Verlag.

In the name of the Editorial Board of the Journal and in my own name, I would like to thank the authors of the contributions published in this Issue of the Journal, as well as the reviewers, who significantly contributed to the improvement of the submitted manuscripts by providing the authors with their critical comments and suggestions.

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Vlastimir Lekovic is a full professor at the Faculty of Economics of the University of Kragujevac. He earned his PhD at the Faculty of Economics of the University of Kragujevac, in the scientific field of general economics and economic development. He teaches the following teaching disciplines: Comparative Economic Systems, Public Sector Economics, Institutional Economics and Market Regulation Policies in the basic, master and PhD studies. The key fields of his scientific-research interest are the economic system, economic policy and institutional economics.