

Editorial: Contemporary Issues in International Economics

International dimension is at the core of modern business activity and globalization processes tighten interconnectedness also at the macroeconomic level to unprecedented levels. This is clearly demonstrated by the first two issues of our review and expressed in editorial introductions (Wach, 2013; Klich, 2013). Thus, the third issue is explicitly devoted to contemporary issues in international economics. Obviously, tackling them in the way as complete as for example in *Global Shift: Mapping the Changing Contours of the World Economy* (Dicken, 2011) is impossible, taken into consideration limits of a journal issue.

International economics intrinsically merges micro- and macroeconomic aspects. Thus, the thematic scope comprises macroeconomic issues in small open economies but also in large countries, exerting significant impact on the global economy, as well as microeconomic and entrepreneurial matters.

Small open economies face a number of significant challenges in the global environment and their governments must, be able to appropriately point them out, choose adequate tools of analysis and select the optimal solutions. In this issue, the selected challenges include the prospects of monetary integration (or the choice of optimal exchange rate regime) and economic security. Geographical scope of the analyses presented in this issue covers Visegrad Countries, Baltic States and three BRICS countries: Russia, India, and China. Thus, a careful selection of some among the most challenging problems in international economics resulted in the following list of papers:

Krzysztof Beck, Jakub Janus, PhD students and research assistants at, respectively, Lazarski University in Warsaw, and Cracow University of Economics, Poland, in their article *Aggregate Demand Disturbances in the Visegrad Group and the Eurozone* provide the evidence on the risk of asymmetric shocks which strongly influence the results of cost-benefit analysis of monetary integration. Using the structural vector auto-regression model they find, perhaps somewhat surprisingly, that the aggregate demand disturbances in the V-4 countries are more closely correlated than among the “core” countries of the euro area.

Jelena Stankevičienė (a Professor in the Department of Finance Engineering at the Vilnius Gediminas Technical University, Lithuania), Tatjana Sviderské (a PhD student at the Vilnius Gediminas Technical University), and Algita Miečinskienė (an Associate Professor at the Department of Finance Engineering at the Vilnius Gediminas Technical University) study the *Relationship between Economic Security and Country Risk Indicators in EU Baltic Sea Region Countries*. Utilizing a recent technique of multi-objective

optimization by ratio analysis and its fully multiplicative form they find that economic security depends on country risk ratios.

Mikalai Dudko, a specialist of customs affairs at the Belarussian State University, (Belarus) in his article *Export Barriers and Stimuli in the Russian Federation*, constructs a gravity model for the Russian foreign trade to analyse its determinants. He confirms the relevance of trade policy instruments in shaping the export of the country and provides arguments for using them to further restructure the Russian export from energy resources and raw materials-oriented towards a higher share of industrial goods.

Agnieszka Witoń, a PhD student at the Cracow University of Economics (Poland) in her article studies the *Economic Effects of the Urbanization Process in China*. On the background of a comprehensive survey of the literature as well as some correlation and time series analyses she finds that urbanisation has clear beneficial effects on the economic growth in China whereas the household registration system (*hukou*), by limiting the market-driven migrations restricts the growth potential. Thus, a comprehensive reform of the *hukou* system is strongly suggested.

Oskar Patnaik, a PhD student at the Cracow University of Economics (Poland) explores *Business Opportunities in India for Polish Entrepreneurs*. Combining data from official sources and reports as well as a SWOT analysis of the Indian market as a business opportunity, he finds that geographical and cultural distance, adaptation costs and a relative unease of doing business in India are main barriers for Polish entrepreneurs and reasons for their limited engagement in the Subcontinent. Taking into consideration an enormous potential of the Indian market, the author calls for stronger public incentives and promotion mechanisms for investors willing to mark their presence in this country.

All in all, I believe that you will find the research presented in this issue stimulating and that it will spur the debate to take place in our pages in the future.

Piotr Stanek
Issue Editor

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- Klich, J. (2013). Editorial: Modern Challenges for International Business in Europe. *Entrepreneurial Business and Economics Review*, 1(2), 5-6.
- Wach, K. (2013). Editorial: Global Opportunities and Local Businesses. *Entrepreneurial Business and Economics Review*, 1(1), 5-6.