Editorial

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Biographical notes: Aristidis P. Bitzenis is an Assistant Professor at the Department of International and European Studies, University of Macedonia, Thessaloniki (Greece). His main research field includes FDI, privatisation, globalisation, European business environment and corporate restructuring in South East Europe. He has published extensively and participated in various conferences in his research field. He has been supervising graduate and PhD students on issues around international business, transition economics, European Union and FDI.

Bruno S. Sergi teaches International Economics at the University of Messina. He is a Principal Research Fellow and Member of Advisory Board of the Centre for EMEA Banking, Finance and Economics at the London Metropolitan Business School, and an Honorary Fellow of the School of Social and Political Sciences at the University of Melbourne. His primary research interests are aligned to the international economics discipline and include transition economics and international business. He is the Founder and Editor-in-Chief of *International Journal of Trade and Global Markets*, *International Journal of Economic Policy in Emerging Economies* and *International Journal of Monetary Economics and Finance*.

The papers included in this special issue of *International Journal of Economic Policy in Emerging Economies* have been presented during the International Conference on International Business (ICIB), which has been held in Thessaloniki on 22–23 May 2010, under the auspices of the University of Macedonia. After an initial screening of 47conference papers, a meticulous reviewing process has let us select five papers, which range from FDI to ethical and social aspects. These are the vital issues for a sustainable economic growth in all emerging economies nowadays. However, as remarkable economic and social changes are taking place in all these economies, sometimes desirable, sometimes just pawing, these new circumstances need to be analysed and eventually corrected to properly shape these economies' present trajectories and provide future growth opportunities for all.

The first paper is by Nathapornpan Piyaareekul Uttama and Nicolas Péridy and concerns various factors explaining FDI in the Middle East and North Africa (MENA). A spatial panel data model shows that both bilateral and third-country FDI variables explain FDI inflows in MENA countries. In particular, country size, relative capital and skilled labour endowment have a positive impact on FDI; conversely, the capital-size interaction term, unskilled labour and tariffs are negatively correlated with FDI. Both bilateral and third-country FDI determinants have been found to have an effect on EU investors making location decisions in Mediterranean countries. Export platform FDI is widely used as FDI strategy; this implies that foreign investors, such as French MNEs, invested in MENA countries as a means to export not only to France, but also to third markets, especially the EU and other MENA countries, the authors say.

Vasileios A. Vlachos and Dimitris Kalimeris' paper, international business spillovers in the Visegrad Group (i.e., Czech Republic, Hungary, Poland and Slovakia), deals with how much these countries have benefited in terms of technology spillovers from international trade and FDI. The authors aim to determine the effect of international business activity during the EU integration process on productivity, with the exercise of a dual approach. First, the employment of a panel data model directs the analysis to determine relations between the variables based on the assumption of macroeconomic homogeneity. Second, the construction of a vector autoregression model for each of the four countries confirms direction of causality and that labour productivity has an international business determinant for the Visegrad countries – except the Czech Republic. The effect of international business activity on domestic productivity remains mixed for the Visegrad four – as indicated by previous studies – except for the case of merchandise imports, which have a positive influence for the whole group, Vlachos and Kalimeris state.

The third paper is by Agus Gunawan, Mohamed Wahdan and H. Jaap van den Herik and deals with the managerial capabilities in Indonesian Garment Manufacturing, which has become a key contributor to the country's GDP growth. Indonesia's success has inspired other countries in the region (e.g., China, Vietnam, India and Bangladesh) to increase their activities in the garment-manufacturing branch. In the light of this, the competitiveness of Indonesia's garment industry has decreased in comparison with the strong competitors from China. As this situation might worsen with the implementation of zero-tariff import duties among the ASEAN member countries, a hybrid knowledge-based system may improve the capabilities of managers in monitoring and evaluating activities in garment medium-scale manufacturing enterprises, the authors identify.

The paper by Tea Golja and Morena Paulišić concerns corporate governance, social responsibility and corporate reputation. In the case of Croatia, the contribution from the business side to the achievement of sustainable development goes through responsible business practices. However, the evolution of the society with respect to corporate responsibility has been much connected with the separation of management and ownership. Croatian corporations are found moderately engaged in responsible business practices. In this context, the government, according to manager's responses, has still not recognised the importance of sustainable and sensitive business practices for sustainable development, owing to the very low encouragement, the authors say.

Key ethical issues for transition societies are the paper written by Konstantinos Hazakis. The role of ethics in transition economies is included in a larger debate concerning the interaction of state and markets to establish the suitability of the institutional approach and the methodological disadvantages of the neoclassical theory. Transition economies have to reflect ethically how market and institutions interact efficiently, and they should target general economic conditions and social welfare to provide an alternative socio-economic paradigm to all. Economists would not discharge themselves of their academic duty by posing morally acceptable values as goals of economic action. That is, transition economics must not be confined to issues such as saving rates, applying rigid budgetary policies, expanding the capital stock or getting prices right. Additional economic paradigms such as how to provide each citizen in transition societies with the ability of equal access to the complete set of Rawlsian basic goods should become essential components of transition economics, the author concludes.

We shall be very grateful to prospective readers for their comments and responses. As many emerging economies are undergoing a secular move to greater economic and social outcomes, we hope to step forward in our research and be able to develop better understanding of emerging economies' problems and growth prospects.