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“*Contemporary Economics*” is an academic quarterly addressed to academicians, economic policymakers as well as to students of finance, accounting, management and economics. In particular, the quarterly contains academic manuscripts on problems of contemporary economics, finance, banking, accounting and management examined from various research perspectives.



The first paper of this 2015 issue, entitled „*An introduction to alternative experimental models in monitoring economic failures*” (**Mario Arturo Ruiz Estrada, Muhamad Tahir**),

presents four alternative experimental models in monitoring economic failures, the main objective being to analyze different macroeconomic scenarios in monitoring and warning. The authors suggest the application of three new concepts in the study of economic failures, also arguing that their findings would certainly help both policy makers and researchers to implement and execute appropriate policies to develop their economies and to protect them from unwanted situations.

The paper entitled „*Gross value added and total factor productivity in Czech sectors*” (**Tomas Volek, Martina Novotna**) addresses the importance of extensive and intensive sources of economic growth in individual sectors, finding out that the development of total factor productivity does not match the growth of gross value added. Other findings revealed differences in the sources of growth in individual sectors.

„*Oil price forecasting using crack spread futures and oil exchange traded funds*” (**Hankyeung Choi, David J. Leatham, Kunlapath Suckharoen**) is a paper that examines the link between the crude oil spot and crack spread derivatives markets, finding out a unidirectional relationship from the two crack spread derivatives markets to the crude oil spot market during the post-crisis period. The authors show that: in terms of forecasting performance, the forecasting models based on crack spread futures and the ETF crack spread outperform the Random Walk Model (RWM), both in-sample and out-of-sample; on average, the results suggest that information from the ETF crack spread market contributes more to the forecasting models than information from the crack spread futures market.

Another paper, „*Corruption, Political Instability and Economic Development in the Economic Community of West African States (ECOWAS): Is There a Causal Relationship?*” (**Nurudeen Abu, Mohd Zaini Abd Karim, Mukhriz Izraf Azman Aziz**), examines the causal relationship among corruption, political instability and economic development in the ECOWAS using the Granger causality test within a multivariate co-integration and error-correction framework for the 1996-2012 period. The findings indicate that: political instability Granger-causes economic development in the short term, while political instability and economic development Granger-cause corruption in the long term; positive unidirectional Granger

causality from political instability to economic development in the short term and positive unidirectional Granger causality from political instability and economic development to corruption in the long term in ECOWAS countries.

One of the papers included in this issue, „*Negative Impacts of the Neo-liberal Policies on the Banking Sector in Bulgaria*” (**Rossitsa Rangelova Pavlova, Grigor Sariiski**), studies the reforms in the Bulgarian banking sector during the transition period, analyzing the development of the banking sector and its transformation. The paper summarizes that during the transition period, a modern banking system was established to accumulate profit rather than to promote economic growth. Then the negative effects of the liberalization of the Bulgarian banking sector are specified.

The paper „*Fiscal Austerity Versus Growth in Croatia*” (**Marinko Skare, Romina Prziklas Druzeta**) investigates the role of austerity versus the role of economic growth, also attempting to highlight the role of the theoretical context of austerity policy and the economic history lesson learned during the transition from the Bretton Woods model to Washington’s consensus. The authors argue that: no consensus on the implementation of fiscal austerity has been achieved because this complex subject has not been the subject of a sufficient methodological exploration: emphasis should be placed on defining the methodology of austerity and gathering statistical data to influence the implementation of social transfer policies; is necessary not only to take a hybrid approach to fiscal and monetary policy but also to adopt economic laws and quantitative economic relationships..

The final paper of this issue of “Contemporary Economics”, entitled „*The Impact of Banks and Stock Market Development on Economic Growth in South Africa: an ARDL-bounds Testing Approach*” (**Sheilla Nyasha, Nicholas M. Odhiambo**), examines the impact of both bank- and market-based financial development on economic growth in South Africa during the period from 1980 to 2012, employing means-removed average to construct both bank- and market-based financial development indices. The authors use the newly developed autoregressive distributed lag (ARDL) bounds testing approach to examine this linkage, the findings showing that: there is a positive relationship between bank-based financial development

and economic growth in South Africa; the failure of finding any relationship between market-based financial development and economic growth in South Africa; a pivotal role in propelling South Africa's real sector it is played by the bank-based financial development rather than market-based financial development.