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EDITORIAL

After conducting the double-blind peer review process, Issue 2 Volume 28 Year 2026 of the scientific journal *Economic Horizons* contains six original scientific papers and the Acknowledgement to the reviewers of the manuscripts submitted to the Editorial Board of the Journal in the year 2025.

The thematic variety of the papers published in this issue of the Journal confirms that modern economic research studies are increasingly surpassing the boundaries of individual disciplines, linking macroeconomic, financial, institutional, and organizational perspectives with the intention to provide answers to complex development challenges. The authors of the contributions analyze the issues of special significance for economic policymakers, financial institutions, business organizations and the academic community, simultaneously relying on contemporary methodological approaches and relevant empirical evidence.

The paper by the author *Saša Obradović* considers the relationship between military expenditure and economic growth in the Western Balkan countries. Starting from the fact that these countries have been endeavoring to simultaneously preserve their political stability and accelerate their economic development during the last decades, the author applies the panel ARDL-PMG model and the fully modified ordinary least squares method to show the existence of a positive long-term impact of military expenditure on economic growth. The obtained results offer a new empirical basis for considering the role of investing in the defense sector in the context of the development policies of the Western Balkan countries.

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The authors *Olha Mulska*, *Iryna Leshchukh*, *Mariana Bil* and *Ihor Baranyak* conduct research in the socioeconomic resilience of the Ukrainian regions to multiple crisis shocks, including the 2014 sociopolitical crisis, the COVID-19 pandemic, and the consequences of the Russian invasion. By applying a comprehensive methodological framework based on a combination of temporal and spatial composite indicators, the authors assess of regional losses, recovery capacities, and adaptive potentials, pointing at the expressed differences between the regions. The results confirm that long-term resilience does not depend only on the ability to overcome direct consequences of a crisis but also on strengthening of institutional, demographic and development capacities, which represents an important contribution to understanding the postwar economic recovery process.

In the paper written by *Velimir Lukić* and *Svetlana Popović*, the transmission of a monetary policy to deposit interest rates in the conditions of a high degree of the Euroization of the financial system of the Republic of Serbia is considered. The authors demonstrate that there are significant differences between transmission to dinar and foreign-currency deposit interest rates, and the results simultaneously indicate a stronger relationship between interest rates on foreign-currency (euro) deposits and the trends in the Eurozone. The findings of the research study contribute to a better understanding of the specificity of monetary transmission in small open economies with pronounced Euroization.

The authors *Nikolaos Kalantzopoulos*, *Athanasios Mandilas*, *Stavros Valsamidis* and *Dimitrios Kourtidis* analyze the determinants of non-performing loans in the Greek banking sector during and after the financial crisis. Using a voluminous set of macroeconomic and bank indicators, the authors confirm a strong relationship between the quality of a loan portfolio and the macroeconomic environment. The research study indicates that a sustainable recovery of a banking system simultaneously requires an improvement of macroeconomic performance and solving structural causes of the occurrence of non-performing loans, with the conclusions simultaneously going beyond the national framework and opening room for broader research at the Eurozone level.

The authors *Jadranka Đurović Todorović*, *Marina Đorđević*, *Milica Ristić Cakić* and *Branimir Kalaš* deal with one of the current issues in contemporary tax policy – the differences between the statutory and effective tax rate on the profit made by businesses operating in the OECD countries. The analysis carried out in this paper shows that tax incentives have a decisive role in shaping an effective tax burden, thus confirming the existence of statistically significant differences between the two rates in the period under observation. The findings of the research provide useful guidelines for improving the transparency of tax systems and a more efficient shaping of the tax policy.

Starting from the fact that trust is the foundation of successful leadership, the authors *Radmila Bjekić*, *Maja Strugar Jelača*, *Slobodan Marić* and *Marko Aleksić* examine not only the direct relationship between trust in a leader and the outcome of leadership but also the mediating role of the psychological empowerment of employees in that relationship. Using the PLS-SEM method, they confirm that trust in a leader positively influences leadership outcomes, , and that psychological empowerment is a significant mechanism through which this influence is further strengthened. The paper contributes to understanding the role of trust and psychological empowerment in modern leadership, simultaneously indicating their significance for the improvement of organizational performance and the development of more effective leadership practices, especially in the business environment of developing countries.

Perceived together as a whole, the papers published in this issue of the Journal indicate a broad spectrum of challenges which contemporary economies are being faced with – from security, resilience and sustainable development issues, via the issues related to monetary and tax policies, to the issues of the stability of a financial system and the improvement of organizational performance. Their common characteristic implies reliance on rigorous empirical analyses and contemporary research methodologies, which allows them to make a valuable contribution to the development of economic science and give useful implications for economic policymakers and business practice.

Issue 2 Volume 28 Year 2026 also contains the Acknowledgement to the reviewers of the manuscripts submitted to the Editorial Board of the Journal in the year 2025, of which the papers that had been positively rated in the double-blind peer review process were published in the Journal as original scientific and review papers. On behalf of the Editorial Board of the Journal, and on my own behalf, I express my gratitude to the authors of the contributions published in Issue 2 of the Journal. At the same time, our special gratitude goes to the reviewers, whose constructive and critical comments and suggestions to the authors of the submitted manuscripts have contributed to the quality level of the published papers.

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Vladimir Mihajlović is an associate professor at the Faculty of Economics of the University of Kragujevac, where he earned his PhD degree in the scientific field of General Economics and Economic Development. His main fields of scientific research pertain to the development of economic thought, macroeconomic analysis and modeling, and the labor market.