Institutional Environment and Development of Business Networks in South East Europe: An Introduction to the Thematic Issue

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International journal *Managing Global Transitions* is striving to address and present key issues in international research, first of all from the area of business, economics and management. This thematic issue is following the MIC 2016 International Conference Managing Global Changes.

The selected papers are focusing on different determinants of institutional environment and development of business networks in South East Europe. South East Europe is a region full of surprises; conflicts and wars in past, on the one side, but huge growth potential on the other side. The history of Southeast European countries, their characteristics, their resources, their cultural roots and their political structures shape their paths. In almost all countries of the region, rapid privatization led to a range of long-term problems from which a significant number was related to crucial economic issues. In post-socialist transition of Southeast European economies, institutional environments were transformed, but alongside with formal institutional transition, business networks between countries, which once formed one market, have not managed to re-establish. The overall objective was to portray some of the challenges, problems and issues faced by companies and business networks and to disseminate important experiences from region.

The authors from worldwide locations such as Croatia, Slovenia, Portugal, Italy and the USA discuss different themes which are closely related to the developments of institutional environment and development of business networks and by that provide research findings which offer theoretical and practical implications for policies in this field.

The first contribution to the issue entitled 'Scenarios of The oil Industry of Croatia and the Region: Qualitative Approach' is authored by Radoslav Barišić. The paper focuses on scenario-based planning, which is a useful technique for preparation of appropriate strategy and responses to potential unforeseen emergencies. In this view the paper provides an insight into the importance and various approaches in using scenario

planning today and explains the potential long-term scenarios in the oil industry of Croatia and the region. The research is based on materials obtained in interviews with a number of experts in the oil industry and oil economy. Author founds that the use of scenario planning in the oil industry of Croatia and the region is a relatively new technique, and as such, brings a challenge of its application and adaptation. By using scenario planning, local companies can importantly improve their competitive strength, therefore, it is necessary to consider it in the future developments.

The second paper is devoted to the corporate governance. Danila Djokić and Mojca Duh in their paper entitled 'Corporate Governance Quality in Selected Transition Countries' set out the importance of understanding the corporate governance. The paper aims to broaden the understanding of the role of standards and codes of good corporate governance in improving governance practices. Authors found that not only formal regulations, standards, and governance codes, but also corporate governance indices are important in measuring and improving governance quality. Using the SEECGAN index methodology, authors indicated that mandatory requirements and voluntary recommendations of high governance standards had a positive impact on the corporate governance practice in Slovenia.

The subsequent paper focuses on the issue of privatization. Fernanda A. Ferreira and Flávio Ferreira, authors of the paper entitled 'Privatization and Optimum-Welfare in an International Cournot Duopoly,' aimed to analyze the relationship between privatization of a public firm and tax revenue for the domestic government in an international competition with import tariffs. In doing that authors consider a duopoly model where a domestic public firm and a foreign private firm compete in the domestic market as Cournot players. Using a numerical example, authors found that privatization raises the profits of both domestic and foreign firms and increases the tariff imposed to the imported good; however, it lowers the domestic welfare. Furthermore, authors demonstrated that a rise in the government's preference for tariff revenues raises the social welfare.

Massimiliano Kaucic and Roberto Daris in the paper entitled 'Prospect Theory Based Portfolio Optimization Problem with Imprecise Forecasts' proposed a novel interval optimization approach for portfolio selection problem, where imprecise forecasts are available. Authors considered investors acting their choices according to the prospect theory, where sce-

narios are provided in the form of approximate numbers. The resulting constrained nonlinear interval optimization problem is converted into two nonlinear programming problems using a total order relation between intervals. Authors thereafter compared the flexibility and the efficiency of the proposed model with those of the standard portfolio theory procedure from both a static and a dynamic point of view in a set of experiments involving 8 assets from the Croatian market. Findings showed that the proposed model is able to produce investment strategies superior to the standard portfolio theory model, in terms of both diversification and turnover.

Finally, Abe Harraf, Brandon Soltwisch and Kaitlyn Talbott in the paper entitled 'Antecedents of Organizational Complacency: Identifying and Preventing Complacency in the Work Environment' studied sources of complacency in organizations and identified in this respect four major areas: process, people, structure, and culture. Authors also developed a framework for assessing the need for environmental scanning based on the complexity and frequency of change in the environment. Using the market examples, the paper further provides managers with useful advice on how to identify and react to complacency in their organizations in order to remain competitive on an international scale.

We are pleased and proud to present to our readers this thematic issue of Managing Global Transitions, hoping that you will find the content up to time, relevant and insightful. We believe that by reading these papers you will recognize many interesting findings and results as also identify valuable ideas for further research.

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