

FOREWORD

In the last number of *Financial Theory and Practice* each year we publish the winning papers from the Prof. Dr. Marijan Hanžeković Foundation competition, some of the short-listed papers that did not receive prizes but were nevertheless worth publishing, and a paper or two that was not entered for the Foundation's competition but went through the normal procedure for publication in the journal.

Since more than ten years have passed since the death of Professor Marijan Hanžeković, D. Sc., it is not unreasonable to expect that many of the younger readers do not know a great deal of his life and work. Thus we would mention that Professor Hanžeković was a lawyer and economist, as well as having a degree in literature and language, and that he was engaged in almost all the fields of economics, particularly in finances, the fiscal and the monetary system, banking, securities and exchanges, and that he published papers, edited books and journals. In this very journal, which was once called *Financial Practice*, in no. 18 (3), 173-358, 1994, an extensive biography and selection of the papers of Marijan Hanžeković, D. Sc. were published.

In 1998, in order to keep alive memories of Professor Hanžeković as well as to promote the financial sciences and provide incentives for scientists and experts to investigate and write about this problem area, we set up the Professor Dr. Marijan Hanžeković Foundation.

The founders of the trust were the Institute of Public Finance, Marijan Hanžeković Jr., the Croatian National Bank, the Ministry of Finance of the Republic of Croatia, Zagrebačka banka, Privredna banka Zagreb and Poštanska banka. They were joined by a number of other donators as well.

Each year we announce a competition and convene a Prize Award Committee. Authors send in their papers under a pseudonym and the committees choose the best papers. This is the sixth year in which we have awarded the prizes. The response varies, but it is larger and larger every year. Particularly noticeable is the greater response from younger writers, which, though with simultaneous disappointment that older authors respond but little, nevertheless inspires hope in a better future for our science.

This year the Prize Award Committee consisted of Predrag Bejaković, Institute of Public Finance, Zagreb; Tine Stanovnik, Economics Faculty, Ljubljana; Vedran Šošić, Croatian National Bank; Ante Žigman, Ministry of Finance, Republic of Croatia and Katarina Ott, Institute of Public Finance, Zagreb.

This year, the prize in the regular category, comprising a certificate, a medal by sculptor Želimir Janeš and 15,000 kuna, was won by **Marijana Bađun** for the article *Quality of Governance and Economic Growth in Croatia*.

The student prize, consisting of a certificate and 5,000 kuna, this year went to **Marko Primorac** and **Zvonimir Troskot** for the article *Measuring the Efficiency and Productivity of Croatian banks with the Malmquist Index of Change in Total Factor Productivity*.

Marijana Bađun works as assistant at the Economics Faculty in Zagreb, and is currently on a sabbatical in Oxford. Marko Primorac and Zvonimir Troskot are students of the Economics Faculty in Zagreb.

Both works, we should point out, are not only of very high quality, but also deal with particularly current topics.

Quality of governance is indeed a burning issue in Croatia, and economic growth in the country, although quite decent as compared with the developed countries, is considerably below the average of the transition countries. But it is a proven fact that it is quality of public governance that is essential for the achievement of higher rates of growth.

Banking can quite freely be said to represent one of the better facets of the Croatian economy. It is privatised and open, has had a positive impact on economic growth, and provides fertile soil for numerous investigations.

As well as the prizewinning papers, in this number of the journal we publish the paper of Dijana Jurić called *The Outlook for the Development of the Investment Funds in the Republic of Croatia* and in the following numbers we shall publish several other selected papers that were entered for the Foundation's competition.

Along with congratulations to the winners, we would like to thank the trustees, who have provided the funds to make the Foundation's work possible, members of the Prize Award Committee, who read through and assessed all the works that came in, the peer reviewers who made sure that the papers as finally published should be as good as possible, and associates of the Institute of Public Finance, particularly Natalija Špehar, Pava Turudija and Marina Nekić, who year after year devote a lot of their spare time to the various demanding tasks required to maintain the processes of the Foundation.

We would like to remind readers that the competition for 2006 is now open, being announced in this number of the journal and also available on the Web at: <http://www.ijf.hr/zaklada/eng/index.html>.

As each year, we are hoping for a constant rise in the number of people competing for the prize, with original papers and approaches, with themes from economics, law and institutions that are important for the transition, for development and growth, and for adjustment to the demands of developed, contemporary, democratic societies.

Katarina Ott

Chief Trustee of the *Prof. Dr. Marijan Hanžeković Foundation*
Editor in chief of the journal *Financial Theory and Practice*