

## Letter from Editors

Second issue of volume 9 is quite heterogeneous: papers are devoted to different subjects and methods of economic modelling in both dimensions – theoretical and empirical.

In the first paper, Beata Ciałowicz and Andrzej Malawski model the role played by banks in Schumpeterian innovative evolution of a Debreu type economy; this role goes far beyond routine behaviour of banks. An impact of innovations in financial sphere on real sector of the economy (and, specifically, on social welfare) is also studied in the paper, which represents a purely deductive and general way of building economic theory.

Andrzej Malawski, the co-author of the first paper, was the co-editor of the CEJEME and professor of economic sciences working mainly in the field of mathematical economics. He died in October 2016, and the present paper is the result of one of his last research projects.

In the second paper, Marcin Humanicki, Robert Kelm and Krzysztof Olszewski analyse the relationship between foreign direct investment (FDI) and foreign portfolio investment (FPI). The authors try to answer whether FDI and FPI are complements or substitutes from a foreign investor's point of view. The outcomes of the empirical part of the paper, based on some non-standard vector error correction regressions for Polish data, suggest that FDI and FPI may be regarded as substitutes. In economically stable periods FDI tends to dominate over FPI, but in the periods of instability FPI gains importance.

In the third paper, Aleksandra Kolasa investigates the life cycle profiles of income and consumption as well as relative income mobility in Poland. The inequality of income over the life cycle is found to flatten relatively quickly, in contrast with the US. When individual income process is fitted to match the Polish inequality profile, it exhibits less persistence than in the US. Past earnings turn out to affect current income more strongly for the group of better educated individuals. No evidence of an increase in consumption inequality for households older than 30 years is found. Finally, the obtained estimates of relative income mobility in Poland are higher than those for developed countries.