EDITORIAL: Governance and regulation - Evidence at micro and macro level

Dear readers!

The Journal of Governance and Regulation (JGR) was inaugurated in 2011 and has continued publishing successfully with Volume 8 in 2019. Since the journal was established, JGR has published in excess of 350 topical and interesting theoretical and empirical papers in governance and regulation with application to both macro and microeconomic issues. We are pleased then to present the summer issue of the journal in 2019. The recent volume is devoted to the issues of tax policy, competitiveness, digital disruption, the IT skills of graduates, the relationship between stock market and business cycles and municipal governance.

Issue 2 of our 8th volume of the Journal of Governance and Regulation opens with "Tax policy, tax disharmony and tax competition" by *Alkiviadis Karagiorgos, George Drogalas, Grigorios Lazos, and Ioanna Fotiadou.* This article analyses the delicate aspects of tax harmonization in the European Union, the challenges to implement such a policy with a special focus on the structural problems of the Greek tax system. Tax policy management and harmonization have always been a topic of concern for the European Union and its member countries as it encapsulates the provocative idea of the common fiscal policy (Kopits, 1992). The European debt crisis reinvigorated efforts within the EU to coordinate tax policies across the different member nations. Greece serves as an ideal example of a country which was severely traumatized by the financial crisis. However, authors introduce one important aspect, among others, the level of trust towards the state. The collective mechanism of direct taxes cannot work properly in a country where people distrust the local institutions, so as the harmonization process becomes even more difficult. Despite the fact that, it's rather easy for member states to cope with common indirect taxes like VAT, direct taxes on the contrary have to reflect national social policies, people's expectations and local political agendas. This brings the member states against a rather hard problem to manage with the local electorates. In particular, if the target is to pursuit a common fiscal policy, then adjusting tax systems of different jurisdictions might be the only way out. This paper contributes remarkably to the previous research by Drogalas, Lazos, Koutoupis, and Pazarskis (2019); Duarte and Barros (2018); Brodzka, Biernacki, and Chodorek (2017); Jianfu and Sudibyo (2016).

The second article of this issue is "Consumer Price Index (CPI) as a competitiveness inflation measure: Evidence from Jordan" by *Osama Samih Shaban, Mohammad Al-Attar, Zaid Al Hawatmah, and Nafez Nimer Ali.* The discussion of international trade performance is relevant for small open economies like the one of Jordan, as any change in imports or exports may influence the economic growth and per capita income of the country. The level of competitiveness becomes even more important during years of tight economic conditions or a global downward economic climate. This issue is studied in this paper with a special focus on the competitiveness of Jordanian economy along with the real exchange rate (Abugamea, 2010). Hence, their in between relationship is of significant importance.

The third article is "Disruption, regulatory theory and China: What surveillance and profiling can teach the modern regulator" by *Brendan Walker-Munro.* This study is rather notable as elegantly addresses the issue that as emerging technologies drive new business and service models, governments must rapidly create, modify, and enforce regulations. In the wake of artificial intelligence, machine learning, big data analytics etc., regulatory leaders are faced with a key challenge: how to best protect citizens creating a sense of normality in peoples' day to day life.

The fourth article of the issue is "The impact of IT level of knowledge on workreadiness from the accounting graduate perspective: Evidence from Greece" by *Dimitra Karagiorgou,* *Dimitra Seretidou, and Antonios Stavropoulos.* The authors provide an empirical study in recognition of the growing role of information technology in teaching/practicing accounting and emphasize on one long-lasting debate in higher education, that is, a university education should lay the foundations for a lifelong commitment by graduates to learning and professional development. Many scholars and practitioners internationally suggest that the gap between education and practice is widening requiring curriculum change (Albrecht & Sack, 2000; Braun, 2004 etc.). Hence, nowadays the necessity of IT competencies desired by accountants is under a continuous change and evolution. Modern accountants are expected to have a high level of IT knowledge and skills and towards that direction the curriculum in accounting education have to adopt a wide range of modules in order to provide accounting students with the required competencies.

The fifth article is "An analysis of the impacts of macroeconomic fluctuations on China's stock market" by *Lin Lingnan.* This topic is well studied in the past and there is lots of evidence in the related literature. In this specific empirical study, the author highlights for the case of China, what is often observed that stock prices tend to fluctuate with economic news, and this observation is supported by empirical evidence showing that macroeconomic variables have explanatory power for stock returns. This paper contributes to the previous papers about Chinese stock market by Xu and Zhao (2014); Qu, Fong, and Oliver (2012); Hatemi-J, Singh, and Nandha (2011).

The final manuscript of this issue is "Do municipal mergers work? Evidence from municipalities in Greece" by *Michail Pazarskis, Spyridon Goumas, Andreas Koutoupis, and Konstantinos Konstantinidis.* Municipalities nowadays are taking on more and more responsibilities. This is partly because they are taking over some tasks from central government. Certain municipalities sometimes cannot cope. One solution to this problem is to merge municipalities. Merging municipalities creates larger ones with the capacity to handle all municipal tasks. This is the trend in Greece as well, however in late 2010 the government forced municipalities to merge in order to rationalize the expenses, strengthen administrative capacity and benefit the wider region. The purpose of this study is the accounting evaluation of Greek municipalities after the implementation of the merging program (Kallikratis scheme) in the period of economic crisis. The results of this study showed that mandatory municipal mergers program was more effective in allowing municipalities to reap the benefits that come with large size. Despite the reduced state financial support achieved better results in terms of liquidity and short-term debt payments following a tightening policy throughout the years of the financial crisis in Greece.

We hope that you enjoy these articles and find the ideas in them stimulating. We are grateful for our authors, readers, reviewers, associate editors, and the production and support team of Virtus Interpress.

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