

## **EDITORIAL: New insights on environmental management accounting, innovative companies, tax measures and foreign direct investments**

*Dear readers!*

The editorial team is delighted to present the first issue of the journal *Risk Governance and Control: Financial Markets and Institutions* in 2022.

This issue contains six interesting papers dealing with up-to-date subjects in accounting, macroeconomics, economic policy, and innovation, which are analyzed from an original perspective. In particular, these six papers focus on environmental accounting, hidden champion companies, transitional economy, economic growth and taxation, Fintech companies, foreign direct investments, and export diversification.

The first paper by *Sami Salem Elhossade, Akram Ali Zoubi, and Ali Awad Zagoub* examines the existing state of environmental management accounting (EMA) practices in Libyan manufacturing enterprises and identifies the barriers that inhibit them. This is an interesting research work since the growing interest in environmental protection has raised the need for accounting to play a role in enabling organisations to assess their environmental impact and performance (Al-Khuwiter, 2005; Gray & Bebbington, 2001; Schaltegger, Müller, & Hindrichsen, 1996). Specifically, the paper uses two statistical techniques (factor analysis and descriptive tools analysis) to answer the following research questions: *What percentage of Libyan manufacturing enterprises have embraced EMA practices? What are the obstacles to EMA implementation in Libyan industrial companies?* The degree of EMA use among Libyan industrial firms is found to be poor. Moreover, the analysis reveals that institutional hurdles are the most significant impediment to the adoption of EMA in Libyan manufacturing enterprises.

The second paper by *Nail Sariyev and Janka Tábořecká-Petrovičová* reviews and evaluates the performances of “hidden champion” (HC) companies. HC companies are a specific type of globally successful and innovative companies (Simon, 1990). The novelty of the investigation resides in the use of a combination of financial key performance indicators (KPIs) with a model of quality management, the so-called European Foundation for quality management (EFQM) model. In particular, the joint application of the KPIs and the EFQM approach allows authors to draw an objective picture and evaluate organizations in a relatively complex way. The paper analyses a single company, and thus future research on “hidden champions” may help to statistically validate the results and draw conclusions on how to apply the selected KPIs in conjunction with the EFQM model.

The third paper by *Sabrina Spallini, Antonia Rosa Gurrieri, and Karola Sheu* analyzes Albanian registered trademarks to highlight the characteristics of successful trademarks in a transition economy, starting from the premise that trademarks are relevant (success) factors to foster innovation in transition economies. The study is particularly interesting since it provides a new econometric point of view based on the use of both Wikipedia and Google Maps, while other works usually analyze the potential impact of the introduction of European patents using panel data analyses (Herz & Mejer, 2019) and simulations (Danguy & van Pottelsberghe de la Potterie, 2011). It is found that the choice of the trademark name is a critical success factor since its complexity can hinder the effectiveness of management strategies.

The fourth paper by *Arata Yaguchi* is focused on the tax system of Japan. It analyzes the intertwined dynamics of nominal gross domestic product (GDP), growth rate, and consumption tax rate from 1980 up to the present day (United Nations Statistics Division, 2021). The work highlights that, even though Japan has introduced a consumption tax and has progressively raised the tax rate, tax revenue has declined. The factors that caused such a decline are thoroughly discussed. Specifically, the most significant one is that

the consumption tax has led to economic recession. That is, the paper points to an inverse relationship between the consumption tax and the rate of economic growth.

The fifth paper by *Zakia Siddiqui* and *Claudio Andres Rivera* is concerned with FinTech companies, i.e., companies that exploit technology to provide financial solutions using the internet and automated processing of information (Gabor & Brooks, 2017; Milian, Spinola, & de Carvalho, 2019; Gomber, Kauffman, Parker, & Weber, 2018). Five research questions about FinTech are answered based on a systematic literature review along with qualitative content analysis and frequency analysis. Specifically, 22 research papers are taken into account, which have been selected based on the number of citations and their metrics, such as the impact factors. Interestingly, the authors identify FinTech as disruptive innovation and conclude that FinTech is more an IT-based company than a traditional financial institution. Finally, the competitive advantages and challenges encountered by FinTech are highlighted.

The sixth paper by *Gladys Gamariel*, *Mapeto Bomani*, *Lucky Musikavanhu*, and *James Juana* analyzes how foreign direct investments (FDIs), domestic production structure, infrastructure, natural resource endowment, and fiscal incentives impact export diversification. Precisely, an econometric investigation is performed that employs the system generalized method of moments (sGMM) and focuses on panel data from 44 Sub-Saharan African (SSA) countries. A significant positive export-diversifying effect of FDI in the SSA area is found. Moreover, the diversification of production sectors, the credibility of institutions, and the stability of the macroeconomic environment are essential for fostering export diversification. A relevant contribution of the study is that it simultaneously the roles of fiscal incentives to foreign investors, infrastructure, institutions, and domestic production structure in export diversification

The above six papers are very interesting and provide relevant insights for both researchers and professionals. We think that can also open the scene to new research directions. Happy reading then!

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