

EDITORIAL

Dear readers!

It is an honor for the editorial team of the Journal of Governance and Regulation to present the fourth issue of the journal in 2017. This year we have moved to the immediate open access model of publication in order to respond to the authors' needs to promote and spread their research without the barriers. We constantly work on promoting papers, published in the journal so that they can reach interested researchers and stakeholders. Now, under CC.BY 4.0 publication license the authors can spread and promote their works almost in any possible way. We are committed to continuously increasing the overall quality of the journal to serve the needs of research community worldwide.

The recent issue of the Journal of Governance and Regulation pays attention to issues of corporate ownership structure and risk taking, sustainability related legislation, evaluation of the private label brand, demonetization specifics in developing markets, inflation targeting and cartel related regulation.

Karolina Stecyk studies regional legislation in Canada, including licensing and policies (frameworks and directives) which are aimed at reducing and preventing environmental degradation. The author admits that local and national governments find balancing protecting the environment and gaining financial benefits challenging. *Renato Giovannini, Marcello Sansone, Bruno Marsigalia and Annarita Colamatteo* aim at identifying which factors should be considered in the building of an economic evaluation model for the private label brand. The results of the paper are the definition of specific factors of private label, the assumptions about how these features impact on the traditional economic evaluation models and how these could be included in a model. *Rajaram Gana* argues that the St. Petersburg Paradox (SPP) provides a compelling argument against demonetization. Assuming the distribution of cash is lognormal, it is shown that the probability of black cash holdings after demonetization will be small. If not, the holders would: a) be irrational because they are willing to accept, contrary to the SPP, the small probability of a large loss, by effectively perceiving it as zero, without using all means to immunize themselves against it; or b) be sure their cash can be legitimized via collusion with the State; or c) be sure they can incentivize law-abiding citizens to act as agents to legitimize the cash for a reasonable fee. *SunEae Chun and MinHwan Lee* examine the relationship between ownership structure and corporate risk-taking in Japan over the sample periods of 2000-2010. The authors incorporate the various kinds of insider and outsider ownership in the analysis. The paper shows that concentrated ownership or ownership by closely related parties affect the firm risks in a convex manner and encourages the firm management to take more risk when the firms have growth opportunities. The paper provides many other interesting conclusions that will be interesting for anyone working in this field. *Abhijit M. Surya* uses a difference-in-differences approach to evaluate the treatment effect of adopting inflation targeting (IT). Controlling for reversion to the mean, the author finds that economies that function under an IT regime do no better than countries that use alternative policy instruments. The author verifies the robustness of these results using panel unit-root tests and finds that food inflation rates converge across economies irrespective of the monetary policy framework implemented. *Harshil Kaur* experimentally investigates the effect of leniency clause on cartel formation and self-reporting by firms in an asymmetric cartel. The notion of asymmetric is used in terms of different market share of the firms, which form a cartel. This setting is used to bring the experimental design closer to reality.

We hope that you will enjoy reading the journal and in future, we will receive new papers, outlining the most important issues and best practices of governance and regulation!