

## EDITORIAL: Recent trends in research and future expectations

*Dear readers!*

In light of challenges such as Covid-19 and social isolation and opportunities in terms of digital transformation, the editorial team is delighted to share a new issue of the *Journal of Governance and Regulation*. In particular, the latest 2020 issue 3 of volume 9 hosts very interesting, original, inspiring and influencing studies of various authors from different parts of the world. Studies belong to the fields of corporate governance, green information technology and environmental performance, sustainable development, capital efficiency in the insurance market, regulations in banking industry, performance of public enterprises, inequality and tax policy, slate-vote system and corporate ownership and governance under Covid-19.

The new issue opens with “The role of corporate governance in emerging market: Tax avoidance, corporate social responsibility disclosures, risk disclosures, and investment efficiency” by *Amrie Firmansyah* and *Gitty Ajeng Triastie*, who explore the effect of tax avoidance, corporate social responsibility disclosures, and risk disclosures on investment efficiency in Indonesian Securities Exchange for years between 2014-2017. The study also analyses the moderation of corporate governance between each of these factors and investment efficiency by employing an empirical analysis. Authors provide a comprehensive picture of corporate governance practices in the country. Besides several important findings, they highlight a negative association between tax avoidance and investment efficiency. Authors perfectly handle all the micro factors that are crucial for sustainable economic development which is valid for almost all emerging countries. Authors’ study contributes to the previous research of La Rocca, La Rocca, and Cariola (2007).

*Anthony pillai Anton Arulrajah, Samithamby Senthilnathan, and Mudithā Priyadarshani Rathnayake* follow with “Green information technology and environmental performance of the banks”, which aims to explore the relationship between green information technology and environmental performances of banks and the possible mediating role of employees’ attitudes between these two factors in Sri Lanka. Analyses reveal that green information technology practices have a positive relationship to and significant impact on the environmental performance of the banks. Authors fill the gap in terms of literature and provide a methodology for future studies. The study contributes to the literature (Calza, Profumo, & Tutore, 2017) by inspiring researchers who try to explore the nexus of green information technology and environmental performance of other sectors.

*Franklin Nakpodia* presents “Corporate ownership and control in an emerging market: A review”, which analyses the corporate ownership and control literature in Africa’s largest economy (Nigeria) and identifies future research directions. This interesting study aims to raise awareness about the scarcity of relevant academic and practice literature exploring corporate ownership and control in Nigeria and even in Africa. Author recaps past works, integrates contemporary thoughts, and proposes new scholarly and contextual directions that researchers could explore to deepen the existing knowledge about corporate ownership and control. Paper contributed to the previous research by Sandhya and Parashar (2020), Nakpodia (2019), Chidiac El Hajj (2018), Zeitun (2009), López-Iturriaga and Saona Hoffmann (2005), Kostyuk (2003).

The issue continues with the contribution by *Dierk Bauknecht, Thore Sören Bischoff, Kilian Bizer, Martin Führ, Peter Gailhofer, Dirk Arne Heyen, Till Proeger, and Kaja von der Leyen* on “Exploring the pathways: regulatory experiments for sustainable development – An interdisciplinary approach” which provides an overview of the various terminologies for experimentation currently discussed in the social sciences, derive common criteria for a broader approach to the concept of “regulatory experimentation” in reflexive governance structures and present a novel conceptual framework for analyzing empirical studies of regulatory experiments. In this challenging field of study, authors aim to facilitate the inclusion of experimenting for sustainable development in future governance structures and contribute to the previous literature including Kandpal (2020).

*Stefano Dell’Atti, Stefania Sylos Labini, and Iryna Nyenno* present “Matrix forecasting to investigate the capital efficiency of the insurance market: Case of Italy”, which aims to verify whether the matrix forecasting method theorized by Franchon and Romenet (1985) is valid for predicting the insurance market development trends. Findings of the study indicate that the matrix forecasting method could be usefully employed in the insurance market to identify the

initial market position and the possible future development strategies. The originality of the paper contributes to the literature in terms of applying the tool of matrix forecasting to the insurance sector and in providing a supporting tool to policy-makers decisions.

*Pablo de Andres, Laura Arranz-Aperte, and Juan Antonio Rodriguez-Sanz* discuss the ““Fit and proper” regulations in the banking industry: What we have learnt in the post-crisis years”, and ask whether there is a Brussels effect in the finance industry as well. Health of the financial system has a crucial role for the robustness of the economy, as a whole. In this perspective, a considerable amount of countries restructured their institutions, tools, mechanisms and standards afterwards the financial crisis. In this interesting study, authors answer this question following a very detailed analysis and conclude that the European Union - through European Banking Authority and the European Single Supervisory Mechanism - has become a pacesetter for the banking industry, promoting international financial standards and “hardening” the soft law recommendations with directives and binding technical standards as regulatory instruments. Previously, these issues have been considered by Sacco Ginevri (2017) and Laurens (2012).

*Ralph Marenga* in the paper entitled “Analysing the performance of public enterprises in Namibia: a challenge for the practice of public administration?” follows a qualitative paradigm. Poor performance of state-owned enterprises is a challenging issue in developing countries which requires solid reforms and standards to redress the inefficiency confronted. This interesting study suggests that poor accountability measures, financial burden on the state, procurement anomalies and the proliferation of corruption are some of the underlying causes for the poor performance of a majority of public enterprises in Namibia. A very important finding of the study addresses agency theory appearing as a great contradiction between the government as a shareholder with the government leadership of most public enterprises. This study centrally recommends the robust implementation of existing legislation to redress the poor performance of public enterprises and its challenges for public administration.

“Inequality: Why equity and fairness should be part of tax policy and governance” by *Jasper Kim* questions whether inequality should be included in tax policy and design. Author implements an interpretivist methodological approach relating to tax policy, augmenting and complementing the relevant research and seminal scholarship of Saez and Zucman (2019), Mirrlees (1971) and Akerlof (1978), among others. Findings of this interesting study denote that in balancing the current research literature and evidence, inequality measures incorporating equity and fairness should be part of tax policy and governance.

“The slate-vote system as a mechanism to mitigate the risk of self-dealing transactions via RPTS” by *Francesca Cappellieri* contributes to the existing literature by analyzing the slate-vote system’s impact on the risks related to related party transactions that pursue opportunistic purposes. The study aims to investigate the role that this corporate governance mechanism plays on the strictness of procedures and transparency of related party transactions disclosure, in the Italian institutional setting. The detailed analysis offers an opportunity to gather evidence on the costs of these transactions and the role of minorities in fairness and transparency of the related party transactions procedure.

Finally, *Gonca Atici and Guner Gursoy* present “Trends of non-financial corporations listed on Borsa Istanbul: Rethinking corporate ownership and governance under COVID-19”, which aims to explore trends of non-financial corporations listed on Borsa Istanbul in terms of ownership structure for the period of 2002-2019. In this study, authors try to emphasize the opportunities created for non-financial corporations under Covid-19 and the importance of taking steps towards “digital new normal” in terms of corporate governance mechanisms. Paper contributed to the previous research by Atici and Gursoy (2015) and Atici and Gursoy (2019).

We are glad to share new inspiring and influencing ideas with all readers. Happy reading! We are grateful to our authors, readers, reviewers, the editorial team and the support team of Virtus Interpress.

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