

## EDITORIAL

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-----TRANSFORMATIONS IN -----  
**BUSINESS & ECONOMICS**

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### *The Contents Review*

Recently the world economy is undergoing a rapid change and many visible and/or hidden factors are impacting the transition process. This is particularly true for developing countries because of constant changes in regulations and market conditions inside and outside these countries. As a result, many wicked problems arise in business and economics fields. It is of vital importance to investigate the recent changes and propose innovative solutions to wicked problems in business and economics using both theoretical and practical approaches.

This issue is devoted to address some of the challenging wicked problems in business and economics with a focus on developing countries. Both micro and macro perspectives are reflected in the studies. The issue is organized around four parts: business performance transformation with economic modelling algorithms; challenge of globalization: international trade and income inequality revisited; applicable models and technologies to manage financial issues; the importance of appraisals: evidence-based practice.

In the first part of the issue, four papers are included which tackle business performance transformation from different perspectives such as spatial distribution of financial industry in a downtown area, determinants of ECRM adoption in the South-Eastern Europe, onshore and offshore businesses in regards to taxation, key factors influencing manufacturing firm's innovation on the Senegal case. Economic modelling and analysis are used in all the four studies.

The second part is on international trade and economics. Under China's One Belt One Road initiative, export effect of China's outward Foreign direct investment is studied. A second paper on the impact of entry mode on reverse knowledge transfer of China's outward Foreign direct investment is also investigated using subsidiary age and firm size as the moderating factors. One paper focused on the three biggest economies (China, Russia, and EU) along the Silk Road Economic Belt to determine their reliance with each other and the real global value chain position. The last paper in this part investigated various factors which affect the income gap intergenerational transmission.

In the third part of the issue, three papers are presented dealing with management of financial issues. In one paper a practical model is developed to study the security market regulatory mechanism from the perspective of tripartite game. Similarly, in another paper an empirical model is built up to study the effect of cash flow on the capital structure dynamic adjustment. Bitcoin as an interesting payment method attracts many people's attention, one study concerns this topic using SEE countries as an example to study the perception of user interests.

The last part of the issue refers to performance measurement using an evidence-based approach. Using EU countries as an example the relationship between asset diversification and the efficiency of banking sectors is measured and analysed in the first paper. In the next paper level of online social responsibility reporting is measured and compared between universities in New Zealand and Hong Kong. In the last paper application of Activity-Based Accounting in one public hospital is evaluated based on actual performance and the result forms a solid foundation for strategic decision-making purpose.

All the papers in this issue reflect some of the current wicked problems in business and economics. Innovative models and methods are used to address the problems with a focus on practical solutions. I hope you enjoy reading this issue. Thank you.

Guest Editor,

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