

## EDITORIAL

*Dear readers!*

The recent issue of the Journal of Governance and Regulation pays attention to issues of hedge funds activism, firm performance, European economic recovery, independent directors, changes of the governance systems under influence of technologies, and monetary reforms in China.

*Deepanshu Mohan* makes an attempt to study the basic formulation of rights, particularly in context of a human rights based approach to development (through a right to development) and exploring its analytical affiliation with the discipline of social choice theory. *Andrew Carrothers* examines the relationship between hedge fund activism and target firm performance, executive compensation, and executive wealth. It introduces a theoretical framework that describes the activism process as a sequence of discrete decisions. The methodology uses regression analysis on a matched sample based on firm size, industry, and market-to-book ratio. *Ivo Pezzuto* addresses the topic of the surprise European Economy recovery in 2017 and its possible implications. The author aims to provide a broad and comprehensive understanding of the triggering factors that have contributed to this unexpected economic revival and to the slow and uneven economic recovery in Europe after the Global Financial Crisis of 2008 and the Great Recession. The author also aims to highlight the potential downside risks related to the still unsolved structural issues that caused the debt overhang and macroeconomic imbalances in Europe in the past decade. *Eric Pichet* achieves a better definition of independent director, while improving the understanding of the roles he fulfils on boards of directors. The first part defines constructs like firms, Governance system and Corporate governance, offering a clear distinction between the latter two concepts before explaining the four main missions of a board. The second part defines the ideal independent director by outlining the objective qualities that are necessary and adding those subjective aspects that have turned this into a veritable profession. The third part defines the ideal process for selecting independent directors, based on nominating committees that should themselves be independent. It also includes ways of assessing directors who are currently in function, as well as modalities for renewing their mandates. The paper's conclusion presents the Paradox of the Independent Director. *Kazuyuki Shimizu* aims to understand how governance change is triggered by cybernetics issues, such as the development of automotive navigation systems in German, Japanese and US automotive industry. Six points are discussed for the central question which are 1) GDP Trends for Manufacturing Activities, 2) Organizational Structure for Supply Chain Management (SCM), 3) Viewpoint related to Internet of Things (IoT) usability, 4) National IoT planning, 5) Definition of IoT, 6) Developing Navigation Systems. *Han Long* investigates the test effect that Shanghai Pilot Free Trade Zone (SHFTZ) have on the capital account reforms in China. *Yaroslav Mozghovyi* presents a short review of the book titled "Introducing Islamic banking in new markets".

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!