

# EDITORIAL

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In May 2008, the Faculty of Economic and Financial Sciences at the University of Johannesburg held its second biennial international conference on *Value* at Sun City in the North-West province. Many of the papers presented in this, the fourth issue of the Journal of Economic and Financial Sciences (JEF), came about from papers presented at this conference. The third international Value Conference will be held in 2010 and further information will be provided in a later issue of JEF.

In their paper **Annika Schneider** and **Grant Samkin** use an exploratory study to investigate the extent to which local government authorities in New Zealand report intellectual capital in their annual reports. A disclosure index, constructed with the assistance of a local government stakeholder panel is then applied to the annual reports as part of a content analysis.

**Ewert Kleynhans** and **Ernst Drewes** investigate the effects of location on the international competitiveness of South African industries. Their article focuses on the traditional factors that influence location first, followed by the modern factors especially those emphasised by the so-called 'New Economic Geography'. Lastly the empirical findings of a survey conducted among South African manufacturers regarding their location and its influence on their industrial competitiveness are reported.

In her article **Heli Hookana** investigates the complex relationships between organisational strategic change, accountability and materialised values in the emerging public-service network. The study highlights the importance of bilateral governance, relational forms of behaviour and the voluntary exchange of information that is based upon shared values. In these circumstances accountancy basically serves as an assistant, helping to mediate, shape and construct inter-organisational relations through various socio-economic and discursive power-based mechanisms. In combining participation in development work, work in practice, and theoretical analysis, the study carries both theoretical and practical implications.

**Joel Eita** and **Daisy Mbazima** investigate the relationship between government revenue and government expenditure in Namibia using the Granger causality test through cointegrated vector autoregression (VAR) methods for the period the period 1977 to 2007. The relationship between government revenue and government expenditure is important given its relevance for policy especially with respect to the budget deficit. The paper tests whether government revenue causes government expenditure or whether the causality runs from government expenditure to government revenue, and if there is bi-directional causality.

In the last decade, empirical research has found strong evidence that value stocks provide higher returns than growth stocks (value premium). Firms with a high ratio of book value of

equity to market value of equity are regarded as value stocks; a low ratio identifies growth stocks. Most research is tailored to the market in the USA and only a few studies consider country-specific distinctions. **Jürgen Ernstberger**, **Christian Heinze** and **Oliver Vogler** analyses the value premium for the South African market and compares its magnitude to the findings for the US market. Moreover, the effects of the introduction of International Financial Reporting Standards (IFRS) for companies listed at the JSE Limited are examined.