

Editorial Introduction

The first paper by Elías Melchor-Ferrer, Antonio Mihi-Ramirez and Eugene Agoh analyses the impact of capital accumulation in the services sector in terms of European regional convergence. A spatial correlation to analyze the services sector in 121 European regions at the NUTS-2 level in nine European Union (EU) countries was used. The results show the polarisation of economic activity in the central area of Europe, which creates synergies that slow down the process of regional convergence. It also reveals the significant role of the non-market services sector in this process, which highlights the importance of maintaining high rates of investment for continued convergence.

The second paper by Fabio Filipozzi and Rando Tomingas studies the fundamental indexing approach to the Baltic Stock market. Using sales, EBITDA, EBIT, net income, book equity and composite metrics as a basis for re-weighting, the capitalisation-weighted OMX Baltic Benchmark Gross Index makes it apparent that fundamental indices outperformed the benchmark index throughout the period 2006–2016. The Fama-French four-factor analysis confirms the active exposure of the fundamental indices to the value factor, and to a lesser extent to the size factor. After adjustment for these risk exposures, four of the six fundamental indices still significantly outperform the benchmark index.

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The third paper by Valter Ritso, Kristiina Kindel and Urve Venesaar investigates the factors that influence the use of e-government services by small and medium sized enterprises in Estonia and Germany. The model depicting relations between the business value of e-government services and their influencing factors was tested contributing to the methodology of evaluating the relations between model variables. A stronger value was found outside the enterprise, affected mostly by external pressure from competitors and industry sources. Service quality appeared to have a direct impact on user benefits but the administrative burden has the weakest influence in both countries. The research is valuable for practical use in form of a deeper understanding of the influencing factors in contributing to the e-government strategies within the associated countries.

In the fourth paper by Olga Zaborovskaia, Alexander A. Gorovoy, Ekaterina V. Plotnikova the goal of the research is to develop and test the model of spatial planning of regional social infrastructure location, which will help to overcome territorial disproportion. A graph theory approach has been applied as an effective method for solving problem of inequity from the social and economic perspective. The authors suggest a new model, showing a connection between the spatial planning of the location of regional social infrastructure and sustainable development. The effect is considered in terms of the growth of personal income tax in the regional budget. The advantage of the model is the focus on the multilateral interaction of territories both between regions and between settlements within the territories.

The fifth paper by Kutlu Ergün aims to determine the relationship between the financial knowledge and financial behaviour of university students across the following 5 European countries: Czech Republic, Estonia, France, Spain and Turkey. The study found that male students, those who have financial difficulties in sustaining their educational expenses and those who have loans or any other debts were more knowledgeable on personal finance. Students who do not have any credit card were also found to be more financially knowledgeable. Among the countries, students from France were found to be more knowledgeable on personal finance. Based on the findings, the article contributes to existing literature concerning the need to undertake effective actions for the responsible use of credit cards in order to maximise the financial literacy of university students.

For this issue, the rate of acceptance for submissions was 38%. We are grateful to all the authors who submitted papers to our journal, and we are very thankful to the external reviewers for their kind assistance to the Editorial Board in the paper review process.

On behalf of the Editorial Board,

Urve Venesaar
Editor-in-Chief

Aaro Hazak
Managing Editor