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Publishing in the Multinational Finance Journal, Part 1: Research Topics

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Abstract.

This is the first of four editorials, written to mark the thirtieth volume of the Multinational Finance Journal, on what I look for in the papers submitted to it. It concerns the choice of research topic, which I regard as the decision that is hardest to repair in revision. Adapting the framework that Leventis (2024a) proposed for international accounting research, I discuss four attributes of a promising topic, namely its significance, its novelty, its multinational perspective and its relevance to practice and policy, and I illustrate each with papers the journal has published since 1997. I then set out the questions on which I would most like to receive submissions, among them nature and climate risk, the measurement and reporting of sustainability, bank fragility, digital money and artificial intelligence in finance. The remaining editorials cover research methods, the introduction and the hypotheses.

Keywords: Research topics, Contribution, Multinational finance, Academic publishing, Editorial policy

JEL Classification: A14, G00, G15, M40

1. Introduction

The Multinational Finance Journal reaches its thirtieth volume this year. In a companion editorial I reviewed the research the journal has published (King, 2026). This editorial and the three that follow it look forward. They set out, as plainly as I can, what I look for when a manuscript arrives, in the hope that authors will find it easier to prepare a paper we can publish and reviewers easier to judge one. Leventis (2024a, 2024b, 2024c, 2025) wrote a series of this kind for the Journal of International Accounting, Auditing and Taxation, as the editors of the Academy of Management Journal had done before him (Grant and Pollock, 2011), and I follow his division of the subject into research topics, research methods, the introduction and the hypotheses. The illustrations come from our own archive, because the best guide to what a journal will publish is what it has published. I write as one of the journal's Editors-in-Chief, and the views are my own.

I begin with the topic because it is the choice that is hardest to repair later. A paper with an underdeveloped hypothesis, an incomplete set of tests or an introduction that does not state its finding clearly can be revised, and our editorial philosophy is developmental, which means that we use the review process to improve a paper as well as to assess it. Revision cannot change the question. Leventis (2024a) names four attributes of a promising topic in international accounting (significance, novelty, an international perspective and practical relevance), and they describe closely what I ask of a new submission in finance. I want to know whether the question is significant, whether the answer is likely to tell us something new, whether the setting is part of the answer, and whether anyone outside the university would want to know the result.

2. Significance

By significance I mean that a paper addresses a question that many researchers regard as important and unsettled. Much of the journal's early work addressed one such question, which was how far national capital markets had become a single market (Bekaert and Harvey, 1995). Liu and Pan (1997) traced the transmission of returns and volatility from the United States and Japan to four Asian markets, and Meric and Meric (1997) showed that the co-movement of the twelve largest European markets rose after the 1987 crash, with the obvious consequence for the gains from international diversification. Neither paper claimed to settle the question. Each added evidence to a debate in which many others were engaged, which is how most significant work proceeds.

The address that Constantinides (1997) gave to the fourth annual conference of the Multinational Finance Society, printed in our first volume, is an example of a different kind. It asks how much transaction costs matter for the prices of assets and derivatives, a central question in asset pricing, and answers that they matter little when investors can choose how often to trade and a great deal when they cannot.

Some of the most useful papers we have published return to an established result and ask whether it holds elsewhere. Fan, Opsal and Yu (2015) took seven well-known return anomalies to international markets and found that the abnormal returns they earn differ sharply between countries and between developed and emerging markets. The meta-analysis of Zabolotnyuk (2018) combined 53 published studies to reconcile the mixed international evidence on how share prices respond to changes in bond ratings. Such work has grown in

standing as finance has examined the reliability of its own findings. Hou, Xue and Zhang (2020) report that most of the 452 anomalies they re-examine fail to reach conventional significance, Jensen, Kelly and Pedersen (2023) reach a more favourable verdict with a different method and confirm it out of sample in 93 countries, and the disagreement between them has been useful to the field. I would be glad to receive careful replications of influential results in markets where they have not been tested, and syntheses that establish what a literature has and has not shown.

3. Novelty

Leventis (2024a) describes novelty as changing the conversation among scholars, and the papers in our archive that I would call novel did so in quite different ways. Booth and Karagiannidis (2023) placed a current problem of market design in economic history, by finding, in the daily exchange rate fixed by the moneychangers' guild of Florence between 1252 and 1532, an ancestor of the benchmark rate that replaced LIBOR in the United States. An international survey of time preferences allowed Rieger, Wang and Hens (2013) to relate patience to the historical equity premium across countries. Liu (2014) brought textual analysis to the study of the euro area crisis and found evidence that the pessimism and volume of news coverage carried information about sovereign spreads that the usual determinants did not. Berglund and Holmén (2016) took a literature that had asked whether employee representation on boards helps or harms performance, and had reached no agreement, and asked instead why Swedish employees so often decline the seats to which the law entitles them.

Unexpected and null results belong here too. Lambrinoudakis (2016) tested the prediction of dynamic trade-off models that firms adjust their leverage more slowly when adjustment is costly, using directly measurable proxies for the determinants of issuance costs, and found a relation that was positive or absent. Wessels, Wansbeek and Dam (2016) could not reject the hypothesis that firms choose their governance arrangements optimally, a hypothesis under which governance and performance are unrelated once the constraints firms face are taken into account. Harvey (2017) argues that the emphasis on statistical significance, combined with selective reporting, makes the published record in finance less reliable than it appears. A well-powered test that fails to support a widely held prediction is a contribution, and I will treat it as one.

The claim that a study is, to the best of its authors' knowledge, the first to examine a relation in a particular country is a different matter. I read it often and it rarely persuades, because a relation documented in twenty countries does not become new in a twenty-first unless the authors can say why the twenty-first should differ. I return to this claim in the third editorial.

4. The multinational perspective

Finance research is concentrated on one country to a degree that Karolyi (2016) describes as an academic home bias. He finds that only 16 per cent of the empirical studies in the four leading finance journals examine markets outside the United States, although the studies that do are cited more often. A journal founded to publish research on questions that cross borders should be a natural home for such studies, and the archive shows more than one way of writing them.

Some papers use variation across countries to test an idea that a single country cannot test. Governance standards differ widely among the seven Asian emerging markets studied by Hasan, Kadapakkam and Kumar (2008), and the authors used the differences to relate better governance to a weaker dependence of firm investment on internal funds. Bornholt, Dou and Malin (2015) examined momentum in 37 countries and related the size of the volume effect to a country's degree of individualism. American foreign direct investment follows the protection of shareholder rights in the host country, and more strongly so in developing economies (Baulkaran and Lupton, 2020).

Others study one country because its institutions make it a laboratory. Omran (2004) followed 69 Egyptian enterprises through privatisation and compared the routes by which they were sold, and the firms sold to anchor investors and employee associations appeared to do better than those sold through public offerings. Stephanou, du Toit and Maritz (2003) used South Africa's political transition to ask whether political or economic events drive asset prices when both are changing. The banking crisis in Cyprus, which culminated in 2013 in the first bail-in of depositors in the euro area, is the subject of Brown, Demetriou and Theodossiou (2018), and Park, de Moraes and Roquete (2025) compared bank risk-taking in Brazil and South Korea because the two countries have such different histories of inflation. A single-country paper succeeds when its authors explain what the setting allows them to observe that could not be observed elsewhere, and how far they expect the result to hold elsewhere.

A sample drawn from the United States is no obstacle, provided the question matters beyond it. Wong, Thompson and Teh (2011) tested for abnormal trading in S&P 500 index options before the attacks of September 2001, a question about informed trading that could be asked of any options market, and Garcia (2024) used American data to study the divergence between sentiment on social media and in the press, which can arise in any market that has both. I ask of such papers a paragraph, early, that says what a reader in Helsinki, Seoul or São Paulo learns from them. A more frequent weakness is the paper that applies an established model to a new country and reports that the familiar result holds or does not, without an argument for why the country should matter. A replication of the kind I invited above differs from such a paper in saying beforehand what the new market can tell us about the original result. Africa, Latin America and South Asia are among the regions that finance research has studied least, and their institutions differ a great deal from those of the markets on which our theories were built. Like Leventis (2024a) in accounting, I would particularly welcome work on them.

5. Relevance to practice and policy

Finance and accounting are applied fields, and the journal has been at its most useful when its papers have served the people who make financial decisions and policy. The special issue on sovereign debt in the pandemic grew out of a conference on debt restructuring held in February 2021 and appeared while the consequences of the pandemic for public debt were still unfolding (Papaioannou and Tsetsekos, 2021). Alexakis *et al.* (2018) proposed growth-indexed bonds among their remedies for the Greek debt crisis, and Demetriou (2021) proposed a framework for resolving non-performing loans through a state-owned asset management company. Baker, Dutta and Saadi (2011) surveyed Canadian firms on how they budget capital and choose their financing and found that, unlike firms in the United States and Europe, they rely on subjective

judgement more than on the capital asset pricing model when estimating the cost of equity. Surveys of this type, of which that of Graham and Harvey (2001) is the best known, tell us what decision makers do, which is the first thing a researcher who hopes to influence them needs to know.

Leventis (2024a) objects that practical relevance is too often confined to a paragraph in the conclusion, and I share the objection, because relevance is better built into the design. Authors should decide early whose decision the paper could inform, whether a supervisor's, a board's, an investor's or a standard setter's, and should report their results in a form that person could use, which means economic magnitudes as well as significance levels. Zabolotnyuk (2018) tells the reader that a downgrade is accompanied on average by an abnormal return of minus 1.64 per cent and an upgrade by one of plus 0.28 per cent, magnitudes that a practitioner can use. Mitton (2024) documents how unevenly papers in corporate finance report economic significance and offers benchmarks against which a claimed effect can be judged, and I recommend it to anyone preparing a results section.

6. Topics for the years ahead

The companion editorial sets out a research agenda at some length (King, 2026), and I restate it briefly here. Climate finance is an established field (Giglio, Kelly and Stroebe, 2021) and the financial consequences of nature loss are becoming one. Sautner (2026), in an article for this volume based on his keynote address in Vaasa, distinguishes the risks that arise from a firm's dependence on ecosystem services from those that arise from its impact on nature, and argues that one of the next frontiers is the move to measures built at the level of the individual asset and its location. Giglio *et al.* (2026) show that exposure to biodiversity risk differs from exposure to climate risk and is beginning to affect share prices, and Flammer, Giroux and Heal (2025) conclude that private capital is unlikely to substitute for effective public policy in addressing the loss of biodiversity. Ecosystems, disclosure rules and enforcement differ from one country to the next, which makes almost every open question in this field a multinational one.

The measurement and reporting of sustainability is an accounting agenda as much as a finance one. Ratings of environmental, social and governance performance differ widely between providers (Berg, Kölbel and Rigobon, 2022), and requirements for sustainability reporting and its assurance are being introduced, and in places scaled back, at different speeds in different jurisdictions. Our stated scope includes accounting, and I welcome submissions in it.

In banking, the failures of 2023 showed how exposed a bank whose assets have lost value is to a run by its uninsured depositors (Jiang *et al.*, 2024). In the journal, Zhylyevskyy and Stover (2025) have examined how depositors respond to a banking crisis and Park *et al.* (2025) have compared the risk-taking of banks in two countries with different histories of inflation. In digital finance, Calosci *et al.* (2026) map a literature on central bank digital currencies that has grown quickly since 2021 and whose strands are, in their assessment, only partly integrated. The Review of Financial Studies showed with its special issue on financial technology how a journal can help to build such a field (Goldstein, Jiang and Karolyi, 2019). The use of artificial intelligence by banks, investors and firms raises questions of governance and accountability on which supervisors in different jurisdictions are taking different

positions, and the fragmentation of trade and payments along political lines has revived the questions about market integration with which the journal began. The journal's current call for a special issue on emerging trends in sustainable, green and international finance, guest edited by Nebojsa Dimic and Vanja Piljak, is one route for work on several of these subjects.

7. Concluding remarks

The choice of topic is made before any data are collected, and it limits what the finished paper can achieve. I have suggested that authors test a prospective topic against four questions, which concern its significance, its novelty, the part played by the setting and its usefulness outside the university, and I have pointed to papers in our archive that pass each test. A topic that passes all four still has to be executed well. The second editorial in this series turns to research design, and to the practices in data, identification and reporting that the leading journals in our field now expect.

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