

## CALL FOR PAPERS

European Accounting Review  
Invites manuscripts for a special section on  
**The Influence of Political Forces on Financial Reporting and Capital Market Activity**

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Institutions promoting strong investor protections are typically associated with favorable financial reporting practices, better information environments and efficient, well-developed capital markets. Many economies, however, lack the institutional structure that creates incentives for good governance, high quality financial reporting practices and transparent information environments. Frequently, these weak institutional arrangements reflect the influence of strong political economy forces in an economy. These political factors shape the form and nature of business arrangements and transactions, influence the development of robust external capital markets, and impact the costs and benefits of producing, gathering and disseminating timely, credible financial information.

In spite of the important role that political forces play in many economies, particularly emerging economies, very few papers in accounting examine the impact of these forces on the information environment of listed firms or the activities of market participants, such as analysts, institutional investors, insiders, media, and providers of capital. Political forces can range from the state's ownership of listed firms, the state's control of the banking sector or regulation of capital market activity, risk of expropriation, the extent of government intervention in business or industry activities, corruption, cronyism and political connections, and the prevailing incentives of local politicians.

This special issue of *European Accounting Review* is devoted to examining financial reporting and capital market issues arising as a result of (or in response to) political forces. Research topics appropriate for this special issue would include, but not be limited to, the following:

- Political incentives and the financial reporting behavior of listed firms.
- Does state ownership induce different reporting / disclosure incentives than other forms of concentrated ownership?
- How does the nature of the State's involvement in the economy shape reporting and disclosure incentives?
- Political forces and the strength of the business media.
- Do political forces shape analyst coverage decisions?
- Do analysts assess expropriation risk? Benefits accruing to politically-favored firms?
- Do institutional investors prefer politically connected and controlled firms?
- Do prices accurately reflect political risks and benefits?
- Role of direct versus indirect taxes on reporting outcomes?
- Privatization and its impact on corporate transparency.
- Politics and the standard setting process.

EAR is committed to publishing innovative and original work that meets the highest standards of methodological rigor. Emerging scholars are especially encouraged to submit their work (to the Young Scholars Track). Authors are encouraged to contact the guest editor in advance should there be any matters on which they require clarification or guidance ([jpiotros@stanford.edu](mailto:jpiotros@stanford.edu)). Authors should submit manuscripts via the ScholarOne manuscript submission site: <http://mc.manuscriptcentral.com/rear>

**The deadline for submission is October 31<sup>st</sup>, 2012.**