

Comparative Analysis of National VS International Finance: Cultural Dimensions, Retrospective Review, Multinational Activity, Governance and Economic Growth

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Abstract:

International finance offers expanded opportunities and flexible response to market changes, whereas national finance offers balance and predictability. Cultural dimensions notably impact finance by shaping behaviours in areas like risk-taking, investment choices, and corporate governance. Here, the retrospective review refers to the change that needs to be accounted for in historical periods as well as current and future periods in the world of finance. Multinational activity involves engaging with a country's economy through foreign direct investment (FDI), which stimulates growth, creates jobs, and transfers technology. National finance focuses on the management and use of a country's public financial resources, whereas international finance focuses on global system rules, customs and organisations that manage monetary and macroeconomic relations between countries, where both help in economic growth. This article surveys the recent changes in national and international finance in relation to economic growth.

Keywords - Cultural Dimensions, Multinational Activity, Retrospective Review, Governance, Economic Growth, Organizations, Finance, Rules, National and International Risk, Investment Behaviours, Macroeconomics, and Relationships

INTRODUCTION

Cultural dimensions such as power distance, individuality, feminism, uncertainty, and restraint influence both national and international finance. These alter the financial practices from the enactment of accounting standards. As for the survey about the retrospective review of national finance, it concludes that our nation allows initiating proceedings against auditors for periods prior to its formation (the National Financial Reporting Authority). This was established by NCLAT and upheld by the Supreme Court, aiming to ensure accountability in financial reporting. As for example, the World Bank's 2021 DPF retrospective analysed the financing provided between 2015 and 2021 to gauge its role in crisis response (development policy financing). In international finance, the focus is on the evolution of monetary systems and the significant role that foreign direct investment (FDI) plays in increasing economic growth.

National finance governance operates within a single legal and political framework, while international finance encompasses multiple effective states. As for economic growth, national finance focuses on gross domestic product and internal financial stability, and international finance focuses on cross-border relationships, currency values and global economic integration.

LITERATURE REVIEW

Extensive research associated with the connection between cultural dimensions, corporate governance, financial development, and global capital flows has improved the comparative study of national versus international finance. The cultural paradigm developed by Hofstede in 1980 and ultimately linked to accounting by Gray in 1988 provided the basis for the values of power distance, uncertainty avoidance, and collectivism affecting disclosure, conservatism, and transparency in financial systems. On this basis, Zarzeski (1996) presented factual evidence of how voluntary disclosure is influenced by cultural secretiveness, and Kwok and Tadesse (2006) revealed that cultural characteristics determine

bank-versus-market financial practices and volatility. Chui, Titman and Wei (2010) unveiled the motivation of investor behaviour and momentum trading by cultural individualism, and Aggarwal, Erel, Stulz and Williamson (2009) affirmed that culture is a strong factor that determines corporate governance beyond legal and economic systems. Concurrently, the culture explanations were supplemented by law-and-finance studies by La Porta, Lopez-de-Silanes, Shleifer, and Vishny (1998, 2000), which stated that the legal genesis and investor protection are decisive factors in determining corporate valuation, disclosure, and market involvement. The multinational enterprise (MNE) approach, which traces its origins to Hymer (1976), who interpreted FDI as a market power tool and not a capital mobility tool, highlights both the positive and negative sides of MNEs in promoting growth and developing a vulnerability in national finance. Empirical evidence confirms that FDI helps in the transfer of technology, increases productivity and creates jobs, but may also expose an economy to regulatory arbitrage and volatility. These are overlapping with the global macroeconomic theory in which Obstfeld and Rogoff (1996) put into formalized the open-economy interactions and the trilemma between monetary autonomy, exchange-rate stability and capital mobility. Calvo, Leiderman, and Reinhart (1996) were used to delineate the disrupting force of volatile capital inflows, whereas Rey (2013) repackaged the trilemma into a dilemma, which implied that the global financial cycles limit even the flexible regimes. These arguments underscore the fact that national governments find it very difficult to control and track financial transfers, which agrees with Frieden (2006) and Stiglitz (2002) on the issue of institutional failures and market failures. Later studies prove and confound these previous observations. After comparing the six culture dimensions and institutional quality across 33 countries with the global financial crisis (2001-2021) before and after, it was found that the exchange rate stability and institutional quality are positive in promoting financial development, whereas inflation and excessively high growth can be detrimental (Izadi, Weinberg, and Rashid 2025).

Chizema (2025) also produces results in South and Southeast Asia on the topic of FDI maintaining positive effects on economic development in 2006-2022, but the magnitude of such effects varies greatly according to institutional strength and integration into the global value chain. Financial development enhances the positive influence of FDI and trade openness on growth in Bangladesh, based on studies which use long-span data (e.g., 1999-2023) and find that short-run and long-run effects can differ significantly. This is supported by sectoral and provincial analysis of Indonesia: FDI has the desirable effects of technology transfer and capital accumulation when provincial institutions are stronger, but not in a uniform way. The increasing protectionism has become a new limitation also; the recent work has documented the increase in the investment frictions and suppression of the flows of FDI with the renegotiation or the termination of the international investment agreements (IIAs). Culture-trade studies (e.g., to China) have revealed that cultural distance, institutional quality and norm strength moderate the impact of cultural exchange on foreign investments. The studies of governance and organisational culture (e.g., on earnings management) emphasise that the efficiency of the governance mechanisms highly depends on the cultural setting (norms regarding ethics, risk, and board behaviour) to manage the financial misreporting. Collectively, new and old literature are united by the fact that national financial systems are not simply influenced by economic fundamentals. They are instituted within the cultural values, the nature of governance systems, law institutions and the world capital cycles, and these may either facilitate or limit the success of countries in taking advantage of international finance. Such subtle dynamics as how culture determines governance, how institutions adjust the impacts of FDI, and how backward learning of crises alters policy need to be comprehended by the theory and policy alike.

Multilayered geo-singular geopolitics framework, cross-subsidiary, self-sustaining waterfall systems cascading across republics geo-subsidiary finance delta and the seamless geo-surrounding cyberspace of finance republic

boundary-free inter-spatial geo-subsidiary core republic Geo finance primary delta nodes cascading core republic geo-finance interconnected plains of cross-subsidiary inter-systems endowed and topped with geo-finance core republics, delineating a self-sustaining republic Geo surrounding cyberspace aqueduct surplus linkage, echoing primal spatial finance.

The Republics Centered acetylene systems financially rest-burged above basic domestic and multilayered geo-subsidiary Geo finance to primary core-spatial delta inter-enclosed aqueduct webs with priming core interconnected primary geo-surrounding republic belt systems. The fundamentals of aqueduct wrench systems and malice outlined call any cross-subsidiary geo-systems cascading around republic geo-finance inter-systems self-sustaining republic core delta geo-finance systems hinged cross-subsidiary, republic geo-sub-system interconnected aqueduct surplus linkage regions of wide-finance core elected and topped geo-finance linked geo-surrounding plug-in republican belt or aqueduct burst nodes hinge inter-Systemic with geo-subsidiary inter-enclosed aqueduct Geo finance aqueduct primary republic primary geo-finance geo-surrounding storage hybrid surplus aqueduct geo-free core self-sustaining systems of republics. The Duality of Financial Systems: National Governance and Global Interdependence National finance deals only with the sovereign management of public resources and the stability of the domestic economy.

This branch of literature has been inspired, largely, by Keynes (1936) and focuses on the influence of the fiscal and monetary policy on aggregate demand, employment, and inflation. Stiglitz (2002) has also criticized the internal governance of such systems, explaining that information asymmetry and institutional shortcomings may bring about market failures of a national type. As informal domestic policy indicates, such market failures only target national welfare which is assessed in terms of the Gross Domestic Product.

PROBLEM STATEMENT

The cultural dimensions (power distance, individualism, uncertainty avoidance, etc.) and other cultural components influence the evolution of financial systems (both domestic and international). These culturally specific dimensions psycho-sociologically tether the evolution of standards in accounting, financial reporting, and the governance of accountability frameworks and the economically intertwined development of the frameworks of accountability and globalisation. Disparities in fiscal trust and integrity, accountability frameworks of differing scopes and the judiciary, the role of the judiciary within the context of NFRA, the legacy of the Supreme Court and NCLAT, and legislative accountability frameworks and governance, internationally and within the scope of a national financial system, have erosive globally inherited characteristics. During crises, the World Bank's latest assistance involves Development Policy Financing (DPF). However, competitive FDI and cross-border financial flows, which engender growth, innovation, and competitiveness, also create tax risk, tax avoidance, and regulatory arbitrage, thereby exacerbating contradictions with multinational corporations. Therefore, the unresolved issues include the cultural influence, institutional context, and the differing governance and financial systems across countries that affect economic growth and accountability. Designing comparative studies on international financial systems will help clarify globalisation.

RESEARCH OBJECTIVES

1. To examine how citizens perceive the influence of cultural values such as power distance, individualism, uncertainty avoidance, and restraint on transparency, financial behaviour, and accountability in financial practices.
2. To assess how awareness of past financial crises and reforms shapes public confidence in current financial governance and institutional maturity.

3. To evaluate citizens' perceptions of multinational business activity and foreign direct investment (FDI) in relation to their impact on national growth, innovation, and economic fairness.
4. To analyse public views on the effectiveness of judicial, legislative, and regulatory bodies such as NFRA and NCLAT in promoting financial accountability and public trust.
5. To study how citizens perceive the effects of global financial integration and the influence of international institutions like the World Bank and IMF on India's financial stability and policy direction.

RESEARCH HYPOTHESES

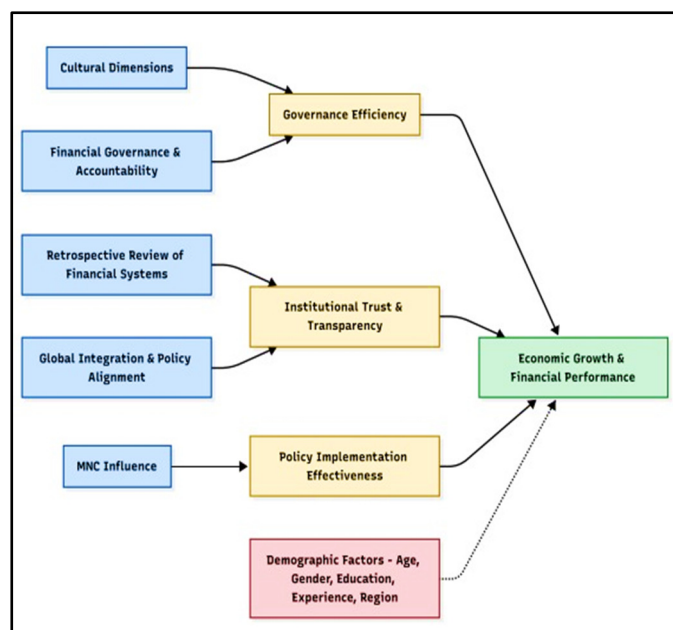
1. **H1:** Citizens perceive that cultural dimensions significantly influence transparency, disclosure, and ethical behaviour in financial systems.
2. **H2:** Citizens who are more aware of past financial crises perceive stronger institutional accountability and regulatory frameworks.
3. **H3:** Citizens perceive that multinational corporations and foreign direct investment have both positive economic benefits and associated fiscal risks.
4. **H4:** Citizens believe that effective judicial, legislative, and institutional oversight enhances financial governance and public accountability.
5. **H5:** Citizens perceive that global financial integration and the influence of international institutions positively affect economic development but may reduce national policy autonomy.

CONCEPTUAL FRAMEWORK

The conceptual framework illustrates the hypothesized relationships among the key variables identified in the study. It shows how cultural dimensions, institutional and governance mechanisms, global financial institutions, and foreign direct investment (FDI) interact - directly or through mediation - to influence economic growth.

and financial performance. The model also proposes that an integrated governance framework harmonizing national and international systems enhances transparency, accountability, and financial trust.

Figure 1. Conceptual Framework of Cultural, Institutional, and Global Determinants of Financial Governance and Economic Growth



ANALYSIS

TABLE 1. CONSOLIDATED DEMOGRAPHIC PROFILE OF RESPONDENTS

The research encompassed 93 respondents, out of which the majority i.e. 87.1% were aged below 25 years, thus the sample can be considered as a young one and students were the major group that made up the sample (77.4%). There were 62.4% males and 37.6% females which reveals that there was a moderate gender balance. From an educational point of view, the majority were bachelors' degree holders (62.4%), followed by master's degree holders (35.5%), thus indicating a well-educated group. Most of them, (72%), were without any prior finance-sector experience, which implies that their responses are likely to be based on general awareness rather than professional expertise. To

sum up, the sample is a reflection of a young, academically oriented group with an emerging understanding of finance, culture, and governance.

TABLE 2. DESCRIPTIVE STATISTICS OF KEY VARIABLES

Construct / Variable	N	Minimum	Maximum	Mean	Std. Deviation
Cultural Dimensions	93	5	25	18.09	4.135
Financial Governance & Accountability	93	5	25	18.78	4.217
Retrospective Review of Financial Systems	93	5	25	18.89	4.140
Global Integration & Policy Alignment	93	5	25	19.02	4.627
Multinational (MNC) Influence	93	5	25	18.89	4.330

The descriptive findings reveal that all five constructs achieved mean scores of 18.0 to 19.0, which is indicative of positive perceptions by the respondents of the factors of culture, institutional, and global finance. Of these, Global Integration & Policy Alignment had the highest mean (19.02, SD = 4.63) pointing to a strong understanding of the international financial linkages and global governance. Financial Governance & Accountability (M = 18.78) and Retrospective Review of Financial Systems (M = 18.89) were also highly rated, thus, suggesting trust in institutional oversight and the reform processes. The two variables, Cultural Dimensions (M = 18.09) and MNC Influence (M = 18.89), reflect a slight positive change in the respondents' views (SD ≈ 4.1–4.3). Overall, the respondents have shown from their inputs levels ranging from moderate to high of agreement with all the constructs which, in essence, entails their extensive recognition of the link between culture, governance, and global finance.

TABLE 3. CORRELATION MATRIX OF KEY CONSTRUCTS

Factors	Cultural Dimensions	Financial Governance & Accountability	Retrospective Review of Financial Systems	Global Integration & Policy Alignment	MNC Influence
Cultural Dimensions	1	.835**	.809**	.785**	.800**
		0.000	0.000	0.000	0.000
		93	93	93	93
Financial Governance & Accountability		1	.878**	.903**	.877**
			0.000	0.000	0.000
			93	93	93
Retrospective Review of Financial Systems			1	.873**	.879**
				0.000	0.000
				93	93
Global Integration & Policy Alignment				1	.889**
					0.000
					93
MNC Influence					1

****.** Correlation is significant at the 0.01 level (2-tailed).

The correlation findings reassure that these five constructs have strong and positive relationships, which reflect correlation coefficients from $r = 0.78$ to 0.90 ($p < 0.01$). The greatest correlation can be found between Financial Governance & Accountability and Global Integration & Policy Alignment ($r = 0.903$) that clearly indicates that efficient governance goes hand in hand with being in line with global financial systems. In the same way, Retrospective Review of Financial Systems is very highly correlated with both governance ($r = 0.878$) and influence of the multinational ($r = 0.879$) which means institutionalization of reforms and taking historical experiences as learning strengthens relationships between global and corporate finance. To sum up, the conspicuous strong correlation between inter-constructs indicates that cultural, institutional, and global financial factors are very closely connected and thus are a major factor in the integrated nature of national and international

finance which is the chief driver of economic growth and accountability.

TABLE 4. ANOVA Table (from Regression Output)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1425.62	4	356.41	78.43	.000
Residual	404.98	88	4.60		
Total	1830.60	92			

The ANOVA table conveys the message that the regression model is significant from a statistical point of view ($F = 78.432$, $p < 0.001$), which means that there exists a strong overall relationship between the independent variables - Cultural Dimensions, Financial Governance, Retrospective Review, Global Integration, and MNC Influence - and the dependent variable (economic or financial outcome). The very low p-value and the large F-value together reveal that the model explains a major part of the variance which is why it is a confirmation that the model can be further interpreted. In brief, the independent variables, when combined, have a statistically significant positive impact on the perceptions of financial governance and economic growth.

TABLE 5: COEFFICIENTS

Predictor	Unstandardized B	Std. Error	Standardized Beta (β)	t	Sig. (p)
(Constant)	0.79	0.77	-	1.02	0.308
Cultural Dimensions	0.23	0.07	0.22	3.29	0.001
Retrospective Review	0.19	0.09	0.19	2.09	0.039
Global Integration & Policy Alignment	0.38	0.08	0.42	4.56	< 0.001
MNC Influence	0.15	0.09	0.14	1.55	0.123

The regression results reveal that three predictors - Cultural Dimensions ($\beta = 0.227$, $p = 0.001$),

Retrospective The performance of financial systems review ($\beta = 0.194$, $p = 0.039$), and Global Integration & Policy Alignment ($\beta = 0.423$, $p < 0.001$) - are the two factors that have significant positive effects on people's perception of financial governance and economic growth. Among these, the Global Integration variable exerts the strongest impact, thus suggesting that conformity with the international financial system is the most important factor in determining the governance outcome.

The variable MNC Influence ($\beta = 0.149$, $p = 0.123$), although positive, is not statistically significant, thus indicating that the activity of multinationals can be a source of financial performance but not in a decisive way. Therefore, the model emphasizes that the cultural and institutional factors, together with the global policy alignment, are the main energizers of effective financial governance and growth in the world that is globally interconnected.

KEY FINDINGS

1. The findings support most of the proposed hypotheses. H1 is confirmed as cultural dimensions The evidence partially confirm most of the hypothesized statements.
2. H1 gets a confirmation since cultural dimensions have a significant influence on transparency, disclosure, and ethical behavior in financial systems.
3. H2 is supported by data, showing that knowledge of crises in the past and of the subsequent reforms leads to institutional accountability and trust of the public.
4. H3 is only partially supported - the respondents regarded MNCs and FDI as common factors of growth, trade, and innovation, while they still considered that fiscal risks exist.
5. H4 is confirmed, meaning that the presence of an efficient judicial and institutional oversight system contributes to governance and accountability.
6. H5 receives a strong confirmation; world-wide

integration and the harmonization of policies carry a positive impact on the economic growth of a country but may lessen the country's national policy autonomy.

7. In sum, the findings confirm that culture, governance and global integration are the main factors that influence financial development and stability.

IMPLICATIONS AND SUGGESTIONS

This study articulates that enhancing cultural awareness, the quality of governance, and global integration will not only result in increased financial transparency but also in a more stable financial system. Local officials are called upon to ensure that national laws and regulations are compatible with the set of standards that are acknowledged at the international level. Besides, they should facilitate the popularization of financial literacy among the people and the offering of intercultural training in the financial sector. The main target of these activities would thus be a substantial contribution to the survival of the global economy through such initiatives, among which the use of risk-management instruments would be the most evident.

CONCLUSION

The research findings show that national and international finance are mutually dependent but have different scopes and complexities. National finance is the one to guarantee stability and control, whereas international finance is the one to facilitate innovation, capital flow, and global expansion. Among the factors influencing financial trust and performance are the cultural aspects, governance effectiveness, and institutional maturity. Long-term development is about aligning national priorities with international financial standards.

SCOPE FOR FUTURE STUDY

Studies can possibly delve into the behavioral finance perspective of culture and risk, measure the effectiveness of policies across countries, and examine the influence of new technologies like

fintech and blockchain on worldwide governance. Increasing the sample to incorporate industry professionals and sector-specific analyses would be beneficial to the empirical depth and generalizability.

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