

## Letter from the Editor

---

Although the importance of relationship building and social networks in China and emerging economies has been demonstrated repeatedly, the three articles published in this issue shed new light on the contingencies that may alter its strength on various firm outcomes. For example, Wan, Xie, Li, and Jiang (2022) show that relationship-building through wining and dining with key stakeholders (including government officials) helps firms gain access to complementary resources necessary for commercializing their innovations in China, especially in regions with less-developed market-supporting institutions. Meanwhile, Ulziisukh and Wei (2022) find that direct and indirect political connections have different stability in their positive effects on firm performance, due to the nature (*de jure* vs. *de facto*) of the political power of these connections. Furthermore, Tian, Li, Xie, and Li (2022) reveal that in China, when a firm is accused of misconduct, social networks do not always help it shield from stigma, rather, they can act as a double-edged sword because of their distinctive insulation and exposure mechanisms.

The other two articles included in this issue examine the evolution of business ethics and intellectual property rights (IPR) in China, respectively. Lee, Paik, Vance, Li, and Groves (2022) compare the business ethics evolution in China with that in the US, and find that a crossvergence perspective is most suitable in explaining the cross-national differences in managerial ethical decision making, whereas a divergence perspective accounts for the moral philosophies behind such ethical decision making. Regarding IPR advancement, Hong, Edler, and Massini (2022) document the Chinese IPR law revisions in the past three decades, and use the increasing number of IPR infringement cases to indicate the willingness of the Chinese government to further enhance its IPR protection, which is critical for the innovation needed to sustain China's economic development.

This issue also publishes the exciting and timely special forum on the Rise of China's Digital Economy in the Dialogue, Debate, and Discussion (DDD) section, led by Deputy Editor Peter Murmann. This Forum includes an overview piece (Jiang & Murmann, 2022), in which the authors compare China and the US in one key area of the digital economy – e-commerce and internet-based services – and then pose questions regarding the potential causes and future landscape of China's digital economy, to invite scholars to participate in the DDD. Two teams of scholars (Kenney & Lewin, 2022; Ma, Mao, & An, 2022) provide

their responses that offer very different perspectives and views, and we welcome more scholars to contribute their thoughts and viewpoints to enrich our understanding.

