

The past, present, and future of China-related accounting research

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Government

First, political forces and the government strongly influence economic outcomes

- ▶ How do investors react to pending government interventions?
- ▶ Are there differences between local and foreign investors in how they deal with the government's role?
- ▶ How does the presence of SOEs affect the other players in public capital markets?
- ▶ Can Chinese firms effectively bond to other legal environments via listing outside China to mitigate government influence?

informal institutions

Second, informal institutions matter.

- ▶ Future research can delve into the conditions under which the governance role of informal institutions will prevail over the favoritism channel.
- ▶ The clash of formal governance principles that are common for U.S. firms versus informal monitoring and oversight may also be of interest.
- ▶ So are informal contracts between corporations and their customers and suppliers or when it comes to executive compensation.

digital economy

Third, China plays an important role for the development and growth of the digital economy.

- ▶ **blockchain:** Chen, X., Cheng, Q., & Luo, T. (2024). The economic value of blockchain applications: Early evidence from asset-backed securities. *Management Science*, 70(1), 439-463.
- ▶ **machine learning:** , Liu, M. (2022). Assessing human information processing in lending decisions: A machine learning approach. *Journal of Accounting Research*, 60(2), 607-651.
- ▶ **the value of big data** Chang, R., & Cong, L. W. (2022). Blockchain without crypto? linking on-chain data growth to firm fundamentals and stock returns. *Linking On-Chain Data Growth to Firm Fundamentals and Stock Returns* (March 1, 2022).

increasingly politicized regulation

Fourth, securities regulation has become increasingly politicized. The changes in the global political environment, particularly the tensions between China and other economic regions, are bound to continue in the foreseeable future.

They will provide interesting settings to examine questions such as the impact of cross-listing on foreign firms, the role of governmental influence on bilateral trade, capital raising, MA activity, access to investors, and reporting behavior, etc.

Fifth, the proliferation of sustainability disclosure regulations worldwide, and in China, offers new opportunities
how the adoption of sustainability reporting will affect firms in relationship-based economies such as China
how the effects of sustainability disclosure regulation vary across institutional environments