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Transnational Asia and Regional Networks: Toward a New Political Economy of East Asia

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Abstract This article aims to examine the dynamics of the East Asian political economy and the new regional environments over the past two decades. It puts forth two main propositions. First, the predominant nation–state framework in analyzing the political economy of the East Asian region, while remaining indispensable in its own right, has become inadequate to interpret the profound transformations resultant from heightened pace of cross-border movements of people, practices, ideas and capital. The geo-cultural concept of “Transnational Asia” is proposed as an alternative devise to fill in the gap neglected by the mainstream nation–state-oriented literature. Second, by going beyond the conventional state–society dichotomy and the rigid theoretical divide between statism and institutionalism, I argue that transnational network and regional governance serve as bridges to these divides and as useful analytical tools in deciphering the new dynamics of the East Asian political economy. In its extensive and multi-layered interactions with transnational networks, the developmental state has been increasingly supplemented by the networked state which operates both within and without the nation–state boundaries through a variety of interconnected mechanisms.

Keywords East Asia · Transnational Asia · Developmental state · Networked state · Transnationalism

In conjunction with rapid economic development of East Asia between the mid-1960s and mid-1990s, various propositions were put forth in explaining the dynamics and patterns of the region’s growth. Rejecting the Dependency Theory that was prevailing in much of the literature in the 1970s/1980s, the World Bank Report (1993) underscores the significant role played by the Newly Industrialized Countries (NIC) governments in formulating and implementing “market-friendly strategies” as well as their interventionist stance through institutional mechanisms in facilitating the East Asian economic miracle, such as the insulation of economic technocrats from political influence, efficient and high-quality bureaucracies managing policy, and public–private consultative bodies that shared information (Hawes and Liu 1993; Choi 1998; Suehiro 2008; Yeung 2014). Approximately at the same time, Confucianism and other East Asian cultural values such as propensity for hardworking, discipline, education and familism (which have shared traits originated mainly from the Sinic civilization) were considered by some as key elements behind the region’s remarkable economic growth and social cohesion (cf. Yeung and Olds 2000; Rozman 2014).

Fast forward to the turn of the twenty-first century, profound changes have taken place in East Asia which have wider global and local implications. The first and foremost is China’s accelerated pace of economic growth and its integration into the global and regional economies, which has fundamentally reshaped Asian political economy and international relations. Secondly, partly in response to the rise of China, East Asian countries have

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undertaken various measures to restructure their domestic economic systems including the manufacturing, trade and banking sectors. To some, China's development model (or the so-called Beijing Consensus¹) has become gradually more attractive as an effective alternative to the "Washington Consensus" (a series of neoliberal policies emphasizing on fiscal discipline, trade liberalization, privatization and deregulation). Thirdly, East Asian developmental states have faced increasing challenges from domestic interest groups for democratic changes and social movements, thus unable to wield autonomous power in governing the market and economic development trajectories as they did in the 1970s and 1980s (c.f. Yeung 2017). Finally, the flows of capital, population, practices and ideas have become substantially intensified, thanks in no small part to the advancement of transport and technology as well as the escalating pace of globalization.

Taking into account of the above-mentioned debates about the dynamics of the East Asian political economy as well as the changing regional environments over the past two decades, this essay puts forth two main propositions. First, the predominant nation–state framework in analyzing the political economy of the East Asian region, while remaining indispensable in its own right, has become inadequate to explain the profound transformations resultant from heightened pace of cross-border movements of people, practices, ideas and capital. This article proposes the geo-cultural concept of "Transnational Asia" as an alternative tool to fill in the gap neglected by the mainstream nation–state-oriented literature. Second, by going beyond the conventional state–society dichotomy and the rigid theoretical divide between statism and institutionalism, I argue that transnational network and regional governance serve as bridges to these divides and as useful analytical tools in deciphering the new dynamics of the East Asian political economy. In its extensive and multi-layered interactions with transnational networks, developmental state has been increasingly supplemented by the networked state which operates both within and without the

nation–state boundaries through a variety of interlinked mechanisms.

Drawing upon a wide range of data in English, Chinese and Indonesian, this essay is divided into three parts. The first section examines the cultural, historical and institutional foundations in the making of Transnational Asia within which China has occupied an increasingly important, albeit not unchallenged, position. The second part looks at the changing approaches to the East Asian political economy and calls for bringing network and governance into the center of our analysis. The third section employs empirical examples of changing patterns of interactions between the state and networks in China and Singapore to underline the growing power of transnational governance. The concluding section considers the implications of our preliminary formulations for an understanding of the new East Asian political economy.

1 Transnational Asia and Its Historicity

The remarkable political and economic changes of East Asia over the last decade have taken place against the backdrop of increased pace and intensity of multilayered interactions across national boundaries in the region. This has led to the formation and strengthening of what I call "Transnational Asia." This concept may be understood from three interlinked angles. In the first place, it is a flexible geographical and cultural space encompassing the regions that are conveniently but problematically termed East and Southeast Asia. As has been argued elsewhere (e.g., Liu 2001; Miyoshi and Harootunian 2002; Harootunian 2012), the compartmentalization of Asia into different (artificially divided) subregions ignores the long-standing cultural and economic linkages among different sociocultural and geo-political domains, and we need to look beyond this rigid division in order to comprehend the complex dynamics of modern trajectories in Asia. Secondly and more important, it is an evolving process and entity through which East/Southeast Asian countries dynamically engage with one another and with the external world, which in turn (re)shapes its own domestic agendas and development strategies. In this process, transnational institutions and flows of ideas (including models of socioeconomic growth) play an important part in influencing the paths of development, which led to the making of Asian modernities that are different from Western modernities. Finally, Transnational Asia is an analytical approach concerned with the flows of population, ideas, goods, practices, and capital in the cross-national and trans-regional context. Transnational Asia has its profound historical and cultural foundations, and it has been significantly reinforced by—and helped shape—rapid growth of

¹ According to Ramo (2004), the former Foreign Editor of *Time* magazine who first coined the term in 2004, "China's new development approach is driven by a desire to have equitable, peaceful high-quality growth, critically speaking, it turns traditional ideas like privatization and free trade on their heads. It is flexible enough that it is barely classifiable as a doctrine... Change, newness and innovation are the essential words of power in this consensus." It has been generally agreed that the so-called China Model of Development has been characterized by three main institutional arrangements, a strong government, a development-oriented strategy that is mainly based upon gradual reform, and simultaneous internal reform and external opening-up (e.g., Kurlantzick 2007; Breslin 2009). For a more detailed examination of the Beijing Consensus and China model of development, see Cao (2005) and Bell (2015).

trade and migration across the national borders over the past two decades. It is through this evolving and multi-layered process of historical and economic interactions that Transnational Asia came to be institutionalized in recent years, impacting upon the region's political economy as a whole.

1.1 Historical Legacies and Flows of Ideas

It has now become something of a truism that we function “in a world fundamentally characterized by objects in motion. This is a world of flows” (Appadurai 2001, 5). As a matter of fact, extensive intra-regional connections in East Asia through trade, cultural exchanges, remittance and human migration could be dated back to centuries before the advent of Western colonialism in Southeast Asia and the rise of Japan as a regional power after the mid-eighteenth century (Arrighi et al. 2003; Bosma and Webster 2015; Liu and Benton 2016). These connections resumed by the beginning of the twentieth century, when Asia was first created as a regional construct and nationalism emerged in the form of imagined communities, aided by the spread to Asia of “print capitalism.” As Arnason (1997, 99) suggests, “From a long-term perspective, the most salient features of the region [Southeast Asia] have to do with intercivilizational encounters and their local ramifications.... Southeast Asian traditions took shape in active interaction with dominant external models, and it is a flexible combination of imported and local patterns that is most characteristic of the region, rather than any persisting indigenous infrastructure.” In a similar vein, Hefner (2001) identifies a significant degree of cultural mobility, cross-cultural imports and hybridity across the Malay Archipelago, which illustrates that “its constituent societies were not changeless, traditional entities hermetically sealed from their neighbors.”

Asian modernities have been characterized by the tremendous scale and intensity of flows of ideas and people in the transnational and intra-regional contexts. By the early twentieth century, Chinese civilization had faced unprecedented challenges resultant from West intrusion and it became a key motive behind the constitutional reforms represented by Kang Youwei and the nationalist movement led by Sun Yat-sen. It was a time of high imperialism in Southeast Asia too. This shared fear of political annihilation constituted a backdrop against which intellectuals from both areas formulated anti-Western strategies and mutual imaginations. These strategies coalesced into non-state-centered, trans-regional discourses on Asia, “a radically politicized cultural regional concept” (Karl 2002). The intensive engagement on the articulations and implementation of concepts such as Asianism by intellectuals and nationalists in Japan, Southeast Asia and

China led to the formation of political and cultural networks across geographical and national boundaries (e.g., Hau and Shiraishi 2009). In the Malay world, many writings by the Chinese (in both Chinese and Malay) were concerned with politics in the cross-regional context, which partly explained why that a Chinese woman in exile in the Dutch East Indies was made a principal nationalist propagandist in the novels of Pramoedya, one of the greatest intellectuals of twentieth century Southeast Asia (Liu 2011a). On the other hand, Chinese intellectuals acquired knowledge about the West by way of Japan, which was the single most important transit point for the importation of Western ideas into China in the early twentieth century (c.f., Liu 1995).

The above cursory notes on the intra-regional and cross-national connections put the conventional wisdom about modern Asian politics and history into serious questions. This framework is guided by “methodological nationalism”—“the assumption that nation/state/society is the natural social and political form of the modern world,” which has dominated much of the social science thinking in the past century (Wimmer and Glick Schiller 2002, 301). The historiography of modern China, for instance, has been dominated by an anti-imperialist and state-centered approach framed by the nation–state (c.f., Duara 1995). The limitations of the nation–state framework have been revealed, and there is a growing consensus that transnational perspective into Asia should be given greater weight in understanding the region's past and present. As Wini-chakul (2003) puts it, “the old national story has served its purpose, to establish a nation–state; it has perhaps run its course.” He argues that it is time for other narratives of non-national and transnational subjects to emerge and blossom. This revisionist interpretation of Asia's recent past serves as a starting point to reconceptualize the East Asian political economy, and the changing place of China in it, over the last three decades.

1.2 Contemporary Resonances: “Asian Formulas for Asia's Problems”

The legacies of cross-border historical and intellectual connectivity in East Asia became more pronounced after 1945 when various new countries began their experiments with the nation-building projects amidst the environment of the international Cold War. This can be illuminated through an examination of changing interactions between China and Indonesia which exemplify the characteristics of the new regional formation. China invoked dual images in postcolonial Southeast Asia. Between 1949 and the mid-1980s, China was seen as a threat by some Southeast Asian governments (Tilman 1987, 84–105; Yee and Storey 2002; Goh 2013). This official perception helped legitimize

authoritarian politics and harsh assimilationist policies toward the local Chinese population. The second and less recognized image of China was that of an alternative form of modernity, through which China became a (real or imaginary) model for social engineering and economic development in some non-communist countries. Sukarno's Indonesia is a case in point.

The studies of postcolonial Indonesian politics have been preoccupied with the central question of why Western-style constitutional democracy failed; and the West became the only “other” and the sole yardstick of references in the scholarly inquiry. A study even goes so far as to argue that the liberal basis of American social science has profoundly shaped the understanding of culture, tradition, ethnicity and modernity in contemporary Indonesia and that “the genealogy of contemporary Indonesian politics studies is Orientalist” in the sense that it accepts “a basic and irreducible separation between Orient and Occident, East and West” (Philpott 2000, 3–4). In a broader context, Eisenstadt (2000, 2–3) has pointedly reminded us, “Modernity and Westernization are not identical; Western patterns of modernity are not the only “authentic” modernities, though they enjoy historical precedence and continue to be a basic reference point for others.” He argues that the idea of “multiple modernities” needs to be seen as a refutation of theories of modernization and that the “homogenizing and hegemonic assumptions of this Western program of modernity” were not realized.

During the Sukarno era (1949–1965), many politicians and intellectuals in Indonesia had looked for inspirations from elsewhere, and one of the main sources was, paradoxically, China. Collectively, they created and propagated three master narratives about the new China: as a purposeful and harmonious society; as a successful economy and populist/nationalistic regime supported by the mass; and as the site of a cultural and intellectual renaissance. China's attraction lay not in its communist ideology, but in the perceived remarkable success it had achieved within a short span of time, which convinced President Sukarno that China's example could serve as an “Asian formula for Asia's problems.” The historical legacy of exchanges of ideas/representations during the early twentieth century was constantly and consistently invoked to validate the new search for an adaptation of China's development model. The systemic incorporation of China's models of social, political and cultural developments had significant impact upon the courses of Indonesian history during the closing years of the Sukarno era (Liu 2011a).

Although Sino-Indonesian synergy was interrupted under the Suharto regime (1967–1998), the warm relationships resurfaced soon after Suharto's fall. While undertaking a state visit to Beijing in 1999, President

Abdurrahman Wahid told his host that the two nations should be like “brothers” and that he was delighted in having a “Confucian brother.” He made it clear that the new Indonesia would build stronger relations with its Asian neighbors, particularly China.² Welcoming the visit of Chinese Prime Minister Zhu Rongji in November 2001, the influential daily *Kompas* (7 November 2001) put up an editorial entitled “We Can Directly Listen to the Successful Stories of China's Development,” which hailed China's progress as “spectacular and fascinating” and declared that “we can now listen to the successful stories concerning China's development over the last 20 years.” Iskan (2008), CEO of the *Jawa Pos* Group, advocated in his book *Pelajaran dari Tiongkok* [Lessons from China] that Indonesia should learn from the Chinese model of development. In Vietnam where novels by Chinese writers now account for about half of all foreign literary books translated in the country, younger policy makers have adopted what they call a “Chinese model” of slowly opening the economy while retaining control of the political system. To Laotians, “China kind of symbolizes modernity” (Kurlantzick 2007, 119, 133–138). Malaysia's then Prime Minister Mahathir Mohamad claimed in October 2010 that “the Beijing Consensus shows that having a non-democratic can also give a good life for the people.” He further suggested that China's “correct application of the Beijing Consensus had allowed the nation of 1.3 billion “very poor” people to become “the second-richest country” [*sic*] in the world.”³

Transnational Asia does not just emerge in the realm of the intensive flows of cultures and ideas; more importantly, the turn of the centuries has witnessed the formation of fast-growing economic linkages and population mobility within which China plays a leading role. As Karou Sugihara has argued, China's pattern of integration into the international economy was “shaped by the growth of intra-Asian trade, migration and capital flows and remittances, as well as by direct contact with the West” (Sugihara 2005, 2; Hamashita 2008). Rapidly growing intra-Asian trade and economic activities which now account for more than 50% of East Asia's total trade, a substantial increase from the late 1970s when only 20% of total exports made to each other by the Asian economies (Das 2014). China–ASEAN trade increased at rate of over 30% annually in the first few years of the twenty-first century. In 2008, Chinese became the third largest trading partner of and was responsible to 11.3% of ASEAN's total trade. Trade between the parties accounted for 13.3% of global trade or half of the total

² “China Tops Indonesian Head's Agenda,” *New York Times*, 24 October 1999; *Lianhe Zaobao*, 6 December 1999.

³ “Mahathir Promotes China Model as Alternative to Democracy,” *Today*, 19 October 2010.

trade of Asia in 2008. The formation of the China–ASEAN Free Trade Area in January 2010 led to a combined GDP of US\$6.6 trillion, 1.9 billion people, and total trade of US\$4.3 trillion. By 2017, China had become ASEAN’s biggest trade partner, and ASEAN China’s third biggest, for eight and six consecutive years, respectively. The combined two-way investment had exceeded US\$183 billion, with US\$108 billion being ASEAN investment in China.⁴ Discussions on the East Asian Community, monetary regionalism symbolized by the Chiang Mai Initiative and the proliferation of FTA have demonstrated the growing importance of economic regionalism (Urata 2008; Chey 2009). For example, under the principles of the Chiang Mai Initiative, established in 2000 to encourage bilateral swap agreements between countries in East and Southeast Asia, the People’s Bank of China and the Bank of Korea in December 2008 jointly announced bilateral currency swap arrangement worth 180 billion yuan (\$27 billion), or 38 trillion Korean won. The 3-year deal aims to provide liquidity for the financial systems in the two countries and keep their currencies stable (Shi 2009). In the same month, leaders of Japan, China and South Korea held their first trilateral summit meeting in Fukuoka and the issue of financial collaboration was on the top of the agendas. Seven years later, during the sixth trilateral summit held in Seoul in 2015, the People’s Bank of China allowed South Korea to issue yuan-denominated sovereign bonds in China’s debt market as part of financial cooperation between two countries. China and South Korea had also reached an agreement which led to direct trading between the Korean won and Chinese yuan via the China Foreign Exchange Trade System (CFETS) in the following year.⁵ In addition, with the progress of ASEAN-plus-Three financial cooperation, Asian regional liquidity mechanism has proven to be helpful to Indonesia in tackling the 2009 global financial crisis. Developments in regional governance for Asian financial regionalism have received considerable academic attention (e.g., Saputro 2017; Liu and Zhou 2018). As Masahiro Kawai, Dean of the Asian Development Bank Institute, identified as early as December 2008, “Economic ties among Asian countries are becoming stronger. The dollar will drift into decline and the Euro may not necessarily take over. I think it is necessary that Asians try to build a stable currency block” (*International Herald Tribune*, December 29, 2008).

The escalating number of Chinese new migrants in the region, the flows of new Chinese migrants into Southeast

Asia (four successive waves since the early 1980s), is another indication of China’s intensive interactions with the region, which is reinforced by such discourses that Singapore as one of the major models of China’s economic reform and opening-up since Deng Xiaoping’s visit to the country in 1978 (Liu and Wang 2018). More significantly, the close relationship between China and ASEAN has been manifested and reinforced at the institutional level. The year 2016 marked the 25th anniversary of ASEAN–China dialogue relations, where the “most comprehensive” development of relations between China and ASEAN was celebrated. There are at least 48 committees and working groups established at different levels and in various domains, far exceeding those between ASEAN and its other dialogue partners.⁶

In Northeast Asia, China became Japan’s largest trade partner in 2004, and in the next year two-way trade between the two countries grew 12.4% to 24.9 trillion yen, larger than USA–Japan bilateral trade of 21.8 trillion yen, which only grew 6%. According to Japan Ministry of Finance data, China overtook the USA as its largest export destination in 2009, and remained so until 2012.⁷ Over the past decade, 60% of the international students in Japan came from China. Japan hosted 94,000 Chinese students in 2015, meaning they make up over half of the total number of international students in the country. Cultural linkages and geographical proximity have reinforced the trend of studying in Japan. In 2014, 2.4 million Chinese visited Japan, an 83% increase on the previous year (Clavel 2015). By the end of 2007, the Chinese community, numbered more than 600,000, became the largest foreign community in Japan for the first time, surpassing the number of Koreans (including those from two Koreas). Ten million Chinese work for Japanese companies in China, and it is estimated that 100,000 Japanese lived in Shanghai in 2005, with China as the largest recipient of Japanese investment in Asia. A similar trend of increasingly intimate interactions on all fronts has been recorded in the case of China and South Korea. In 2003, the PRC surpassed the USA as the largest export market for South Korean products—a position the USA had held since 1965, and China became the country’s largest trading partner. The number of Chinese language schools in South Korea increased 44% from 2003 to 2005, and there were 35,000 South Koreans studying at Chinese universities in 2003, comprising 46% of all foreign students in China, and over 180,000 South

⁴ Xinhua News Agency, “China, ASEAN see closer economic, trade ties”, last modified 10 July, 2017. http://news.xinhuanet.com/english/2017-07/10/c_136432613.htm.

⁵ “China, S Korea and Japan triangle reinforced after summit”, *China Daily*, last modified 3 November, 2015. http://www.chinadaily.com.cn/world/2015livisitrok/2015-11/03/content_22361154.htm.

⁶ “zhongguo-dongmeng youyi lijiumixin [The friendship between China and ASEAN is timeless]”, *People’s Daily*, last modified 18 February, 2016. http://www.gov.cn/zhengce/2016-02/18/content_5042854.htm.

⁷ Ministry of Finance, “Trade Statistics of Japan”, accessed 11 January, 2018. http://www.customs.go.jp/toukei/info/index_e.htm.

Koreans had become long-term residents in that country (Kang 2007, 175–77, 116).

It is worthwhile pointing out that the Transnational Asia formulation has been primarily confined to the conventionally called East and Southeast Asian regions, with South Asia playing little part in its making. Despite the fast-growing trade between China and India, the mounting trade row between the two countries has highlighted a significant degree of divergent economic and political interests and—more importantly—the lack of bilateral and/or multilateral institutional mechanisms in managing the conflicts.⁸

In short, the turn of the twenty-first century has witnessed the formation of a Transnational Asia which draws its historical resources and cultural capital from the long-standing cross-border interactions among countries and peoples in East and Southeast Asia. The intensity of flows of population, capital, goods and ideas has been significantly reinforced by the institutionalization, multilateral mechanisms, as well as extensive sharing and implementation of public policies based upon the East and Southeast Asian practices (c.f., Wang and Liu 2018).

While the informal dimensions of Transnational Asia have been evidenced through human movements in cultural, educational and economic arenas, China has played an increasingly critical role in the new regional formation as the engine of economic growth, sources of human mobility, key player of the transnational institutional frameworks (such as ASEAN + 1 and China–ASEAN Free Trade Area), and as an alternative form of development. More recently, the launch of the ambitious Belt and Road Initiative, with \$200 billion investment from China, and establishment of the China-led Asian Infrastructure and Investment Bank (AIIB) have significantly reinforced the place of China in the making of Transnational Asia (Summers 2016; Liu and Lim forthcoming). Although the growing centrality of China in the emerging Transnational Asia has met significant (and sometimes organized) resistance (often led by the USA with the overt or tactful support of Japan, with both countries are absent from the AIIB) and territorial disputes between China and some Asian neighboring countries have also undermined the emerging regional order,⁹ the new transnational formation

is both the outcome and dynamics of the new political economy of East Asia at the turn of the twenty-first century, and their complex interplay and implications for the regional transformations deserve close scrutiny.

2 Transnational Network and Regional Governance

Transnational flows of capital, ideas and people have increasingly become the norm in the recent development process of the East Asian region, which in turn calls for new concepts and approaches to decipher the nature and characteristics of this transformation that is likely to continue in the foreseeable future. The following pages examine how network and governance can be deployed as effective analytical tools and as alternatives to the existing dominance of the state–society paradigm.

2.1 Regional Governance

As briefly mentioned in the beginning of this essay, the specific patterns of state–society relationship have often been attributed to be the key driving force behind economic growth in East Asia. Two schools of thought, Institutionalist and Statist approaches, emerged in the attempt to explain the rapid economic growth in East and Southeast Asia from the 1970s to the 1990s. As a variation of the former approach, the neo-Classic explanation looks at non-state variables. It stresses export-oriented, market-driven industrialization through a pursuit of comparative advantages and contends that the East Asian governments “did not try to overwhelm the market, and were flexible enough to adjust policies when necessary.” This institutionalism “(1) incorporates private sector and public-sector arrangements, (2) appreciates the coalitional bases of such arrangements and (3) recognizes the utility of combining political support for local firms with pressure on them to conform to market forces.” Developmental states are one component of, and one participant in, broader institutions that provide solutions to the collective action problems common to developing nations (Doner 1992; Hawes and Liu 1993; Suehiro 2008). Doner et al. (2005) argue for a new political explanation for the origins of developmental states by accentuating on the “organizational complexes in which expert and coherent bureaucratic agencies collaborate with organized private sectors to spur national economic transformation.” Kim (2009) traces the origins of the developmental state by highlighting the roles of

⁸ For instance, within just a few months leading to February 2009, New Delhi, had launched 17 investigations into imports from China, 10 of which were anti-dumping probes, and these had imposed import restrictions on goods worth \$2 billion and included textiles, steel and petrochemicals as well as toys. See “China-India Trade War Looms,” *Vancouver Sun*, February. 16, 2009; *Zhongguo Jingyin Bao*, February 15, 2009.

⁹ The changing international relationship in East Asia, including Sino-American and Sino-Japanese vying for regional leadership on diplomatic and security arrangements, is too complex to discuss here.

Footnote 9 continued

See for example Shambaugh (2005), Keller and Rawski (2007), Chung (2009), Goh (2013).

colonial legacies, the institutional frameworks inherited or established at the time of independence, and subsequent socioeconomic transformations as an important historicity of contemporary developmental state in East Asia.

The statist approach, on the other hand, manifests the revived scholarly interest in the state's role in modern society, evidenced by the work that brought the state “back in” and the subsequent debates on the relative autonomy of the state. Partly as a response to the “unresolvable conflicts” of the structural and cultural approaches to development and modernization, the state emerged as “a pivotal research focus” of research analysis since the 1980s (Remmer 1997). One of the major units of explanation in the statist argument has been the autonomy of the state, referring to a relative autonomy from social classes and specific private economic interests, a capacity that enabled the state to pursue a coherent operational program for development; and autonomous state is an organizational entity that can act and make policies that do not simply reflect the demands or interests of specific social groups. It is also argued that “the uniqueness of statism as a paradigm depends on defining the state as both as autonomous and a developmental entity.” The primary payoff from an autonomous state in the statist design is “the enhancement of the state's developmental potential by allowing technocrats to have a free hand in designing policies attuned to market rationality” (Choi 1998).

With the end of the Cold War and the collapse of state socialism in the former Soviet Union and Eastern Europe, as well as the spread of borderless capitalism, the first decade of the twenty-first century had witnessed a resurgence of societal forces in the making of the international political economy (c.f., Yeung 2017). The 1997 Asian financial crisis, which was partially precipitated by crony capitalism, presented further problems to the statist approach. As a result, the state has been confronted with challenges from two major sources: “from above in the form of global economic forces and from below in the form of various national or ethnic revivals” (Hall 2003, 1). In the meantime, the statist and institutionalist approaches tend to confine their analyses within the political boundaries of nation–state, giving inadequate attention to complex and intensive transnational flows of capital and people and transnational networks that have increasingly shaped the political trajectories within and without the nation–state, as has been amply demonstrated in the European context (e.g., Newman 2008; Montoya 2008). It is, therefore, necessary to go beyond the conventional state–society paradigms and identify alternative concepts for an understanding of the changing political economy in twenty-first century East Asia. The concepts and practices of governance and network may serve such a need.

While the term “government” in Anglo-American political theory refers to “the formal institutions of the state and their monopoly of legitimate coercive power,” governance refers to “the development of governing styles in which boundaries between and within public and private sectors have become blurred” (Stoker 1998). According to Stoker, the essence of governance is its focus on governing mechanisms which do not rest on recourse to the authority and sanctions of government: “The governance concept points to the creation of a structure or an order which cannot be externally imposed but is the result of the interaction of a multiplicity of governing and each other influencing actors.” Unlike the conceptualization of the state–society relations, governance can be taken beyond the rigidly defined nation–state boundaries, and global governance has increasingly become a means to mediate the process of political and economic development at the regional and international levels. As Rosenau (1999) has suggested, the continuum of global governance arrangement has become salient on the eve of the twenty-first century, and this continuum stretches between the transnational and the sub-national, the macro and the micro, the informal and the institutionalized, the state-centric and the multi-centric, the cooperative and the conflictual. In other words, the changing approaches on governance, be it local, regional or global, have affirmed an encompassing trend of “authority being relocated in multiple directions.” As will be demonstrated in the third section of this paper, this change has profound implications for the dynamics and processes of the East Asian political economy.

2.2 Network as a Center of Analysis

Another key concept in understanding the new political economy of East Asia is network, which has been significantly shaped by the process and discourses of globalization. Globalization poses a major challenge to the statist argument in explaining the dynamics of Asian political economy. “Just evaporated,” “diminished,” “defective and “hollow” have become typical adjectives applied to the contemporary state (Paul et al. 2003; Weiss 2003). However, there are contending views as to the role of the state in the time of globalization. States are still critical organizational vehicles for modern political order: “There are no rival political formations—local, regional, transnational or global—that have the full multidimensional capacities of the state,” as John Ikenberry puts it (2003, 351).

It is at these two conjunctions—the changing international environments brought about by globalization and theoretical challenges to the existing conceptualization of the state–society relationship—that the role of network and

governance in Transnational Asia needs to be taken seriously. While network traditionally serves as an analytical framework in studies on business and society, it has been increasingly employed in the literature dealing with the East Asian political economy as well (e.g., Peng 2002; Nolan et al. 2017). Unlike the state–society relationship which is hierarchically constructed for the accumulations and deployment of political, economic and symbolic power, (transnational) network is primarily a horizontally constructed structure that cuts through but also intersects with the hierarchical relationship. This essay underscores three different dimensions of network—as a relational entity, an interconnected node and a collective layer of spatially constructed ties, which represent the diversity of patterns of network’s interactions with the state, society and market.

From the sociological perspective, “a network is composed of a set of relations, or ties, among actors (either individuals or organizations). A tie between actors has both content (the type of relation) and form (the strength of the relation).” One of the two major network approaches views “networks as a kind of organizing logic, a way of governing relations among economic actors” (Powell and Smith-Doerr 1994, 368–377). It has now been generally accepted that social networks are endemic to economic interactions (Jackson 2005; Fligstein and Dauter 2007). According to Castells (2000, 501–502), “A network is a set of interconnected nodes. A node is the point at which a curve intersects itself.” He points out that networks are “open structures, able to expand without limits, integrating new nodes as long as they are able to communicate within the network, namely as long as they share the same communication codes. A network-based social structure is highly dynamic, open system, susceptible to innovating without threatening its balance.” In a more sophisticated manner, Mann (2000, 137) argues that there are five socio-spatial networks of social interaction in the world today: local, national, international, transnational and global, while others have contended that networks are “a synthesis of hierarchies and markets” (Blatter 2003). Grewal (2008, 20) defines network more narrowly as “an interconnected group of people linked to one another in a way that makes them capable of beneficial cooperation, which can take various forms, including the exchange of goods and ideas.” He emphasizes the importance of “shared norm or practice that enables network members to gain access to one another, facilitating their cooperation” and the agreed operational standards among network members. Despite the variations in the above definitions, there is a consensus that network is characterized by connectivity, flexibility, reciprocity and transnationality, all of which have been central to the new political economy of East Asia.

There are a number of reasons why network needs to be—and can be—taken as a key concept in analyzing Transnational Asia. In the first place, the controlling mechanisms over the society have been significantly diversified and the state is no longer the only central unit overseeing the society. This is not only manifested in the domestic setting, but also globally. The rise of transnational civil society and the increasingly important role of the international NGOs are clear examples. Civil society is generally considered as a “third system” of agents, namely privately organized citizens as distinguished from government or profit-seeking actors. Transnational civil society refers to “self-organized advocacy groups that undertake voluntary collective action across state borders in pursuit of what they deem the wider public interests” (Price 2003). In the economic sphere, relevant studies and statistics have demonstrated that business and social networks that operate across national borders could help overcome various forms of informal trade barriers, such as weak enforcement of international contracts and the access to market information (Rauch 2001). In the political arena, policy networks and networks as new modes of governance have been more prominent, especially in the West. Correspondingly, the last decade has seen a transformation of “political order from organization/hierarchies (and markets/anarchies) toward network” (Blatter 2003, 503).

Network can play the roles that neither the state nor society alone can play while effectively link them with the market, which has become an important mechanism connecting different forces within and without national boundaries in Transnational Asia. In the first place, in comparison with the state which is characterized by “intra-component linkages [which] are generally stronger than inter-component linkages” (Blatter 2003, 504; Considine and Lewis 2007), network as a horizontal and egalitarian structure can penetrate effectively into different layers of the society. Secondly, as an evolving entity embedded in between the state and society, network serves as an independent variable that can effectively communicate with the state by institutional and informal means. The society, on the other hand, is more often divided by conflicting interests and diverse agendas. Whereas network is concerned—since it is usually formed out of common agendas with agreeable codes of communications—it can establish an effectual partnership with both individual societal forces and/or various state actors. Thirdly, unlike the state and (domestic) civil society, which have been confined to the nation–state boundaries, (transnational) networks have the capacities of effecting global and domestic social transformation. Finally, in comparison with market, which also knows no boundaries but is being severely constrained by its ultimate logic of ruthless quest for profit, thus potentially becoming a destabilizing factor upsetting the

equilibrium of state–society relationship, network could be contained by formal and informal constraints such as codes of conduct and institutional arrangements (cf., North 1990).

In short, by going beyond the conventional state–society framework and methodological nationalism, network and governance offer some explanatory power that is largely absent in the existing paradigms of the East Asian political economy. While these concepts do not necessarily replace the established paradigms—the state, developmentalism and state–society relationship remain crucial in the socio-political transformations of twenty-first century East Asia—they serve as alternative tools to supplement (and sometimes challenge) the conventional wisdoms, thus contributing to a better understanding of a region that is traversing in an uncharted and precarious territory at the time of globalization. They also provide useful tools to comprehend East Asian community building and its challenges, as network and governance can effectively cut through the formal processes of state–state diplomacy and enhance cross-border collaborations.

3 Networking with the State in Transnational Asia

Having established the utility of network and governance in the context of Transnational Asia, let us now turn to some empirical cases to examine how they have played a part in effecting the East Asian political economy. The examples from China, a global player displaying some characteristics of developmental state, and Singapore, a prototype of the developmental state whose recent development has been increasingly linked with China and Chinese migration, underscore the explanatory power of the analytical tools described in the preceding pages.

3.1 The Chinese State Goes Transnational

China has undergone fundamental changes over the past three decades. In the domestic arena, deepening marketization has been a key feature of the Chinese society, and the state has employed various strategies to incorporate the rising middle class and private entrepreneurs into the orbit of the state–society relations (Solinger 2003; He 2016). In the meantime, China has been increasingly integrated into globalization, as Zheng (2004, 22) argues, “The [Chinese] state per se has been a part of globalization, and a major driving force behind the process.” This section considers the state’s interactions with transnational networks by discussing the changing relations with one specific group that is becoming more influential in urban China—the Transnational Chinese who were born in China, educated abroad, and possess portable skills while exhibiting a high degree of global mobility, the returnees (*Haigui*) consist

one major component of this group (on *Haigui*, see Wang et al. 2006; on contemporary Chinese diaspora, see Zhou 2017; Van Dongen and Liu 2018).

It is estimated that among the 60 million Chinese overseas, about 10 million are the so-called new migrants who left China after reform and in the late 1970s (Wang and Kang 2017). Accompanying the returning trend, new patterns of transnational linkages have surfaced. These transnational networks are manifested not only in the forms of collective economic and social support for China’s globalization, but also in the revival of overseas (Liu 2005). The Chinese state has played an active part in facilitating and engineering these transnational networking activities (Zweig et al. 2008).

The new policies are implemented simultaneously at two fronts: bringing the transnational Chinese back to the fold of the nation–state while conveying and projecting the nation–state agendas to the diasporic Chinese communities. While the former is formulated primarily with a view of helping China’s domestic economic development, the latter is carried out in the international sphere and is embedded with political and cultural connotations. The active recruitment efforts initiated by various levels of the Chinese government are also instrumental. One of the state’s major policy initiatives in linking with transnational Chinese networks is the encouragement of “overseas Chinese talents” to serve the country (*weiguo fuwu*), which makes the physical and permanent return to China not a prerequisite of patriotism (Liu and Van Dongen 2016).

It is in this context that an increasingly large number of Chinese new migrants have returned to China, becoming the so-called *Haigui* and constituting an important segment of urban elite. There are currently more than 2.6 million *Haigui* in China, and the year 2016 alone saw the return of 432.5 thousand Chinese students educated overseas (Li et al. 2017). The return trend has been further precipitated by China’s rapid pace of economic growth and the global financial crisis in 2008/2009 which hit the West particularly hard. According to International Financial News, a newspaper run by the *People’s Daily*, since the 1978 reform and opening-up until 2014, 74.48% of the Chinese students studying abroad had chosen to return back to China after graduation; and those who came back after 2007 accounted for more than 80% of the total returnees.¹⁰

The fact that traversing between China and the West has been a common practice and that many of the (temporary) returnees have acquired foreign citizenships is one of the main reasons for the increasing frustrations and a concerted

¹⁰ International Financial News, “Liuxue guiguo renshu 2017nian jiangda 66.6 wan [The number of returning Chinese students educated overseas will reach over 666 thousand in 2017]”, *Xinhua Net*. http://news.xinhuanet.com/finance/2015-06/29/c_127961858.htm.

campaign in the first few years of the twenty-first century to revise the nationality law to allow for the recognition of dual nationality. The calls to revise the existing nationality law were conveyed to high-ranking officials in China and who visited these countries—and through them and various news mediums based in and outside of China—to national-level legislative and consultative bodies such as the National People's Congress and People's Consultative Conference as well as policy making/implementing bodies such as the Office of Overseas Chinese Affairs of the State Council (*Guoqiaoban*). The incorporation of the latter into the CCP Department of the United Front Work in March 2018 has further brought the transnational elements under the close purview of the central party leadership. In the same month, the Immigration Bureau was also established, for the first time in contemporary China, highlighting the intention of the central government in regulating transnational flows of populations.

Although these campaigns did not yield the direct and ultimate outcomes of their promoters, namely legal recognition of dual nationality (see Liu 2011b for details), some significant changes underline the role of network and governance. With an aim to connect closely with the transnational Chinese (and their professional and personal networks), the Chinese state has formulated and implemented a series of consultative policies, reflecting a sensible approach on transnational governance. These policies attempt to address, simultaneously, China's core national interests (attracting global Chinese talents for its development) and transnational imperatives of highly skilled new migrants. A Green Card system was officially introduced in August 2004, initiating the preferential treatment to the returnees of high caliber, especially those who have had international experiences and global exposures. The new policy initiatives announced by the Ministry of Personnel in December 2006 aimed at creating “a green pathway” for returnees with high caliber and specified that apart from increasing the quantity of returnees, three specific categories of returnees/highly skilled new migrants were to be targeted: those who could help promote China's technological advancement and social development in its efforts to catch up with the international standard; those who could help strengthen China's connections with the world; and top-notch talents with international experiences and global visions. The recruitment of global talents of Chinese origin was elevated to a higher level when the powerful Ministry of CCP Organization launched a new policy initiative in December 2008 called “one-thousand-talents scheme,” offering top salaries (1 million yuan) and other attractive funding and facilities to attract top scientists and other global talents of Chinese origin to back to work in the homeland. The scheme was hailed by the then Minister Li Yuanchao as a prime measure to realizing the central

government's strategy of treating “talent as the first critical criteria of scientific development” (Qiu 2009). A new category of “Talent Visa” was implemented in March 2018, which has a validity period of 5–10 years and aims at highly skilled professionals.

In short, there has been an accelerating trend of returning to China among highly skilled new migrants. The fact that they feel it is crucial to retain China nationality is a reflection of their increasing pace and intensity of interactions with the homeland, which constitutes a key background for emerging transnationalism. In an attempt to confront the inherent structural tensions between the logics of global mobility and national interests, new migrants/*haigui* argued that shared interests and the forging of common cultural/political identities could be served by evoking the restrictive Nationality Law, and their arguments were accepted by some Chinese opinion and policy makers, highlighting the salient convergence of transnational logics and nationalist projects. Equally important, the fact that the state has taken a wide range of measures—except for changing citizenship law—to accommodate the interests of Transnational Chinese in facilitating their global mobility is a powerful indication that transnational elements have gradually found a legitimate role in the policy deliberating process; the relevance of network and governance has been more widely accepted and valued.

In a somewhat related development, the Hu Jintao era also witnessed an increased representation of foreign-educated returnees in China's policy-making process. A total of 82 (or 15%) members among the fifth generation Chinese leaders have studied abroad, primarily in the USA and Europe. Among them, 23 leaders (28%) obtained academic degrees from abroad and 52 (63%) studied or worked abroad for a year or longer, and 7 (9%) participated in monthly long programs overseas (Li 2008). A recent study has shown that the returnees tend to be more internationalist in their attitudes toward global affairs and could influence China's foreign policy, thus constituting a potential constraint to China's growing nationalist sentiments. It has been reported that the incorporation of foreign-educated Chinese in Beijing's political and financial policy-making process has got Hu Jintao's backing and that this represents a gradual inroad of non-state factors into the old elite politics (Han and Zweig 2010; McGregor 2009). Since Xi Jinping took over 2012, there has been a further consolidation of the Chinese diaspora into the overall development strategy of China, as a part of “*da qiaowu*” (big overseas Chinese work), which was first proposed by Xi himself in the mid-1990s (Liu and Van Dongen 2016). The recent structural changes in March 2018 relating to policies toward the Chinese diaspora described in the previous pages are a reflection of such strategic thinking.

3.2 Negotiating with Transnational Networks in Singapore

As have been demonstrated elsewhere (Liu and Wong 2004, chapters 3 and 8), a major characteristic of society and economy in postwar Singapore has been its transnationality; many of its social organizations and business activities were founded upon and geared toward establishing and maintaining regional networking, particularly in Southeast and Northeast Asia. Singapore's role of in the Asian regional networks was shaped by two major factors: its geographical location at the crossroads of, globally speaking, East and West as well as, in the context of Transnational Asia, East, South and Southeast Asia; and more importantly, the predominant place of entrepot trade in its economy and the essential role of Chinese business community in this trade. Singapore has been well-placed to be, in the words of Lee Kuan Yew, “the linchpin of Asia” (cited in Liu and Wong 2004, 230).

Over the past three decades, transnational networking has remained an important element in the evolution of Chinese society in Singapore, enjoying the state's strong support. The first World Chinese Entrepreneurs Convention was held in Singapore in 1991, partly based upon “the commonality of our Chinese ethnicity,” as the organizing committee chairman put it. In this and subsequent conventions, there have been consistent emphases upon Chinese culture's contributions to overseas Chinese business success. Chineseness has been formulated as a strategic starting point for international business networking. As the then Deputy Prime Minister Ong Teng Cheong put it, “Your common heritage and values should make it easier for you to work together.” Senior Minister Lee Kuan Yew declared more candidly in the Second World Chinese Entrepreneurs Convention held in Hong Kong in 1993, “We would be foolish not to use the ethnic Chinese network to increase our reach and our grasp of these opportunities” (cited in Liu 1998, 597).

While transnational network allows the establishment of “a regional wing” in the Singapore state's attempt to sustain and expand its economic growth, there is a need to nurture and bring in human capital within the country at the time of economic restructuring since the 1980s. And it is in this context that governance, involving the relocation of “authority in multiple directions,” becomes a relevant concept and practice. Singapore's search for global talents has been fundamentally prompted by the country's lack of human and natural resources and the necessity of being competitive in the economic arena. Since the 1980s, the small island state has been further hampered by the decreasing fertility rate (a dramatic decline from the historical peak of 5.76 in 1960 to 1.20 in 2016). To maintain an average rate of population growth, the country needs to

have an average of around 60,000 new births per year, yet the figure was only 36,875 in 2016,¹¹ far short of the replacement level. The government had to formulate and implement various policies to attract foreigners to work and live in the island state.

The then Deputy Prime Minister Wong Kan Seng, who also chaired the National Population Committee, made the government stance very clear in 2006: “We have to top up our population and workforce with migrants. We should encourage those who can contribute to settle down here. This is the way to enlarge the economic pie. There will then be more for everyone to share. If not, as other countries get more competitive and if we let our workforce diminish, investments will go elsewhere, and there will be less for us to share. We will then go downhill” (Wong 2006). The 2006 National Rally speech by Prime Minister Lee Hsien Loong revealed unmistakably the government's anxiousness and strategies in seeking global talents. “If we want our economy to grow, if we want to be strong internationally,” said Lee (2006), “then we need a growing population and not just numbers but also talents in every field in Singapore.” He stressed that “We must look for all kinds of talent. It's not just numbers. We're looking for people with ability, with drive, with initiative and ideas and not just one kind of initiative and ideas, graduates, or professionals or bankers and lawyers, but all kinds.”

While the agenda to attract foreign talents covers skilled professionals from all over the world, ethnic Chinese have been the key source to tap on, not only because Singapore is a predominately Chinese country, but mainly because Greater China is the largest pool of potential professional migrants who are likely to work in the city-state. From 1992 onward, the Singapore government started offering full scholarship to Chinese students to enroll in local junior colleges and universities. One of the main attachments to the offering is that they must work in Singapore for at least 6 years upon graduation. A survey of 1195 students coming on this scheme shows 74% have become permanent residents, while some Sino-Singaporean entrepreneurs have played an increasingly significant role in the country's economic growth and regional business networking (Ren and Liu 2015). After 2004, the government has further loosened up the stringent criteria for granting citizenship, which led to a noticeable increase in foreigners obtaining citizenship in 2005 (12,900), in comparison with the previous year (5300).

The encouragement of foreign talents and (perceived) preferential treatment toward them led to strong and public resentments (against the mainland Chinese migrants in

¹¹ “Birth and fertility”, Department of Statistics Singapore, accessed 13 January 12, 2018. <http://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=13273>.

particular) among the locals and became a hotly contested issue in recent elections, which was featured in various media reports,¹² which in turn contributed to discontents about migration policies in Singapore (Liu 2014; Yang 2017). Some local Singaporeans complained that they have become “fallen talents” (personal interviews). To address this potentially divisive issue, the government appeared to be receptive to influence from multitudes of directions. On the one hand, it reassured its citizens that the locals have been protected by various measures and that it was fundamental for the government to ensure the expansion of the economic pie by selectively importing foreign talents. Over the past few years, various government measures such as differentiating citizens and permanent residents in health and education subsidies have been in place. More importantly, the state has tried to contain the transnational elements of (Chinese) new migrants and make them a part of nation-building projects by attempting to convert their political loyalty to Singapore. In a number of occasions, Lee Hsien Leong stressed to the new migrants that they must be integrated into the Singapore society and become a member of the big family. To further pursuing this integration agenda, a Citizenship and Population Unit was set up within the Prime Minister’s Office, and programmes such as “Citizenship Day” are being organized for both local and new citizens with a view to forging a Singaporean identity (Liu 2014).

It is worthwhile pointing out that while Singapore has raised the thresholds for immigration and citizenship, it has not subscribed to populist policies that have been in place in many industrialized nations. Remarkd Lee Hsieng Loong at the 2013 meeting of the Research, Innovation and Enterprise Council, of which he has been the Chairman since it’s founding in 2006:

To make further progress, we will need good people, we will need good research programmes, and then we will be able to get good outcomes. The good people [part] is most critical because first you must have the talent. And to sustain a vibrant research community, it means we have to attract international talent, as well as to nurture local talent. We need to do both (Lee 2013).

¹² For example Lu Zong, “Xin Yimin Yi Ruxiang Shuishu” [New Migrants Should be Assimilated to the Host Society,” *Lianhe Zaobao*, February 12, 2003; “Lao Yimin Yin Jiena Xin Yimin” [Old Immigrants Should Accept New Migrants], *Lianhe Zaobao*, March 5, 2007; “Foreigners Issue Dominates NUS Forum,” *Today*, November 4, 2010.

4 Concluding Remarks

The preceding pages, I hope, have demonstrated both conceptually and empirically the significant role of network and governance in Transnational Asia (and the increasingly vital role of China in this new regional formation) as well as their relevance to the region’s political economy. Four preliminary conclusions may be drawn from our discussions.

In the first place, the existing paradigms in understanding the East Asian political economy have been dominated by a focus on the state–society relationship within the nation–state framework. At a time of emerging new political economy characterized by substantial transnational flows of people, capital, practice and ideas in East Asia, new analytical tools need to be incorporated in order to accommodate the changing spatial and political landscapes. The concept of Transnational Asia—both as a process of new East Asian community building and an analytical tool—draws its historical and cultural capital from the region’s intensive interactions in the past, and it may serve as an alternative perspective to the conventional frameworks in unveiling the profound transformations taking place over the last two decades in the normally termed East/Southeast Asia, ranging from the dynamic rise of China, cross-fertilization of development models, to the informal and formal institutions to sustain these transnational flows.

Secondly, to understand the complexity and multi-dimensionality of social, political and economic transformations in Transnational Asia, we need to go beyond the conventional state–society dichotomy and bring in new analytical tools. The authority of the vertically constructed state apparatus and its capacities has to be placed within the broader orbit of horizontal transnational networks that operate on the intersecting spaces between the public sphere and private arenas. It is in this process that governance emerges as a vital concept and practice. Network and governance, furthermore, are juxtaposed with the changing market mechanisms and regulatory regimes. How these domestic structures respond to, and are being affected by, various transnational forces are a major issue for further empirical and theoretical scrutiny.

Thirdly, the state (and its reformulations) remains a crucial player in the evolution of Transnational Asia. The financial crises in both 1997 and 2008/2009 have shown that the state is still indispensable for any meaningful macroeconomic policies. This centrality of the state—which could be conceptualized as the networked state—is different from the developmental state of the 1970s/1980s in two important aspects. In the first place, the developmental state’s “market-friendly strategies” and its

interventionalist stance were characterized by the insulation of economic technocrats from political influence; management of policies by efficient and high-quality bureaucracies through public–private consultative bodies that shared information (Suehiro 2008, 28). The networked state, on the other hand, has not only engaged with (global production and ethnic) networks through policy incentives, but also direct involvement in the business enterprises per se. Secondly, while developmental state functioned within the nation–state borders at a time of nationalism, the networked state has gone transnational as a process of globalization.

Finally, we should not conceptualize state-network interactions as a zero-sum game. As the empirical cases on China and Singapore have amply demonstrated, while networks draw upon strengths from the state’s active support in the realization of their own agendas, the states have also benefited significantly from taking a collaborative part in working with transnational networks, which in turn facilitates the emergence of new forms of governance at the corporate, local, regional and global levels. While our cases on China and Singapore have focused primarily on how the states have actively orchestrated and cultivated transnational ties, the responses from the other sides of equation, transnational social forces, are also important for the Transnational Asia to operate effectively (for some examples, see Liu 2012; He 2016). The multilayered interplay of these forces constitutes a key environment within which the new political economy of East Asia is evolving and reshaping the region and beyond.

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