

East Asian capitalisms and geographies of regional economies

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4 May 2010

Introduction

Since the early 1980s, the core capitalist economies of North America and Western Europe have undergone fundamental transformations in their political-economic constitution and socio-spatial organization. In economic geography, these massive transformations have been described variously through such concepts as the “new industrial divide/space”, “cultural/symbolic economy”, “regional innovation systems/clusters”, and, more recently, “financialization”. While the causal origins of these four significant capitalist transformations are interrelated, economic geographers have pointed to the crisis of Fordism – previously the hegemonic form of capitalist industrial organization – and the breakdown of the Bretton Woods system of international financial management since the early 1970s as the main forces shaping the globalization of the world economy. The breakdown of Fordist mass production has dramatically reduced the economic might of older industrial areas and contributed to the emergence of flexible production systems in new industrial districts/spaces. It has also facilitated the search for new growth and capital accumulation in non-manufacturing sectors, particularly those economic activities associated with the creation of symbolic values and new knowledge. After almost two decades of intense industrial restructuring and territorial shifts, by the late 1990s, these new processes of value creation and capture had left their spatial imprints in dominant creative innovation clusters in high growth cities and regions throughout North America and Western Europe. Meanwhile, the changing international financial system during the post-Bretton Woods era has created enormous opportunities for capital accumulation that culminates in the rapid rise of global finance. As finance comes to the forefront of performing capitalism in these advanced industrialized economies, the Fordist distinction between productive assets and financial capital becomes blurred and, increasingly, morphed. This ongoing process of financialization and its crisis tendencies have profound implications for understanding the new economic geographies of the 2010s.

At the risk of caricaturing a far more complex mosaic of major economic-geographical transformations, the above canvas offers a quick and sweeping representation of the main drivers of capitalist dynamics in the industrial core during the past three decades. Where does East Asia fit in this picture of capitalist dynamics and trajectories? Does it merely follow the same logic of capitalist development in the industrial core, as commonly argued in the core-periphery model of world system theorists? Are there other possible pathways to capitalism(s) in East Asia? If so, how do these alternative capitalist trajectories produce distinctive economic geographies? How might we make use of these alternative readings of East Asian capitalisms and economic geographies to advance our common subject matter? In this chapter, I intend to examine the distinctive contributions of economic-geographical studies in understanding the changing dynamics of capitalisms in East Asia during the past three decades. As East Asia has undergone tremendous transformations during this period, we witness diverse capitalist developments unfolding firstly in Japan, and then in different waves in the Asian newly industrialized/industrializing economies and, more recently, China. These divergent transformations in East Asia have produced distinctive economic geographies that have been well documented in empirically grounded geographical studies. To reflect on the changing field of economic geography, this chapter engages with the different

epistemological and theoretical framings in these geographical studies of East Asian capitalisms. In doing so, I consider the possibilities of using conceptual ideas emerging from these studies to “theorize back” at dominant concepts and ideas developed in North America and Western Europe. This approach enables us to appreciate better the (re)making of economic geography as a field of intellectual enquiry in light of recent development in East Asia (Yeung and Lin, 2003; Yeung, 2007).

Specifically, I argue that one of the most visible differences in capitalist trajectories between advanced industrialized economies and East Asian economies is related to the extent of *endogeneity* – defined as the conceptual adequacy of which internalized processes are causally responsible for economic change in regions and countries. Whereas the post-Fordist transformations briefly described above are clearly situated in a context of global economic change, the four key concepts are primarily endogenous in their explanatory matrices. They are defined and explained by dynamic processes *within* capitalist economies in North America and Western Europe. For examples, the crisis of Fordism accounts for the rise of new industrial spaces in national economies and the national drive for knowledge-based economies leads to the institutionalization of innovation systems and, in their spatial forms, creative clusters in specific city-regions. In East Asia, however, these endogenously specified concepts are relatively less useful in accounting for the dynamic growth and development of diverse economies since the 1980s. Rather, these diverse East Asian capitalisms are characterized by significant *exogeneity* in their developmental trajectories. This exogeneity in East Asian capitalisms is expressed in their earlier preoccupation with export-oriented industrialization and their more recent concern with grounding trans-local flows and networks. Instead of looking mostly endogenously to their domestic economies for new growth dynamics, East Asian economies are continuously searching for new ways of articulating themselves into the global economy. In this sense, I argue that “flows” and “networks” serve as better metaphors for understanding changing East Asian capitalisms since the 1980s. These *flows* of goods and services and *networks* of capital, people, and knowledge/technologies are fundamental in underscoring the dynamics of East Asian capitalisms. They not only help us avoid the analytical problem of “Asian exceptionalism” (i.e. Asia is different because it’s Asia) common in area studies and international relations by making the crucial connections exogenous to East Asian growth dynamics. But they also enable us to look forward to the big future question – the differentiated ways in which East Asian economies play a more significant role in shaping future global economic geographies.

Changing dynamics of capitalist economic geographies in East Asia: how flows and networks matter

With hindsight, the dramatic economic-geographical transformations in North America and Western Europe did not occur without exogenous influences. Flows and networks were as important as endogenous processes in restructuring the industrial core, except that in the economic geography literature, they are often treated as and combined into territorialized social relations such as trust and associational economies. In East Asia, however, such flows and networks are viewed differently as trans-local processes shaping capitalist trajectories. Just as the crisis of Fordism was looming in North America and Western Europe during the 1970s, Japan was emerging rapidly as a formidable industrial power capable of competing against industrial leaders in several globalizing sectors such as automobiles and electronics (Dicken, 2007). The experience of Japan’s meteoric rise as a global industrial powerhouse set off a whole series of important questions and agendas for economic geographers, particularly those who were preoccupied with explaining endogenously the decline of older industrial

regions and the rise of new production spaces in advanced industrialized economies. Of particular interest are those geographical studies of the nature and effects of Japanese investment in the US, Canada, the UK, and later within East Asia. These studies have shed light on the important role of trade and investment flows in enacting the changing nature of capitalist development in Japan. They have brought together the difficult considerations of trade and investment in accounting for Japan's dynamic growth. This literature is what I call the *first wave* of geographical studies of "flows" and "networks" that are tied to Japan's relentless pursuit of export-oriented industrialization in the post-War era.

In essence, these geographical studies have pointed to the initial role of trade in sustaining Japan's export-oriented industrialization during the 1950s and the 1960s. Interestingly, virtually no economic-geographical studies focused on the changing political economy of the Japanese capitalism itself (except Peck and Miyamachi, 1994) and its associated industrial organization (except Patchell, 1996), preferring to concentrate on the international participation and outward orientation of the Japanese economy. The former question, however important it was and still is, was left to political science and area studies (e.g. Japanese studies) that successfully developed a *developmental state theory* of Japan's unique political economy. With varying degrees of success, this theory was later applied to the cases of South Korea, Taiwan, and, to a certain extent, Singapore. It postulated that the state and its myriad development agencies were unified in their pursuit of economic growth through direct state intervention via such policy instruments as export targeting and subsidies, tax incentives, financial grants, and firm/sector-specific industrial promotion. The efficacy of the developmental state was predicated on the necessity of establishing an elite bureaucracy, commonly known as the pilot agency, to coordinate all development policies, the state's embedded relationships with the private sector, and its autonomy from other diverse interest groups in civil society. Overall, this developmental state theory has immense purchase in the study of East Asian capitalisms because it accounts for the substantial variation of state-business relations in these economies and their comparative contrast with Anglo-American capitalism. It also explains quite well why neoclassical economic models and Marxist-inspired dependency theories are ill-fitted to provide the causal understanding of export-oriented industrialization in East Asia.

While economic geographers have mostly avoided this important question of changing political economy and industrial organization in Japan and East Asia as noted above, their primary interest in trade and investment flows is not necessarily unusual because it does reflect geographers' forte in theorizing *flows across space*. This economic-geographical perspective on export-oriented industrialization in East Asian economies complements well two key missing links in political science, development sociology, and area studies. First, most of the developmental statist accounts of Japan and other East Asian economies tend to be aspatial in their analytical foci, ignoring the critical confluence of other highly geographical processes such as Cold War geopolitical imperatives and nascent forms of transnational production networks. These *exogenous* processes explain how East Asia was folded into the American imperium, how leading Japanese firms gained unfettered market entry into the US and Europe, and how other latecomer Asian firms from South Korea and Taiwan overcame their technological disadvantages through technology transfer from Japan. Second, these statist studies of East Asian development often suffer from a form of methodological nationalism in which the nation-state is assumed to be a mere "container" of diverse and variegated relations constituted within and beyond their national spaces. Once the developmental state has set in motion its policy instruments, the assumption is that these policies will work irrespective of the kind of flows and networks constituting these East Asian

economies (see Park and Markusen, 1995). Political geographers such as have argued convincingly that such a kind of territorial trap at the national scale, while common in international relations and comparative institutional analysis, often perpetuates a self-fulfilling myth that more state action is necessarily good for national interest. It ignores the highly differentiated nature of regions within most East Asian economies and the embedded nature of these national economies within the wider globalizing systems of internationality, production, and finance (see Yeung, 2009a).

Returning to the first wave of geographical studies of Japanese investment abroad, they represent an important correction in the dominant explanation of the Japanese challenge to Fordism in the form of trade, i.e. exports. Indeed, investment flows are as important in accounting for the rising interdependency of the global economy in the post-Fordist era (Dicken, 2007). This successful penetration of Japanese investment in North America and Western Europe from the 1980s to the early 1990s vindicated not only Japan's developmental strategy of export-oriented industrialization (later well emulated by other East Asian economies), but also its unique variety of capitalism dominated by closely knit state-business and intra-business group relations. Indeed, this latter attribute of intra-*keiretsu* or financial conglomerates behaviour has been much examined by economic geographers. Key geographical issues are related to the extent to which Japanese automobile firms were unwilling to localize their supplier networks and thus preferred to bring with them, often in a wholesale manner, "transplant organizations" into the US and Western Europe (Mair et al., 1988). This "clash" of business organization and variety of capitalisms was shown to have significant geographical ramifications in terms of highly selective location of Japanese investment sites, changing employment relations in these sites (often non-unionized), lack of localization of R&D activities, and regional dependency effects. Whilst some of its most powerful *keiretsu* groups were venturing into North America and Western Europe during the 1970s and the 1980s, Japan was embracing other East Asian economies on the basis of its now much discredited idea of the "flying geese" model of East Asian development. In this model, Japan serves the technological leader and provides both capital and technologies to promote industrialization in other East Asian economies, first the four "Tiger" or newly industrialized economies (NIEs) of Hong Kong, Taiwan, Singapore, and South Korea, and later Indonesia, Malaysia, Thailand, and finally China. Economic geographers have contributed to this debate on the flawed "ladder climbing" conception of East Asian industrialization (see Hart-Landsberg and Burkett, 1998). They argued that the role of Japan in providing capital and technology to fuel East Asian industrialization has been overstated. Instead, these East Asian economies have industrialized their economies by building on a whole range of exogenous flows and networks beyond Japanese investment.

This brings us to the *second wave* of economic-geographical studies of "flows" and "networks" in East Asian capitalisms beyond Japan. The distinctive characteristic of these studies refers to their focus on the role of *trans-local networks* in spearheading rapid industrialization and economic restructuring. These networks entail the emergence of ethnic-based cross-border economic activity such as direct investment, transnational technical and knowledge communities, and the spatial divisions of migrant workers. Since the early 1990s, economic geographers have extended their research into these trans-local flows and networks to other developing countries in Southeast Asia (e.g. Indonesia, Malaysia, Thailand, and Vietnam) and China during the past fifteen years. The first major strand of this burgeoning literature is associated with the study of how cross-border business activity is *embedded in ethnic ties*, with particular reference to the role of ethnic Chinese business networks in the Asia Pacific. Several empirical studies have found important role of these ethnic ties in

enhancing the success of cross-border investment in China and Southeast Asia by ethnic Chinese capitalists from Hong Kong, Taiwan, and Singapore (Leung, 1993; Hsing, 1996; Yeung, 1997; 2004). Through their family and friendship ties with other ethnic Chinese in the host economies, investors from Hong Kong and Taiwan were better able to navigate through opaque host government regulatory systems, to take advantage of strategic business opportunities in these not-so-open business environments, and to gain access to capital and information from host business partners of the same ethnicity. Couched in geographical terms, these studies have demonstrated why ethnic Chinese investors from Hong Kong, Singapore, and Taiwan (and Indonesia and Malaysia) tend to invest in certain host regions and provinces in China, particularly in the earlier period of China's "Open Door" policy first promulgated in 1978. Their ethnic embeddedness also has profound implications for understanding their exclusionary business and employment practices and local development in China, Indonesia, and, more generally, Southeast Asia (Eng, 1997; Turner, 2007).

These ethnic-based economic geographies of transnational capital flows, nevertheless, are not merely spatial outcomes of the rapid industrialization and development of their home economies. More importantly, they are crucial mechanisms through which change and transformation occur in the capitalist economic organization of their home economies. In other words, transnational capital flows provide a critical impetus and "feedback" to the emergence of new kinds of capitalism in East Asian economies. In the case of transnational investment by ethnic Chinese from the three Asian NIEs (i.e. Hong Kong, Singapore, and Taiwan) to China, a unique form of *guanxi* or relationship-based capitalism based on family and kinship ties has been acknowledged (e.g. Yeung and Olds, 2000). This *guanxi* capitalism is largely embedded in the dominant role of family in ethnic Chinese culture and thus the recurring presence of family business and kinship ties in this form of capitalist economic organization. Over time, however, transnational capital flows emanating from this form of capitalism predominant in the three East Asian NIEs and other Southeast Asian countries have rapidly transformed some of its central tenets through the diffusion of international business knowledge and practices, the infusion of non-Chinese business actors (e.g. media, credit rating agencies, and global finance), and the regulatory pressures from international organizations such as the World Bank, IMF, and WTO. There is thus a reshaping of Chinese business networks to incorporate more non-Chinese actors and practices. This in turn leads to the emergence of a form of hybrid capitalism in East Asia that conforms to neither family-based *guanxi* capitalism nor market-based Anglo-American capitalism (Olds and Yeung, 1999; Yeung, 2004). This hybrid capitalism entails both the advantages of family-based *guanxi* capitalism and the professionalization and bureaucratization associated with the Weberian spirit of modern capitalism.

This professionalization and hybridization of East Asian capitalisms is seen none clearer than in the rapid emergence of *transnational knowledge and technical community* that is the hallmark of the second strand of economic geographical studies of trans-local networks in East Asian development. Challenging the earlier ethnic-based explanation of the East Asian "miracle", Hsu and Saxenian (2000) argued that *guanxi* capitalism has its own limits. When it comes to technological innovation and economic development driven by high-tech industries, ethnic-based *guanxi* relationships throughout East Asia can only facilitate business transactions and enable better decisions in an environment of opaque regulatory frameworks and information asymmetry. However, these socially embedded networks are less useful for promoting the development of cutting-edge technologies that require intense collaboration among spatially dispersed technical communities often comprising different nationalities and ethnicities. The successful development of these technologies is also predicated on highly

spatialized transfer of tacit knowledges that goes beyond ethnic-based relationships. Their path-breaking study of transnational collaboration in technological innovation between firms in Taiwan's Hsinchu high-tech science park and Silicon Valley in the US clearly demonstrates this non-ethnic view of trans-local networks and their importance in supporting high tech industries and economic development (see also Saxenian and Sabel, 2008).

In many ways, this explicit recognition of the importance of transnational knowledge networks provides a very useful counterbalance to the endogenous view of regional innovation systems prevalent in the economic-geographical studies of high-tech regions in advanced industrialized economies, particularly in Northern and Western Europe. In the context of East Asian capitalisms, these studies acknowledge different spatial scales in which innovation and knowledge transfer can take place. The experience of Taiwan's high tech community has been further extended to other East Asian NIEs and, more recently, China. Similar to Taiwan and South Korea, indigenous high tech development in China is conditional on the continuous flow of transnational knowledge workers who shuttle between different continents. Some of them have chosen to settle down in their homeland and contribute to high tech development in China, prompting Zhou (2008) to describe such development as "making Silicon Valley in Beijing". This massive return of transnational knowledge workers to China complements successive waves of foreign investment in China, some of which has been in high tech industries. Since the early 1990s, the impact of such foreign investment on China has been well documented in economic-geographical studies (Leung, 1993; Liu and Dicken, 2006; Tacconelli and Wrigley, 2009). Some of these studies have focused on the role of foreign investment in developing China's R&D capabilities through the establishment of R&D labs, the training of local personnel, the gradual transfer of technical knowhow and research practices, the localization of new product and process technologies, and so on.

A final dimension of building trans-local networks in East Asian capitalisms is linked to the complicated and yet massive *spatial divisions of migrant workers*. This major geographical phenomenon tends to occur outside advanced industrialized economies in North America and Western Europe and is frequently found in developing countries of the Global South. Studies by economic geographers have shown that these divisions occur both at the inter-regional scale within East Asian economies and at the international scale between these economies. At the inter-regional scale, the work by Fan (2002) and Chan and Buckingham (2008) on migrant workers in China provides much needed evidence on how migrant workers from different provinces are critical to the successful strategy of labour-intensive industrialization in many coastal provinces, particularly those in the Pearl River Delta and the Yangtze River Delta. Other geographers have found the transnational flows of these migrant workers to be highly important to industrial development in Southeast Asian economies. This phenomenon of massive flow of migrant workers tells us quite a lot about the state of economic development in these Southeast Asian capitalisms. In the Philippines, for example, decades of economic mismanagement and political disruptions have so impoverished the domestic economy that compels many Filipinos to seek employment opportunities elsewhere in Southeast Asia and beyond (Kelly, 2001). Not surprisingly, geographers have found that these migrant workers from other provinces of the same countries or different countries of origin are often subject to punitive labour control regimes (Kelly; 2002; Glassman, 2007). These studies have focused on four different spatial scales of such control regimes: the national regulatory spaces, the industrial estates in which factories are located, the work sites/factories themselves, and the bodies of these workers.

More recent geographical studies of East Asian capitalisms have focused on the *grounding* of transnational movement of capital and people. These *third wave* studies of “flows” and “networks” have increasingly connected analytical concerns of economic geographies in East Asia with those in North America and Western Europe. This closer analytical connection, as argued in the next section, greatly facilitates the remaking of global economic geographies. Specifically, these recent studies deal with the territorialization of knowledge networks, commodity chains, and production networks in specific East Asian economies. They offer distinctively geographical perspectives on the transnational flows and networks that constitute the rapid industrialization and economic development of East Asian economies. One important strand of this literature focuses on how specific regions and territorial ensembles in East Asian economies are articulated into global networks of knowledge flows. In China, for example, several important studies have been conducted to showcase how foreign firms and local companies interact intensively in innovative clusters and regions in order to benefit from different configurations of these global-local relations (Zhou and Tong, 2003; D Yang et al., 2009). Even in Chinese regions exhibiting more endogenous growth dynamics (e.g. Sunan), this tendency towards globalizing business and knowledge links is evident (Wei et al., 2009). This strategic coupling of global interests, represented by transnational corporations and their R&D activity in China, and territorialized local assets is greatly facilitated by the existence of transnational technical community and the favourable institutional environment and government policies. Other geographers have identified significant management challenges when investors from contrasting capitalist systems bring their business practices to China (Depner and Bathelt, 2005; Yang, 2007). Overall, these findings indicate that East Asian capitalisms are indeed highly heterogeneous and differentiated both internally and in their external dimensions.

In Southeast Asia, the grounding of transnational flows and networks seems to take on more formalized organizational forms. Unlike the transitional nature of socialist market-economy in China, Southeast Asian economies have been better articulated into global capitalism since the colonial era via the British, the Dutch, and the French trading systems. The historical existence of ethnic Chinese as compradors and merchants throughout Southeast Asian economies, a unique phenomenon sanctioned by then colonial rulers, has enabled these global-local connections to be more systematically and formally organized today. In Indonesia and Thailand, for example, formalized business networks, often organized on the basis of ethnic Chinese ties, are critical to the insertion of local manufacturers into global commodity chains in such industries as automobiles, clothing, and commodities (Dicken and Hassler, 2000; Neilson, 2007; Hassler, 2009). In the electronics industry, Southeast Asia benefits enormously from the excellent transport and logistics service providers that explain why certain hubs such as Malaysia’s Penang, Thailand’s eastern seaboard, and Singapore have emerged as major nodes in global electronics (Bowen and Leinbach, 2007). Some of these electronics hubs are well connected to industrial estates invested and managed by Singaporean firms that have ownership links with the Singapore government. This is a case of the Singapore state building extra-territoriality in order to participate in the grounding of transnational flows in neighbouring East and Southeast Asian economies (Phelps, 2007). Similarly, other Southeast Asian states such as Malaysia and Vietnam are actively engaged in the construction of spatially exclusive clusters in order to ground global flows of capital and talents – both indigenous and foreign. This spatial strategy of building “anti-politics machines” help the ethnocentric Malaysian state to steer the debates about these special spatial zones/clusters, such as the much celebrated Multimedia Super Corridor, away from ethnic politics. Instead, the development discourse of such clusters is intimated with the

necessity for capital accumulation in order to depoliticize such a contestable “zoning” of sovereignty within its national boundary (Bunnell, 2002; Lepawsky, 2009).

Remaking global economic geographies: theorizing back

Taken together, the above section offers a brief synopsis of how different “flows” and “networks” of capital, people, and knowledge/technologies matter in the changing dynamics of capitalist economic geographies in East Asia. The most important lesson from this consideration of East Asian economies is the appreciation of exogenous influences on capitalist transformations in these national economies. It helps us appreciate better the critical importance of economic-geographical studies of chains and networks that tie together different territorial ensembles, be they regions, countries, and even macro-regions (Dicken et al., 2001; Yeung, 2009b). In this section, I intend to use these analytical insights to reflect on the new kind of global economic geographies from which exciting research directions and novel analytical responses might spring. This reflexive process, known as “theorizing back”, represents a theoretical move through which heterogeneous insights from *non-core* regions and countries (e.g. East Asia) are deployed to interrogate dominant concepts and ideas in theorizing the economic geography of core advanced industrialized economies in North America and Western Europe. Three such insights from existing studies of East Asian capitalisms are particularly useful here for the purpose of theorizing back: (1) the strategic coupling of global-local relations; (2) the cultural embeddedness of transnationalism; and (3) the divergent development of hybrid capitalisms.

Judging from the prevalent temper of economic-geographical research into East Asian capitalisms during the last decade, it is quite clear to me that the idea of *global-local coupling* has emerged as one key frontier that can yield significant and enduring breakthroughs. While this theoretical emphasis on the interface of non-territorialized flows and networks with territorialized institutions and structures comes as no surprise to geographers familiar with East Asian developmental dynamics, it does pose a significant conceptual challenge to preexisting analytical approaches to uneven regional development in North American and Western Europe. In these latter approaches, there is a tendency towards overemphasizing the endogenous evolution of localized and territorialized dynamics such as agglomeration economies, learning and innovative capacities, institutional building, distinctive socio-cultural practices, and so on. These endogenous approaches to spatial dynamics and uneven development are perhaps more appropriate to the study of advanced industrialized economies because most regions and territories in these economies have established substantial territorialized assets in the forms of immense social capital, pro-growth institutions, absorptive capacities, and so on. When applied uncritically to the East Asian context, however, these endogenous approaches tend to run out of their contextual specificity and become too narrow and myopic in their analytical foci.

As argued in my earlier survey of the literature, East Asian capitalisms are significantly co-constituted through “flows” and “networks” that serve as exogenous influences on their developmental dynamics. These exogenous influences and their coupling mechanisms with territorialized ensembles are well illustrated in the case of East Asia. There seems to be a case for asking if these exogenous factors and coupling mechanisms can be applied back to the economic-geographical studies of North America and Western Europe. In the economic geography literature, two interrelated analytical approaches have taken to task this important role of global networks and local coupling – the global commodity/value chain and the global production networks perspectives (Coe et al., 2004). While these two theoretical approaches

have received substantial interests among geographers studying East Asian capitalisms, their influences in the dominant economic geography literature remain quite weak. Consequently, there are many geographical studies of how East Asian regions and economics are differentially plugged into global production networks and how these processes of articulation have impacted on their developmental dynamics. There are many fewer such studies of how leading regions in North America and Western Europe are articulated into global production networks and what that might mean for their own uneven developmental trajectories. Instead, it is the geographical studies of global circulations, flows, and practices that take on board the key conceptual idea of coupling mechanisms in global production networks.

Arising from this “theorizing back”, one possible way forward is for economic geography to reconceptualize capitalist territorial development as a contested outcome of dynamic forces necessarily operating at different spatial scales. Similar to key ideas in the global production networks approach, this conceptualization eschews the dualism between endogeneity and exogeneity in the study of territorial development in economic geography. Taking cues from Lee et al.’s (2010) comparative study of biotechnology clusters in South Korea and Singapore, I argue further that by refocusing on the coupling mechanisms through which global (exogenous) forces intersect with local (endogenous) processes, we can appreciate better why today’s important economic-geographical shifts underway in North America and Western Europe are ever more closely interconnected with the changing dynamics of capitalisms in East Asia (and elsewhere in the Global South). As noted in Introduction, the earlier studies of new industrial spaces and cultural economies in advanced industrialized economies and regions operated *as if* the rest of the world operated independently and did not matter. By way of just one example, if Japan’s emerging challenge by the late 1970s was taken into more serious consideration in these geographical analyses, we might not only have a better geographical explanation of the emergence of flexible production systems in the late 1980s (cf. transaction costs-inspired theories), but also anticipate better the incessant drive towards cultural and knowledge-based economies, in response to the massive global shift in production towards East Asia, in the 1990s and the new millennium. In turn, we might better predict and explain the (re)emergence of East Asia as a major economic force to be reckoned with in the opening decade of the 21st century. Whether in resource extraction, manufacturing activity, knowledge and innovation, financialization, global logistics, and so on, it has now become increasingly difficult, if not futile, to look endogenously for adequate and useful answers on the basis of events and activities *within* North America and Western Europe. In this sense, the study of East Asian capitalisms and their global connections has provided a strong theoretical basis for economic geography to venture into the future research terrain characterized by greater uncertainty and global challenges.

A second key theoretical frontier is inadvertently related to the role of *culture and embeddedness in global circulation*. Given the advanced state of the “cultural turn” in economic geography and the role of embeddedness as a central tenet in this literature (see Jones, 2008), one may wonder what else we might learn from the experience of East Asia. While I concur that the “cultural turn” in human geography and, in particular, economic geography has put “culture” – broadly conceived as identities, discourses, practices, and performativities – in the forefront of geographical analysis, the turn has now reached its inherent limits to addressing major geographical issues of our century – economic globalization, environmental challenge, and greater poverty and uneven development. Its protagonists (myself included) may have suffered from an excessive emphasis on the micro, the mundane, the everyday, and so on of contemporary capitalisms. When broader generalizations about capitalisms are made from these cultural turn-inspired geographical

studies, they tend to be *ad hoc* and haphazard rather than systemic and structural. There is a sense that the cultural trumps all dimensions of socio-economic life, leading to a missed opportunity in tackling major real-world questions of our era. Even when (cultural) politics is explicitly recognized, power relations are relegated to the discursive realm; the material world, such as the global economy, does not seem to matter much in these deliberations.

Dissatisfied by the cultural turn's false promises over the past decade, some geographers and their allied in sociology have recently called for a "cultural political economy" approach to the study of urban and regional economic change (Jessop et al., 2008). While I sympathize with this critical semiotic stance towards the broader question of political-economic power relations unfolding in today's global economy, I think the issue of culture remains too much of a discursive construction in this approach. This is where the geographical studies of East Asian capitalisms may play a role in (re)inserting culture, in all its discursive *and* material forms, into the geographical studies of economic change. These studies have pointed to the role of culture in shaping regional developmental trajectories (Aoyama, 2009) and even trans-regional and transnational flows and networks of capital and people. Few studies in the core economic geography literature take on directly this structural and institutionalized dimension of culture, preferring instead to focus on its "softer" side of discursive politics. Here, I am not advocating an either/or choice of these approaches to culture and its constituting effects on economic change. Rather, the theoretical insights gleaned from East Asian capitalisms and their cultural foundations point to the necessity of an analytical procedure that takes into account of *both* forms of culture in order to appreciate better the pressing research issues of global significance. This Take II of the "theorizing back" act compels us not only to analyze the discursive and semiotic construction of the global-local coupling of flows and networks in different territorial ensembles. Equally, if not more, importantly, we need to pay attention to the materials processes through which cultural norms and practices matter in the construction of these global production networks and their heterogeneous and uneven articulation of specific places and localities into their circulatory orbits. Through this broader conceptualization of culture and embeddedness, we might have a better prospect of understanding and remaking global economic geographies.

The last key research frontier in this chapter takes us to the conception of the *divergent development of hybrid capitalisms* in East Asia. *Contra* the dominant "varieties of capitalism" literature in comparative and international political economy, the East Asian experience tells us more about not just varieties in the sense of diversity and differences, but also the evolving and dynamic nature of capitalisms. The East Asian portfolio of capitalisms comprises Hong Kong's classical laissez-faire style of capitalism, Japan's developmental state capitalism, later on emulated fully by Singapore, South Korea, and Taiwan, Southeast Asia's "ersatz" capitalism, and China's and Vietnam's relatively recent experimentation with socialist market capitalism. In this kaleidoscope, we encounter more than just varieties of capitalisms. Instead, we may be witnessing the emergence of what Peck and Theodore (2007: 733) called "variegated capitalism", an economic-geographical conception that allows us to "shift away from the varieties-style reification and classification of economic-geographical difference, in favor of a more expansive concern with the combined and uneven development of 'always embedded' capitalism, and the polymorphic interdependence of its constitutive regimes" (see also Brenner et al., 2010). Their work has demonstrated clearly economic geographers' *lack of engagement with and voice* in this important literature, despite the earlier significant influence of Marxist geography's analysis of uneven development in global capitalism.

The experience of East Asian capitalisms may indeed be instructional here, for it not only showcases the transnational and territorially unbounded nature of capitalism in the case of ethnic Chinese capitalism throughout Southeast Asia, but also the evolving and transformational character of capitalist experiments in the cases of China and Vietnam (and, to a certain extent, Cambodia). The case of “theorizing back” rests not so much in the usefulness of these East Asian examples in informing the dwindling theoretical work in economic geography on capitalism in North America and Western Europe. The lack of interest among economic geographers in addressing such major issue in advanced industrialized economies simply does not provide much of the necessary theoretical space for such a form of “theorizing back”. Rather, it is about developing a new generation of theoretical ideas and toolkits for analyzing the dynamic transformation of capitalisms in East Asia *in relation to* similar or different processes of capitalist change in North America and Western Europe – the historical “heartland” of modern capitalism. Here, the critical role of flows and networks in hybridizing East Asian capitalisms provides a conceptual lead in helping us make sense of the complex interaction between global capitalism and global economic geographies. In short, the East Asian experience with capitalisms can be a driving force in pushing us towards what economic geography might become and where it might reach – addressing the critical future question of how global shift in economic geographies can bring together different macro-regions in interdependent and mutually constitutive ways.

Conclusion

This chapter represents my personal journey in the geographical enquiry into East Asian capitalisms and economic geographies. As an economic geographer living in and studying East Asia, I am forever mindful of my intellectual roots in Anglo-American economic geography (trained in the Manchester School!) and yet my aspiration and mission in bringing something back to the dinner table. In this chapter, I have discussed several possibilities of how economic-geographical studies of East Asian economies might differ from those in advanced industrialized economies and how these different approaches and ideas, particularly those with an emphasis on “flows” and “networks” in understanding capitalist dynamics and change, might help us theorize back at dominant conceptual approaches and frameworks in Anglo-American economic geography (see also Yeung and Lin, 2003). In particular, I have reviewed briefly the various geographical studies, conducted in East Asia, of how business activity is embedded in ethnic ties, how the emergence of transnational knowledge and technical community matters for regional development, and how rapid industrialization is engendered by complex spatial divisions of migrant workers. Collectively, these studies have pointed to the critical importance of understanding *trans-local flows and networks* that have not been well developed in Anglo-American economic geography.

Looking forward, I believe the above insights from East Asia provide *one* possible avenue for developing new research questions, analytical directions, and disciplinary challenges for economic geography. First, there is now some urgency in developing better theoretical specification and empirical evidence for understanding how global networks are strategically coupled with territorialized relations constituted through institutionalized structures. Second, we need a more materialist conception of culture and its consequences for capitalism in order to complement our existing and well developed understanding of the discursive effects of culture in contemporary social life. Third, a better appreciation of flows, networks, and culture in economic geography is useful insofar as we are willing to take on the more pressing challenge of analyzing the divergent and convergent effects of global capitalism. In today’s globalizing world economy, a singular and reified conception of capitalism *à la* Karl Marx or

Max Weber is no longer able to account satisfactorily for the incredible geographical differences in economic shifts and outcomes at all spatial scales. The East Asian experience with capitalisms might be telling in its own right. But projecting it to the wider global arena does require much more concerted efforts among economic geographers and their allies in other social sciences.

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