

The Connections World

A central feature of modern Asia that trumps differences in economic and political systems is the web of close relationships running between and within business and politics; *the connections world*. These networks facilitate highly transactional interactions yielding significant reciprocal benefits. Although the connections world has not as yet seriously impeded Asia's economic renaissance, it comes with significant costs and fallibilities. These include the creation and entrenchment of huge market power and the attenuation of competition. They in turn hold back the growth in productivity and innovation that will be essential for further development. The connections world also breeds massive inequalities that may culminate in political instability. The authors argue that if Asia's claim to the 21st century is not to be derailed, major changes must be made to policy and behaviour so as to cut away the foundations of the connections world and promote more sustainable economic and political systems.

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The Future of Asian Capitalism

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SC: In memory of Amar and John

SE: For Jenny

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Abbreviations

1MDB	1Malaysia Development Berhad
ADB	Asian Development Bank
AI	artificial intelligence
ANDAs	abbreviated new drug applications
APEC	Asia-Pacific Economic Cooperation
B2C	business-to-consumer
BJP	Bharatiya Janata Party
BPO	business process outsourcing
BRI	Belt and Road Initiative
CCP	Chinese Communist Party
CI	confidence interval
COVID-19	coronavirus disease 2019
CR	concentration ratio
CSR	corporate social responsibility
DMFs	drug master files
EDGAR	Emission Database for Global Atmospheric Research
EIU	Economist Intelligence Unit
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
EVs	electric vehicles
FDI	foreign direct investment
FISIM	financial intermediary services indirectly measured
GDP	gross domestic product
GEM	Global Entrepreneurship Monitor
GVCs	global value chains
ICT	information and communication technologies
ILO	International Labour Organization
IMF	International Monetary Fund

IPO	initial public offering
IT	information technology
M&A	mergers and acquisitions
MNEs	multinational enterprises
NASSCOM	National Association of Software and Service Companies
NCE	new chemical entity
NGO	non-governmental organization
OECD	Organisation for Economic Co-operation and Development
PCC	Philippine Competition Commission
PISA	Programme for International Student Assessment
PPP	purchasing power parity
R&D	research and development
SASAC	The State-owned Assets Supervision and Administration Commission of the State Council
SEZs	special economic zones
SMEs	small- and medium-sized enterprises
SOEs	state-owned enterprises
TEA	Total early-stage Entrepreneurial Activity
TFP	total factor productivity
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
VAT	value-added tax
VC	venture capital
VIE	variable interest entity
WDI	World Development Indicators
WGI	Worldwide Governance Indicators
WIPI	Wireless Internet Platform for Interoperability
WTO	World Trade Organization

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