French Democracy without Borders?

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The future of democracy under globalization is the most burning political debate in France today. [1] It lies at the heart of the quarrels between *souverainistes* and federalists; it is the focus of the assault on neoliberalism and on the media led by Pierre Bourdieu and of the attack on globalization mounted in the pages of *Le Monde Diplomatique*. [2] In parallel with these intellectual battles of the past decade, there has been a rising tide of social mobilization and protest over globalization in France. The highwater marks start with the vast strike wave of December 1995, described by a *Le Monde* journalist as the first strikes in an advanced industrial nation against globalization.[3] Then there was the French rejection of the proposed OECD treaty, the Multilateral Accord on Investment (MAI); and the insistence on excluding culture from international trade agreements; the 1999 trashing of a McDonald's in southern France by a group of French farmers incensed by US trade sanctions against French agricultural products, and the rise of their leader, José Bové as a new media hero, a kind of

Astérix defending France against globalization and the Americans.[4] Finally, following the 1995 strikes, we have seen the emergence of ATTAC [Association pour la taxation des transactions financières pour l'aide aux citoyens], a new anti-globalization social movement which rapidly grew a membership of 30,000, set up branches all over France, and demonstrated a remarkable capacity to mobilize the disaffected troops of older Left-wing causes and organizations.[5]

The puzzle is why anti-globalization should have emerged as a potent political force in France over the past five years. This has been a time of rapid economic growth, declining unemployment, and real successes in adapting French companies to international competition. Some scholars see the anti-globalization movement as the reflex of a cultural defensiveness against the vulnerability of French culture and identity in a world dominated not only by the American economy and the American military but also by American language, culture, and technology.[6] Others emphasize the strong continuities between older strains of French anti-capitalism and the new anti-globalization. Where La Tour du Pin once described capitalism as "a free fox in a free chicken coop," today's protesters imagine the fox now free to prey on the whole world.

While these accounts undoubtedly capture important dimensions of the anti-globalization surge, the content of the debates and the concrete demands of the new organizations that have formed around the issue suggest that cultural defense and anti-capitalism fall short of explaining what people see at stake for France in globalization. I believe another issue is at stake, and this is a deep anxiety about the possibilities of preserving French democracy in a society without borders. The concern is about the compatibility of globalization and democracy. If as many in France and elsewhere believe, globalization means a "borderless world," in Kenichi Ohmae's phrase,[7] what does this portend for France? What does it mean for a nation whose basic norms of social distribution and political legitimacy have depended on the exercise of national power? Is it possible to have democracy in France without national borders?

The question of whether globalization and democracy are compatible builds on a much older debate in all liberal democratic societies over whether capitalism and democracy can coexist. For a political scientist one of the great surprises in history is how good democracy has been for capitalism. Over the past two hundred years, more and more countries have come to have liberal democratic governments in which leaders are chosen in competitive elections and which also have free market economies with private property rights. These two systems have co-existed with remarkable stability. Despite the inequalities generated by capitalism, no electorate has ever voted in free elections to overturn it. There have indeed been strong anti-capitalist political movements on both Left and Right in Europe and Asia. But where political change has taken place through free and democratic elections, anti-capitalism has never won the day.

That democracy and capitalism could co-exist was not always taken for granted in France, or in the United States, for that matter. The great anxiety of the founders of the American republic was that democratic politics might trample the rights of property. James Madison states in the *Federalist Papers* that the great danger in a democracy is that citizens might organize, mobilize, "form a faction" to push their economic interests against property holders. Madison writes: " [D]emocracies have ever been spectacles of turbulence and contention; have ever been found incompatible with personal security or the rights of property; and in general have been as short in their lives as they have been violent in their deaths."[8]

Why have these dire predictions about democratic government and an economic system based on individual property rights and on a free market economy failed to come to pass? One can sketch out as a first rough approximation at least two explanations. First, the constitutional engineering of Madison and the founders of other liberal democratic societies did work to protect the rights of individuals and the functioning of a market economy. Institutions like the Bill of Rights, the Supreme Court, and federalism did in fact build dikes that protected property and markets against democratic majorities. Secondly---and this is the main point here--- until recently, capitalism was largely contained within national boundaries. Governments still stood on the frontiers of their national economies and regulated the flow of labor, capital, goods, and services between their societies and the outside international economy. Within domestic societies, governments acted to cushion the most disruptive features of capitalism: business cycles, unemployment, inflation and depression, and environmental degradation.

Some liberal democratic governments buffered and regulated capitalism more than others and in some times more than others. But Republicans and Democrats in the United States, like Social Democrats in Scandinavia and the Tories in Great Britain, all acknowledged government's responsibility for and capability for regulating capitalism to mitigate its negative effects. In France, Right and Left-wing governments developed the welfare state. Right and Left-wing governments protected small independent property holders, shielded shopkeepers from supermarkets and small and medium scale industries from market forces with tariffs and quotas on the borders and with regulation of the domestic market. Government reduced the leverage of powerful economic actors with a wide variety of instruments: nationalization, capital controls at the border, labor laws, credit controls. Government buffered the impact of the market and so was able to affect the distribution of wealth and power in society. The distributions of resources in society and the mode of distribution reflected, even though very imperfectly and unevenly, the exercise of popular sovereignty.

Today, globalization threatens to undo this historic compromise. By globalization I mean the tendencies towards the emergence of a single world market and a single set of prices for goods and services, capital and labor. There are many changes that are driving globalization: new technologies of communication and transportation, the fall of the Berlin Wall, the world-wide liberalization of financial markets, the rise of big new consumer markets and big new producers outside the old developed world. Globalization means more of the population becomes more vulnerable to economic forces outside their own country. It means a widening of inequalities that is already clearly evident in the United States. At the same time, globalization apparently reduces government's capabilities of shielding citizens against markets. Globalization means increasingly mobile capital that threatens to undermine the exercise of national controls in the economy. At least as many see it, globalization thus means an end to national borders, hence to the possibilities of national regulation within society.

Widely-shared perceptions of the impact of change in the international economic arena on domestic politics have led to a growing fear of globalization in virtually all advanced countries. Protesters in Seattle, Prague, and Genoa may look like marginal and violent individuals, but at the same time, their slogans make sense to many ordinary citizens. It's a striking fact that even after years of economic growth and prosperity in the United States, various opinion polls find the public roughly evenly divided over whether free trade is bad for the U.S. However sophisticated or ignorant citizens' beliefs may be about the relationships between trade, growth, and employment, they do tend to home in on the implications of the opening of national borders for national policies. There is a growing sense of the loss of control over the basic foundations of societal well-being and the belief that globalization means that no one can be held accountable for basic choices about society's use of resources and allocations of reward and risk. Such concerns about globalization appear in most advanced countries, and are not particularly French. What does appears to be specific to the French debate over these issues is the focus on the disappearance of borders as the locus of fears about the challenge of globalization to democracy.

Borders

What are borders? We might conceive them as cultural institutions, that is, representations of space that are tightly connected to ideas, norms, and institutions that regulate who is French and who is not. In such a perspective, fears about the disappearance of borders under globalization would appear to be primarily fears about the defense of culture and identity. Laurence Wylie used to begin his course on French civilization at Harvard in the 1960s by describing France as a hexagon. This was a time of violent struggles within France over Algerian independence and of OAS terrorism. As Wylie tried to account for why the idea of Algeria as a part of France failed to find popular resonance, he came back again and again to the image of the hexagon as the French symbolic representation of their community and to the otherness of "extraneous" parts outside the hexagon, like Algeria. The French, Wylie believed, conceived theirs as a community within the boundaries of the hexagon, and forces and entities outside were both irremediably foreign and potentially dangerous. The government's role was to mount guard on the borders and to keep these forces out. French anxieties about unregulated flows of immigrants, trade, and capital across the borders might, then, be more generally understood as concerns about threats to French identity. This explanation has much intuitive appeal, and it has been a line of argument that I have used in my own work on French responses to the opening of borders.[9]

But as one listens to political arguments over globalization in France today, there seems to be much that cannot be understood if one remains with the notion that borders operate in French debates over national and popular sovereignty mainly as markers for identity, or as cultural representations of the French community. My doubts were reinforced by a closer reading of the work of historians of France's borders. This literature calls into question the notion that borders came into existence once and for all at a given historical moment and thereafter functioned as a solid container of national identity. Scholarship on frontiers--the work of Jacques Ancel, Bernard Guenée, Daniel Nordman, and Eugen Weber --- suggests considerable uncertainty and plasticity in traditional definitions, even in geographic definitions, of French borders. Eugen Weber writes: "Just as the nation-state is a modern concept so too the conception of its official limits is rather recent. Boundaries have always been important at the local level, in questions of property and jurisdiction; these local boundaries were known, memorized, by reference to a stream, a church steeple, or some other point. But the limits or frontiers of larger entities were rather loose and left to bureaucrats to deal with." [10] Jacques Ancel, writing in 1938, concluded about the borders of France under the monarchy: "The frontier was a plastic form. It acquired its solid shape only when the fluid mass it contained took form.

History shows us the pulsing ebb and flow of the frontier: first, there are blurry nebulae with uncertain contours, then the star defines itself, and its halo reflects these swellings and retractions; finally the shape stabilizes: the State is formed and fixed." [11]

How widely held the notion of "natural geographic boundaries" was by elites before the French revolution is a matter on which historians do not altogether agree. Although the phrase of Jean LeBon (1568), "Quand Paris boira le Rhin, toute la Gaule r'aura sa fin" and Richelieu's testament are much quoted, they have not been shown to have defined the monarchy's conceptions or policies about frontiers.[12] Ancel writes about the monarchy: " It was not on the edges of the system that the history of frontiers is written. What a conceit, what a childish anachronism it is to see royal France as a nation in search of boundaries, playing out its history like the enactment of prophecies!" [13] And he goes on to describe the kings as men without great strategies, rounding out their properties, coveting the neighbor's lands like greedy peasants; annexing them through multiple, haphazard steps through the ages.

The geographically-defined notion of frontiers came to be a stable part of the Republic's self definition, though as for the monarchy, this was a matter of degree. Ernest Lavisse, the author of the Third Republic's school books, wrote: "Frontiers between peoples today are unyielding and abrupt; in the past they were soft." [14] As for the famous hexagon or indeed any geographical representation of the borders of France, as Eugen Weber has shown, this geographic symbol appears in the school books of the Republic only towards the end of the nineteenth century. Indeed maps are late to appear in the school books of French children. When maps do appear in textbooks, they show not a France that is clearly separated by dark border lines from its neighbors, but rather a "network of reciprocal relations in which frontiers do not play an essential role."[15] In Vidal de la Blache's classic (1903) geography text, France is distinguished not by its contours, but by its diversity and variety.

These historians for all their differences agree in seeing the borders of France come into being as the central state establishes effective institutions to regulate exchange and flows of persons, goods, and money at its frontiers. From this point of view, the decisive origin of French borders, according to Marc Bloch, is not the Treaty of Verdun, 843, when the sons of Louis le Pieux divide up Charlemagne's empire, but the end of the 13th century, when the monarchs began to collect customs duties along the borders. The process of making borders is not a one-time affair, but a continuing process. It involves not only building fortresses and customs stations on the frontiers, but a wide variety of institutions and policies. For example, at the end of the nineteenth century, at a time when French investors were free to move their money in and out of the country, about one-third of French portfolio investment was invested in foreign stocks and bonds, most of which were listed on the Paris Bourse.[16] Listings on the stock exchange were decided by a private association, the Syndicat des agents de change, but in the case of foreign issues, the Ministry of Finance and the Ministry of Foreign Affairs had first to authorize these transactions, before the Syndicat could proceed to consider the dossier's economic credentials. The government systematically refused to authorize any listings by German public or private borrowers.[17] Although French savings still found other indirect routes into Germany, the obstacles to such dealings were substantially higher than for other foreign issues, like the Russian loans, which were quoted on the Paris Bourse. In effect, while lowering the border-level barriers to most capital flows, the French retained and even reinforced the borders that barred the movement of funds to and from Germany.

This historical research, then, suggests two starting points for thinking about the relationship between globalization and the borders of France. First, all through French history the borders of France have been the creation of the central government and the demarcation of the scope of its authority. Secondly, control of the borders has been an essential condition of government's ability to regulate the domestic social and economic order. Borders are not a matter of natural terrain but of the effective exercise of political power in regulating the flows of human beings, goods, and capital across territory. As the geographer Malcolm Anderson puts it simply, borders are institutions.[18] If French governments since the Revolution have been able to reach a series of accommodations between democracy and capitalism, it has been within borders, that is, within a system of relations with the outside world in which the state has been able to regulate these exchanges. Borders have been the condition not only for the exercise of sovereignty, but for the exercise of popular sovereignty, which has both a territorial foundation and a foundation in democratic representation.

The Disappearance of the Borders?

This situation has changed fundamentally over the past two decades.[19] Today, the central charge against globalization is that it erodes the borders of the nation and thus makes the exercise of popular sovereignty impossible. Some of this work of destruction is, as anti-globalization texts point out, the work of the state itself. It was the French government that negotiated the lowering of barriers and the opening of its borders both with other states in the European Union and within the international economy. In negotiating the 1985 Single Market Act, the French agreed to remove virtually all barriers to movements across borders of goods and services within the EU; in negotiating the Schengen agreement (and incorporating it in the Maastricht Treaty) the French agreed to give up national controls over the movement of people across French boundaries; in negotiating the EMU, the French have effectively removed the barriers to capital flows. With a much wider range of states in the World Trade Organization, France has negotiated freer movements of goods, services and capital across its borders, albeit still more regulated flows than with the member countries of the European Union.

Secondly, France has negotiated transfers of authority to foreign actors within national territory. Rules that were once made by elected local and national officials are now made by outsiders--bureaucrats with no democratic mandate. On a very wide array of issues-- the hunting season for migratory birds, gas price fixing, beef hormones, genetically modified foods are only a small sample-- France has transferred the authority to make rules to external powers, the European Commission or WTO. With respect to these negotiated changes, we may say that the borders have disappeared through interstate accords.

In the third case--and this is the situation that above all preoccupies those who are mounting the attack on globalization today---the state has not even been able to negotiate its retreat. It has lost the capacity to regulate movement across the frontiers. The *souverainistes*, the protesters organized in ATTAC and the intellectuals at *Le Monde Diplomatique*, see immigrants, American cinema and culture, hot money, mad cow disease, hoof and mouth disease, Macdonald's, genetically modified foods as pouring in over the borders, with the state helpless to prevent this. Without controls at the borders, they believe that capital mobility threatens a race to the bottom on social, environmental and cultural standards. Globalization, in this view, brings not only a market economy but a market society.

This nightmare scenario is the obverse of the liberal's dream. As Kenichi Ohmae has expressed it in <u>The Borderless World: "</u>If the government tightens up the money supply, loans may gush in from abroad and make the nation's monetary policy nearly meaningless. If the central bank tries to raise the interest rate, cheaper funds flow in from elsewhere in the ILE [the new "Interlinked

Economy"]. For all practical purposes, the ILE has made obsolete the traditional instruments of central bankers--interest rate and money supply.(pp.x-xi). ...On a political map, the boundaries between countries are as clear as ever. But on a competitive map, a map showing the real flows of financial and industrial activity, those boundaries have largely disappeared.[20] As a British commentator quoted in The Economist put it, "[The state's] powers over the price of money...tax rates, industrial policy, the rate of unemployment, have been blown away."[21]

Are borders disappearing?

Whether in its nightmare or utopian form, the vision of a borderless world hovers over all contemporary debates. The question we need to ask, as social scientists, and as citizens, is whether such a vision is compelling. Absent a massive backlash against globalization and a return to old forms of protectionism, are borders destined to disappear? Strangely enough, social scientists have devoted rather little attention to the question of how borders are created, maintained, and reproduced over time. If the historians cited above suggest, borders emerged historically over long periods of time, out of the acts of regulation of states on their frontiers, can they survive the retreat of the state from the border?[22] With the liberalization of trade and financial markets, with the creation of regional free trade zones like the European Union and NAFTA, with new technologies that enable vertically-integrated corporations to reorganize themselves into global supply chains, can borders continue to function? That is, can borders continue to sustain distinctive configurations of production, distribution, risk-sharing, and social organization?

When we turn to social science literatures that have explored this question, we find a much more mixed picture than might have been expected. First, a substantial body of research by Geoffrey Garrett, Robert Wade, Duane Swank and others suggests that the constraints of international economic integration on national policy leave far greater room for national policy autonomy and the implementation of national preferences than the conventional understandings of globalization would allow.[23] Secondly, and most intriguing from the perspective of the debate over borders, there is strong evidence of the persistence of border effects, even in the presence of strong ties of economic interdependence between societies. Border effects are a measure of the downward impact of national boundaries on the aggregate volume of trade between two localities situated in different countries. The existence of such effects means that two localities in different countries trade less (by some factor) than two localities with similar economic profiles that are situated within the same country--after controlling for size, distance, and income.

The predictions about how much trade is likely between different places are derived from gravity trade models.[24] Using such models, economists have shown significant shortfalls between predicated and actual levels of trade even between countries like the United States and Canada, with common language, low border-level barriers, and strong economic interdependence. These shortfalls, or border effects, are large: there may be 10-20 times less trade between two localities if they are on opposite sides of the U.S.-Canada border, than if they were on the same side of the border--holding constant other features of the localities. [25] Françoise Maurel has discussed the strength of such border effects within the European Union, and cites Head and Mayer's calculations of effects ranging from 12 to 20. [26] As she expresses it, this means that crossing a border within the EU is equivalent to multiplying transportation costs by four, or else having a tariff of about 37%. She notes that the sectors for which border effects are highest are not those in which previous studies had identified high non-tariff barriers. (Carolyn Evans comes to similar conclusions for the Canada-US case. These effects have been analyzed for trade among OECD and among non-OECD countries and the results, as one would predict, are even larger than for U.S.-Canada trade. How do economists explain such persistent and large border effects? The literature shows a systematic examination and rejection of a wide variety of plausible factors, such as differences in the products, or information gaps. The economists conclude that there must be some kind of political lag factor. From this perspective, these border effects are market distortions and reflect inefficiencies that ought to be eliminated.

But there are other ways that we might interpret these effects. If we see border effects not as transitory distortions of the international economy, but as manifestations of resilient national segmentation then there may be a wider range of political choices available to our societies than either the advocates or the enemies of globalization now suggest. Their readings of the alternatives pose a harsh trade-off between maintaining democratic politics and maintaining an open and increasingly integrated international order. On this understanding of matters, if we choose to preserve democratic politics, we are obliged to retreat from international economic integration, and reinstate some of the old protectionism. If instead we opt for international economic integration and for globalization, then we are forced to give up the borders of the state and the terrain of democratic control. The trade-offs between these three poles---democratic politics, national governments and globalization---represent in Dani Rodrik's formulation a kind of " political trilemma." [27] Rodrik sees only one genuinely good alternative to the two bad trade-off pairs I have mentioned. He sees global government, with real possibilities for political representation, mobilization, and participation as a form of governance consistent with international economic integration.[28]

This seems a dismal conclusion, for even on the horizon of the "next 100 years or so" which is the period that Rodrik is betting on, world government hardly seems likely. The experiences of the past fifty years of the European Union do not suggest much optimism about even the longterm prospects of transferring popular loyalties and democratic practice to larger international entities. Even in the case of the EU, where citizens of the member states have agreed to massive transfers of power, surveys show a striking lack of political identification with Europe.

Citizens still feel that the rules and protections they need in the global economy must come from their own governments. SOFRES surveys in 2000 found that the French think that as globalization proceeds, the economy will have to be more regulated than it is today.[29] When asked which authorities ought to make the rules for the economy, the French overwhelmingly named national government.[30] François Hollande, the leader of the French Socialist Party, commented on the paradoxical character of these responses: "At a time when the nation-state is supposedly unable to face the challenges of globalization, it is still invested with responsibility to regulate a phenomenon which lies beyond its reach. This contradiction poses a formidable problem for political decision makers. They are accused of impotence, but they still remain the only legitimate references for regulating the consequences of economic fluctuations and for protecting the French from the impact of globalization on their daily life. Neither Europe nor international institutions, however relevant their framework might be for such regulation, are considered sufficiently effective or democratic."[31]

Are the French hoping for the impossible when they express the wish to have their own government regulate the economy? Are they formulating a preference which could only be implemented by rolling back decades of trade and capital market liberalization? The evidence of the persistence of distinctive national policy regimes and of resilient border effects suggests that there may be more space for national preferences and politics than the dire trade-offs that Rodrik has laid out. For the foreseeable future, economies with national borders remain the real units of the international economic system. Borders which were set in place by rulers over the centuries have been hardened up by distinctive legal institutions, by different social and market norms, by the territorially-based networks of firms, by dense and socially-embedded economies. We miss the embedded character of economic activity if we see border effects as transitory distortions of the international economy.[32] They are better understood as the manifestation of the entanglement of dynamic economies with the norms, expectations, laws, and ways of life of specific places. Politics at the borders may lie at the origin of the locational stickiness of economic activity. Today, these sticky economies reconsolidate borders.

We do not have to accept such a broad understanding of the nationally embedded character of economic life in order to see why national borders provide a resilient frame for economic activity. A more minimal interpretation of what national boundaries continue to provide would be that they lower the anticipated risks of economic and social exchange, even across the borders of societies as similar as those of the United States and Canada or those within the European Union. We need not imagine that economic actors within the same political jurisdictions have high levels of trust in each other; only that they have higher levels of certainty about how they and others will operate and about how institutions will deal with breaches of the rules within these boundaries than that have about the performance of individuals and institutions anywhere else. They can predict more accurately the outcomes of conflicts and of failures to perform within their own legal system than elsewhere and thus prudence, if nothing more, makes people more willing to do business within their old borders. If preferences remain strong for transactions within familiar territory, then France and national governments more generally may still have real opportunities for evolving rules for society, even within a globalized international economic system.

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[1] This text was presented as the Leo Gershoy lecture on April 4, 2001, at the Institute of French Studies, at New York University.

[2] See the special issue of *Les Temps Modernes*, and in particular Paul Alliès, "Souverainistes versus fédéralistes: la controverse française."

[3] Erik Izraelewicz, "La première révolte contre la mondialisation," *Le Monde*, 7 December 1995.

[4] For an excellent account of the various political, cultural, economic, and culinary arenas in which anti-globalization tendencies have been manifested in France over the past decade, see Philip H. Gordon and Sophie Meunier,

"Globalization and French Cultural Identity," *French Politics, Culture and Society* 19,1 (2001):22-41 and Philip H. Gordon and Sophie Meunier, *The French Challenge* (Washington: Brookings Institution, 2001).

[5] Marcos Ancelovici, "Organizing against Globalization: The Case of ATTAC in France," manuscript, June 2001.

[6] See Gordon and Meunier, "Globalization,"p.37.

[7] Kenichi Ohmae, *The Borderless World* (New York: Harper Collins, 1990).

[8] James Madison, Federalist Paper 10,

[9] Suzanne Berger, "The Coming Protectionism: Trade and Identity in France," in Gregory Flynn, ed., *Remaking the Hexagon: The New France in the New Europe* (Westview, 1995).

[10] Eugen Weber, "L'hexagone," in Pierre Nora, ed., *Les lieux de mémoire* (Paris: Gallimard, 1997) **1:** 1174. [The translation is mine, as are the subsequent ones.]

[11] Jacques Ancel, Géographie des frontières (Paris: Gallimard, 1938) p. 145.

[12] See Fernand Braudel, *L'Identité de la France* (Paris: Flammarion, 1990) Livre premier, Espace et Histoire, ch. 3, "La Géographie a-t-elle inventé la France?" especially the discussion, pp. 312-333.

[13] Ancel, *Géographie,* pp.147-8.

[14] Quoted in Ancel, *Géographie*, p.70.

[15] Weber, "L'hexagon," p. 1184.

[16] Charles-Albert Michalet, *Les Placements des Epargnants Français de 1815 à Nos Jours* (Paris: Presses Universitaires de France, 1968), pp. 138-141.

[17] See Raymond Poidevin, *Les Relations Economiques et Financières entre la France et L'Allemagne de 1898 à 1914* (Paris: A. Colin, 1969).

[18] Malcolm Anderson, *Frontiers: Territory and State Formation in the Modern World* (Cambridge, U.K: Polity Press, 1997), p.1.

[19] From the last quarter of the nineteenth century until the First World War, French borders were even more open than today to free flows of persons, capital and goods. But the depression and the two wars resulted in tightly controlled frontiers and a sharp reduction in cross-border flows. It has only been in the past twenty years that France has returned to the openness of the "first globalization" of the end of the nineteenth century. How the French understood the political and economic consequences of the "first globalization" is the subject of my current research.

[20] Ohmae, *Borderless World*, pp. x-xi, 18.

[21] "The Myth of the Powerless State," *The Economist,* October 7, 1995, p. 15.

[22] See the provocative suggestions of Charles Maier on this subject in “Transformations of Territoriality: 1600-2000,” lecture at ECLA, Berlin, revised, August 8, 2001.

[23] I have reviewed these literatures in "Globalization and Politics,"Annual Review of Political Science, III (2000) and here only signal their relevance to the debate.

[24] See the discussion of such gravity-type models in Carolyn L. Evans, "The Economic Significance of national Border Effects," Federal Reserve Bank of New York, October 15, 1999, pp 4ff.

[25] John McCallum, "National Borders Matter: Canada-U.S. Regional Trade Patterns," *American Economic Review* 85 (June, 1995): 615-23; John F. Helliwell, *How Much Do National Borders Matter*? (Washington DC: Brookings Institution, 1998); and Michael A. Anderson and Stephen S. Smith, "Do National Borders Really Matter? Canada-U.S. Regional Trade Reconsidered," *Review of International Economics* 7, 2(1999): 219-227. See also the stimulating essay of Grahame Thompson, “The Limits to ‘Globalization’: Taking Economic Borders Seriously,” The Open University, n.d.

[26] Rapport du Plan, *Scénario pour une Nouvelle Géographie ´conomique de l’Europe*, (Paris: Economica, 1999), Rapport du Groupe “Géographie économique,” Présidente Françoise Maurel, p.62.

[27] Dani Rodrik, "How Far will International Economic Integration Go?" *Journal of Economic Perspectives* 14 (1): 177-86.

[28] Rodrik, "How Far?" p.184.

[29] SOFRES, *L'Etat de l'Opinion 2001*, p.130.

[30] SOFRES,p.131.

[31] SOFRES, p. 130.

[32] For an exploration of these themes with respect to how the Internet might affect the geography of economic activity and exchange, see Edward E. Leamer, and Michael Storper , "The Economic Geography of the Internet Age" forthcoming, *Journal of International Business Studies*.