

Public Borders, Private Crossings: the governance of cross-border flows in historical perspective

This is a paper with plenty of questions, only a few very tentative answers and an exhortation¹. This exploratory endeavour grows out of the author's previous work on the domestic determinants of inward FDI policy and an ongoing project on 'secure trade' – namely, reconciling economic openness with border enforcement (Pokarier, 2005, 2007a, 2007b, 2008). This paper looks to the collective wisdom of the business history community for a corrective to a rather profound error of neglect in cognate history disciplines and, to a common perceptual bias within contemporary debates over the transformation of nation states through cross-border mobilities. In short, the paper urges business historians to contribute actively to the development of better accounts of the past development of national borders and their governance. In doing so they may help to overcome a resilient bias towards conceptualising nations in terms of physical territory; a consequence of which is a disciplinary bias towards domestic public governance and against understanding the role of business in the historical definition and consolidation of nations. From this corrective may grow more nuanced dialogues about the nature and extent of the contemporary change popularly discussed in terms of 'globalization' and, ultimately, meaningful conceptualisation of the public and private governance dimensions of diverse cross-border mobility.

The paper first briefly discusses why business historians should concern themselves with contemporary debates about the nature of national borders and territoriality and sets this in the context of a large historical literature on the origins of nations and nationalisms. It then posits the prevalence of a particular type of territorial obsession in this literature; one that underplays 'virtual territory' and 'virtual borders' at the expense of a full understanding of the place of border-spanning businesses in shaping a nation's frontiers. It then suggests an analytical approach to explaining why some cross-border flows and not others gain salience in public policy at particular junctures. The paper concludes by identifying some questions arising about the governance of national borders that business historians might profitably respond to.

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Several cautions in relation to terminology are in order. The 'public-private' distinction in the title of the paper, although having quite an old pedigree in the English language, nonetheless is deeply imbued with modern conceptual significance. The public notion is predicated on some conception of a neutral state acting on behalf of the collective welfare of citizens – and the private being 'not public' in one sense – but also, in some polities, as having an emblematic normative symbolism – as a conceptual check upon feudal & nascent-state predation. The public interest-private interest dichotomy will also be evoked subsequently in the paper in discussing theoretical conceptualisation of the determinants of border governance (with evidently normative implications) as well as in the more avowedly descriptive sense of categorising the preferences/motivations of actors who seek to influence such governance.

The issue and its importance

The starting points for this paper are, firstly, recognition of the centrality of territoriality to both nationalism as an observed phenomenon, and to academic theorising about the nation-state, and, secondly, a working hypothesis that 'territoriality', as commonly envisioned, is too narrowly focused on its tangible physical dimensions. Wimmer and Glick Schiller (2002: 304) have argued that the particular historical intensity of nationalism has heavily patterned the practice of social science; describing a 'methodological nationalism' in which "...the social sciences were captured by the apparent naturalness and givenness of a world divided into societies along the lines of nation-states." The particular concern of this paper is the proclivity of much historical scholarship to take the boundaries of natural territory for granted (and when not, to assign them to a category of 'border disputes' or 'border issues'), and to prioritise analysis of domestic governance capacities within a given *physical* territory. Borders are often perceived as at the physical periphery of national homelands, and have ended up at the periphery of scholarship on the development of nation-states as well. The very language of borders often provokes images of check points, wire and spotlights (Cuttitta, 2006: 27), or badlands and desolation, or that particular feeling captured by the expression 'so close and yet so far'. It is suggested that the sheer resilience of such conceptions of territory, centred upon physical space, have been at the heart of much of the misplaced hype about borderless worlds with the advent of modern telecommunications and transportation technologies². More fundamentally, a

² Andreas (2003: 84) noted that 'globalist' accounts "...too often miss or understate the more complex

perceptual bias towards physical frontiers distracts from the reality of near ubiquitous 'virtual borders' that lie within the operating procedures and institutionalised structures of the myriad organisations involved in facilitating cross-border mobility. These mobilities include goods and services, capital, people, information and ideas. Most of the channels through which they occur are privately owned and/or managed, yet are subject to more or less critical scrutiny from the state agents with responsibility for enforcing national borders. All borders are patchy. Yet unlike physical borders, where unspecified areas on maps are immediately obvious to all, ill-defined virtual borders go unnoticed.

A personal example from financial services should suffice to make clear the distinction between virtual and physical borders. When this author transfers money to himself, from an Australian to a Japanese bank, a series of operations spanning multiple regulatory/bordering domains are entailed. Firstly, access to the Australian bank account by a non-resident abroad may be regulated (a non-trivial matter, as shown, for instance, by the refusal of Citibank Japan to make investment products available to Japan-resident US citizens or green card holders owing to US, not Japanese, regulations). Secondly, the transfer of funds from Australia to Japan will be regulated by Australian authorities and, thirdly, by Japanese authorities. Finally, access to domestic Japanese banking services by resident (and non-resident) foreigners is subject to specific regulation. Four spheres of border regulation, two states and at least two firms are entailed in the transfer, and the author has not left his desk.

Popular discourses about how information and communication technologies undermine national sovereignties do have some substance, even if they often overlook borders imposed by regulators behind the scenes. New channels of cross-border mobility and transactions are opened up, which makes border specification and control an ongoing process for states (for worse or better in terms of welfare). Yet the revelatory tone in which many commentators on globalization discuss this suggests insufficient familiarity with the rich history of mobility, its historically profound impacts on societies, and the recency of many border controls that we now take for granted. Fahrmeir's (2007) account of the historical evolution of the governance of citizenship and inward mobility of 'foreigners' (itself a historically specific and

dynamics of state territorial retreat and reassertion, of border erosion and reinforcement at the same time."

context-laden term) provides one valuable corrective; as does O'Rourke and Williamson (2000) on the trans-Atlantic economy in general, and Pomeranz and Topik (1999) on particular commodities and their lifestyle impacts, and Tyler Cowen on trade in cultural product (2002).

Saskia Sassens, a prominent sociologist of globalization, draws upon an array of business and economic history work but still sees significant new forces at work, largely since 1980, that are creating new 'global assemblages' (2006). In Sassens' words (2006: 416), "...there are multiple locations for the border, whether inside firms or in long transnational chains of locations that can move deep inside national territorial and institutional domains." This directly accords with the concerns of this paper, although it this author's working assumption that a much fuller engagement with the insights of the business history discipline will reveal that what Sassens describes as contemporary globalization has always been a feature of the evolution of national borders. Indeed, as some of the flows of goods, people, finance and information that states may seek to regulate actually predate the nation-state in its modern form; it is anticipated that the past patterns of these flows may be partially endogenous to initial border formation.

Anderson and O'Dowd (1999: 596) remarked that although often '...geographically far from central administrations, state control may paradoxically be strongest' at the seemingly vulnerable physical border; although they only implicitly suggest that this is because state agencies at least there have direct control. Sassens seeks to avoid 'methodological nationalism', although she tends to do so through the recently common focus on key cities as clusters, nodes or hubs in a networked global economy in place of nations: yet still an overtly physical, spatial orientation³. Sassens seeks to marry this city-centred conception of globalization to a recognition of the significance of virtual borders by asserting that "...global cities account for a disproportionate concentration of such border locations.." which may be evocative but suffers from a certain conceptual, definitional and empirical fuzziness. (2006:417) Yet Sassens' (2006: 416) terminology of 'bordering capacities' is useful; if it reminds us of the inevitable limitations of the state and its frequent need to coopt at least some elements of the

³ Even rigorous comparative studies of the political economy of urban development are pitched to reading publics with a heavy globalization spin; such as in the case of Savitch and Kantor's 2002 work which was titled 'Cities in the International Marketplace'. Paul Krugman's (1996) caution against 'pop internationalism' has gone largely unheeded.

private sector to address border issues that might become politically charged – as they are today⁴.

The current salience of border protection issues is not merely owing to the threat of terrorism and its cross-border financing and organisation, but also to an ever-expanding human security agenda covering crime, pandemics and other phytosanitary threats, illegal migration, environmental protection and much more (Andreas, 2003; DFAT, 2004a). Age old efforts to interdict and stamp out smuggling – historically primarily to guard tariff revenues – has been extended to enforcing private rights to copyrights in such things as music and designer clothes⁵. The scale of contemporary cross-border mobilities, especially within and in and out of an enlarging European Union, presents profound governance challenges which are both organisational and philosophical (on the EU see Jeandesboz, 2008, and www.libertysecurity.org & for a prescient pre-9/11 US perspective see Flynn, 2000).

Initial US responses to 9-11 were heavily geared towards enhanced physical border

⁴ Sassens (2006: 417) asserts that “Such shifts from geographic borders to embedded bordering capabilities have been far more common and formalized in the case of major corporate actors than they have, for example, for citizens and migrants.” Yet this would seem at odds both with the realities of the governance of cross-border human mobility and the often complex (and often inconsistent) delineation of rights to access various public resources based on length and status of residence, after one ‘gets through the gate’ or even gains citizenship. For instance, some nations effectively exclude citizens normally resident abroad from accessing subsidised health or education services. Moreover, much regulation of firms’ cross-border endeavours is built upon regulation of the residency status of individuals: either clients of the enterprise or those who may exercise control over it. This author’s own favourite recent example was the discovery by Estonian customs officials in December 2004 of a kilometre-long hose along the bottom of the Narva water reservoir, through which large amounts of cheap spirits were illegally pumped from Russia to a waiting cistern disguised as an Opel passenger car. Earlier, Lithuanian officials found a similar three kilometre-long underground plastic pipe for smuggling alcohol in from Belarus (AFP, 14 December 2004).

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surveillance, and technological applications that would enhance such state capacities (Andreas, 2003). US policy initiatives then shifted towards a whole-of-supply-chain orientation, as seen with the Container Security Initiative (CSI), and are increasingly replicated and/or complemented by other leading trading nations. Such measures entail 'deep reach' – the author's term - by state agents into private commercial practice (DFAT, 2004b). Examples include US requirements for airlines traversing US airspace (not just arriving) to provide passenger manifests well in advance of entering US territory, and for maritime shippers to provide cargo manifests electronically prior to departing port. In practice most shippers, owing to the constraints of berthing costs and customers submitting data in hard form, often simultaneously load and prepare the manifests with the attendant risk that a US 'do not load' directive regarding a particular container or other cargo will entail a profoundly costly unload/reload. Regulatory measures against money-laundering impact significantly on the operations of financial institutions conducting international transfers, a basic function that undermines the global trading system. It is recognised that in seeking to govern cross-border flows, states inevitably need to coopt private entities that provide many of the channels (intra and inter organisational) through which those flows run⁶. The explicit 'partnerships' with private enterprises involved in cross-border movements (shipping firms, stevedores, airlines, financial institutions etc) that the US Department of Homeland Security seeks will impose immediate costs on the firms concerned and leaves the direct imprint of the state on their operating procedures and overall development. Some firms may be privileged vis-à-vis others in this process, as in the 'known shipper' provisions of America's Customs-Trade Partnership Against Terrorism (C-TPAT) program.

Where do national borders (and nations) come from?

Borders would seem to have ancient lineage. Exclusive claims to territories have long been explicitly signalled through such devices as marking stones, walls (though perhaps more as defensive means than delineators of claimed territory), and the

⁶ Influential globalization theorist Sakia Sassen (2006) asserts that there has been '...a shift in authority from what is formally represented as the public to the private sphere' (2006: 194). While there has indeed been a significant increase in privatisations and government contracting for private provision of public goods, this does not represent a shift in formal authority but in the loci of the state's attempt at control.

aligning of claims with readily identifiable natural landmarks such as rivers. Written maps might record claims to territory, but as an impressive scholarship on the history of map-making attests, this was characterised by profound imprecision and simple symbolic representation until relatively recent times. Addressing that deficiency has been shown by Benedict Anderson and others to have been a significant feature of nation-specification (Anderson, 1991: 170-178). Yet a comprehensive system of mutually exclusive national territories, and the associated processes of detailed border specification, is a decidedly new phenomenon; typically dated to the Peace of Westphalia in Western Europe of 1648 but reaching its full force with the decolonisation and new state recognition processes post-WWII (Cuttitta, 2006: 27-28; Derian, 1990; Walker, 2006; on citizenship see Skinner & Strath, 2003).

As our focus is on border specification and enforcement, we must have regard for the vast and rich scholarship on where nation-states come from but which is beyond the scope of this paper to survey. In short, the broad lines of division are between those more inclined to the 'primordialist' position (eg. Roshwald, 2006) – finding the origins of nations in ethnicities and sometimes polities of considerable historical lineage – and 'modernists' who find the conditions of nation-state formation to be linked deeply to modernization, and to conditions of universal education, social mobility and technical work. Gellner (1997) emphasized the breaking down of previous social strata/place/vocation-specific cultures with sustained economic growth, and the increasing integration of a large proportion of populations into a standardised high culture/language through mass education, incentivised by the rewards to literacy, numeracy and general learning that modern economies offered.

In a more primordialist vein, Anthony Smith (2008: 19) defines a 'nation' as "...a named and self-defined human community whose members cultivate shared myths, memories, symbols, values, and traditions, reside in and identify with a common homeland, create and disseminate a distinctive public culture, and observe shared customs and common laws." Such a definition implies considerable human agency, at least sometimes conscious and purposive, in the realisation of a national self-definition; and in doing so Smith offers some scope for reconciling his focus on ethnicity with the modernist accounts of recently 'invented traditions', to use Hobsbawm and Ranger's (1983) influential terminology. The specific issue of agency in nationalist mobilisation, and whether it serves idealistic or instrumental ends, will be returned to later as it is fundamental to the potential contribution of business historians to better

understanding of the development of national borders.

The (modern?) territorial obsession

Prior to the modern solidification of the nation-state system there was indeed endless contention over territorial claims to resources, entrepôts, hubs and nodes of economic, social and cultural endeavours and/or strategic import, and geographical trophies – to places imbued with meaning and/or practical import. Territorially contiguous holdings were more convenient but were by no means normatively pre-eminent. Fragmented territorial holdings found legitimacy in the logic of aristocratic and monarchical absolutisms: titles were usually tied to territory, sovereignty might shift with a marriage, or domains may be gifted or traded. The private organisational means for contracting, administering and financing long-distance trade (the adjective ‘international’ is a misnomer for an age prior to the modern nation state and even ‘foreign’ is problematic) could, indeed needed, to outlast such changes of sovereignty. This, incidentally, suggests an important correction to the now frequent and rather blithe assertion by many political scientists (typically of a left-wing persuasion) that markets need states, and that international business needs national governments in particular. Moreover, the preservation of existing states and borders could critically depend on privately controlled resources. It is well understood that many border disputes and open armed conflicts have arisen or been compounded by the coveting of resources or clusters of economic activity that presented the prospect of additional revenues and other benefits. Yet history is also replete with instances of military stratagems that paid insufficient regard to guarding privately-held resources essential to national mobilisation. France’s loss of key mining and industrial areas early in the First World War was one such instance although subsequent state-private coordination accomplished quite remarkable expansion of productive capacity (Doughty, 2005, 114-120; Stevenson, 2004: 229-231).

Historically the natural environment inevitably patterned heavily the general borders of fiefdoms, kingdoms and other entities that would be transcended in time by the modern system of nation-states. Yet mankind was never entirely passive in the face of the constraints of mountains, moors, waterways and deserts. Technological developments not only provided growing means to transcend the ‘tyranny of distance’ – a prominent theme in Australian historical writing – and geography but also to profoundly alter natural landscapes in purposive ways. Blackbourn (2006), for instance,

has provided a magisterial account of the reshaping of German waterways over centuries and the profound economic, socio-cultural and environment consequences, intended and unintended. These processes were inseparable from thinking about evolving German statehoods and, ultimately, a unified nation-state, its 'natural' territorial frontiers, and the nature – pun intended – of the Germanic peoples themselves. Blackbourn deftly weaves an understanding of the profoundly important place of private entrepreneurship in these processes of change; such as in the canals and fens communities of East Friesland and Oldenburg and the complex relationships with the nearby Netherlands (2006: 144-161)..

Much writing on nationalism, informed by either early Western European experiences or, alternatively, particular cases of anti-colonial resistance, evince assumptions about an ethnic grouping's ancient ties to a particular physical location and a normative stance critical of control being exercised by those 'not from around here'. Gellner (1997: 108) found that in the ideological baggage of nationalism "...the entire weight.. is on the side of fetishisation of landscape, of national culture expressed in land-use and in its territorial delimitation." Appeals to nationalist sentiment have frequently evoked symbolism drawing upon distinctive features of the national terrain, and to which aspiring national poets, artists and film-makers may seek to capture; safe in the knowledge that they will have a ready audience for generations after. Hence generations of Australian schoolchildren have been compelled to recite Dorothea McKellar's poem *My Country* which speaks the rather unconvincing lines (and which most remember nothing beyond) "I love a sunburnt country, a land of sweeping plains..." At least in the Australian experience of only two hundred-odd years of white European settlement, and later political contestation over the prior claims of dispossessed Aboriginal peoples, many sensed the relative recency of attachments to place and their entrepreneurial origins. Ennobling myths of mateship, toil and overcoming on the frontier were certainly propagated, and the evidence of Europeans profound impacts on the ecologies of the continent is overwhelming. Yet the historically contingent nature of previous generations of Europeans' arrival in Australia, and the linkages back to one or another 'mother country' has deeply permeated scholarship on the national-history, if not always popular political discourse. For European scholars, a more instinctive equation of ethnicity and a particular homeland – as evident in Smith's definition of a nation cited above – is more understandable, even if of limited fit beyond particular historical European experiences.

Smith (2008: 127-8) notes though that for those influenced by Christianity, even an aspirant nation-in-exile has an explicit territorial focus through the Old Testament's conception of 'the promised land' only temporarily lost to the Jewish people⁷. Smith explores the potency of 'New Israel' imagery in the Dutch revolt against the Duke of Alba's Catholic Habsburg armies in the late 1560s and 1570s. Yet, as the tragedies of anti-Semitism have shown, being perceived as having a potentially rival affiliation with a 'foreign' place may make one a target of exclusionary nationalisms. As Anthony Marx (2003) explores in early 'religious nationalisms', adherence to a foreign-based institution such as the Roman Catholic Church, or foreign centres of protestant learning for that matter, could bring one's very citizenship (in the broad sense) into question⁸.

In a more contemporary vein, we should be wary of assuming that holding citizenship automatically entitles one to the same rights vis-à-vis the home regime when abroad as when resident on national territory. For instance, the operations of financial institutions are impacted by the regulation of residency; and not infrequently non-resident citizens are excluded from accessing certain financial products. Notably, Australian foreign investment regulation effectively treats non-resident Australian shareholders as foreigners for the purposes of sector-specific foreign equity caps; entangling also fund managers in the enforcement of these counter-intuitive provisions. In practice, with computerisation, the key measure in Australian regulation of financial institutions become whether the customer's identified primary address is in Australia or abroad. Furthermore, citizens residing abroad are usually denied access to share placements by firms owing to Australian regulatory requirements for the issuing firm to issue a prospectus compliant with the place of residence of each shareholder or to exclude them from offers (though firms generally compensate such disenfranchised shareholders in practice).

Ideal and tractable nation-states

⁷ Smith (2008: 137-134) argues the Old Testament is an ideational model for a particular model of covenant nationalisms.

⁸ Marx noted, for instance, that at the turn of the Eighteenth century English rules stipulated that Catholics were forbidden to study abroad (Marx, 2003: 180).

Roeder (2007) and Gellner (1997) both posed a question of fundamental importance, although sought to answer it in rather different ways: why did only a small proportion of the myriad past and ongoing nation projects lead to the realisation of a formally sovereign nation-state? A second order but inseparable question is why did those nation-states that did happen to be realised take the particular territorial (broadly defined) form that it did? There is, of course, a huge literature addressing both specific historical instances and the broader issues of real politik, colonialist legacies, historical accident and much of it is beyond the immediate analytical concerns of business historians. Yet Roeder's focus upon institutional change as a key determinant of nation-state formation highlights the ongoing need for a corrective to the overly narrow focus on issues of ethnicity and political mobilisation *and* how business historians can make a valuable contribution. Roeder, as a political scientist, pays close attention to the historical existence of what he calls 'segment states', essentially sub-national institutions that provide loci of legitimated leadership and organisational capabilities, as the most likely predictor of the success of a new nation-state project (2006: 12-16). In short, these institutions provide a more ready means for new sovereign state formation, and their absence profoundly handicaps would-be nationalist movements. Moreover, Roeder argues that the wide-ranging 'ethnification' (national identity building) of nation-states generally follows, rather than precedes, their formation (see too Kedourie, 1993). Roeder examines the experience of post-Soviet Union nation formation against a comprehensive data set of the patterns of nation state formation since 1816. His work complements the observations of Benedict Anderson about how the structure of colonial administrations in Latin America patterned subsequent 'creole nationalisms' and realised nation-states.

Yet Roeder's analysis does not extend to the role of business actors in the development, patterning or sustainability of those organisational capabilities. In Anderson's profoundly influential work, the only business entity that rates a serious mention is the printer-newsman who helps to popularize nationalist aspirations (Anderson, 1991). Notwithstanding this, Anderson's notion of 'print capitalism' has a significant place in the 'modernist' accounts of nationalism. That is not to fault Anderson's insight, but simply to emphasize that the contribution to be made by business historians to understanding the processes of modern nation-formation is large and still far from being fulfilled. Scholars such as Douglass North (1981, 2005) provide a common analytical framework for conceptualising the historical development of private and

public institutions, and their critical interdependence. Business history is replete with illuminative anecdotes and analyses⁹.

We should concern ourselves with the historical limits of nation-building – geographical, organisational and technological – with the latter being a significant factor in the former two. Benedict Anderson (2006: 114) judged 18th century creole nationalisms to have been shaped “...not only by the centralizing ambitions of metropolitan absolutism, but by real problems of communication and transportation, and a general technological primitiveness.” By the twentieth century he saw these problems largely having been overcome, and nationalist dynamics taking different forms. A key open question is the extent to which private organizational capabilities determined, or at least constrained, nation-formation? Put differently, to what extent was private business – as the main provider of the channels of mobility – endogenous to border specification in the first place?

What flows?

The flow provokes the border issue. The state is never fully and effectively anticipatory of entrepreneurial private action. Exclusive actions are almost inevitably reactionary: inbound flows provoke hostile reactions and moves to exclude; with often long lead-times. This was evident in the adoption of the so-called ‘White Australia Policy’ at the time of federation in 1901; and underpinned by the Immigration Restriction Act which was one of the first laws created by the new federal Australian parliament (Alomes & Jones, 1991: 125-139). Such institutionalised exclusionism was the condition that an increasingly influential labour movement set for its cooperation with the messy political compromise across state colonial and party divides that brought the nation into being. White labour hostility to non-European labour inflows¹⁰, manifested in

⁹ Pomeranz and Topik, for instance, concluded that the creation of the modern permanent corporate form with the East India Companies was because of the heavy capital needs associated with its very special mandate given the operating environment faced. In short, the Company needed a capacity for “...violence. The East India Companies were not just licensed to trade, but to make war on the Portuguese, who had created fortified colonies and used their navy to claim a monopoly on trade from Asia.” (1999: 164-65)

¹⁰ ‘migration’ being far too kind a term for the virtual slavery some Kanaks were subjected to and misrepresentative of the sojourning intent of many Chinese and others who came to labour or prospect in

increasingly strident political entrepreneurship in the late 19th century, was a reaction to successive (small) waves of Chinese, South Pacific islander and, to a lesser extent Japanese arrivals in which European and other private entrepreneurs had played key roles in facilitating.

Not all cross-border flows are border issues, and the same flows provoke different reactions (or none at all) in different times and places. This may be owing to the varying limitations of 'bordering capacities', to use Sassen's terminology, or it may be because different flows gain policy salience in different times and/or nations. To the former issue first. Krasner (1999: 4) developed a four-fold schematic of sovereignties; with 'interdependence sovereignty' referring to "...the ability of public authorities to regulate the flow of information, ideas, goods, people, pollutants or capital across the borders of their state." For Krasner, it is a very real possibility that: "a state can have [the sovereignties of] international legal, Westphalian, and established domestic authority structures and still have limited ability to regulate cross-border flows and their consequent domestic impacts.." The specific reasons are inevitably situational: combinations of attributes of the cross-border flows themselves, particular state capacities (or, more correctly, their absence), and the overall scale of the border enforcement challenge.

So what makes some cross-border flows particularly salient as a border enforcement issue? At one level this question seems a rather technical and decidedly second-order question given the profound contention that still lingers over the 'big picture' historical questions of where nation states come from. Yet, as earlier discussion suggests, the very *raison d'être* of nation-states entails selective exclusions, as the flipside of the specification of rights & entitlements for citizens and residents (often with a spectrum of entitlements and restrictions according to status). Aficionados of old television commercials may be familiar with successful copy: "It is the fish that John West rejects that makes it John West". This may have direct parallels in the assertion of national particularism. Vetting cross-border inflows becomes a tangible expression of practical sovereignty, and for insecure nationalists this may be a source of utility in its own right. One is reminded of Carl Schmitt's famous (perhaps notorious) dictum that "Sovereign is he who decides upon the exception" (1922 original, quoted in Williams, 2005: 86)

Australia.

Somewhat ironically then, more mature economies with larger resources to mobilise for border enforcement regimes may nonetheless, owing to their assured economic sovereignty, be more sanguine about the supposed risks of inbound cross-border mobilities. Certain nation-states may go further and purposefully project images of openness, economically and/or socio-culturally. This relates directly to contemporary debates over both 'soft power' and the evolving international geographies of innovation; with leading contributors warning that a hallmark of American national success, its openness to foreigners, was being sharply diminished in the wake of September 11 (Nye, 2004; Florida, 2005).

We all intuitively understand why and how 9/11 had a profound impact upon Americans' perceptions of the risks entailed with open borders and considerable research has shown how these are often disproportionate to their probability, especially in comparison with other more mundane threats to human security. Posner (2004: 120-122) explored the so-called 'economics of attention' to explain how risks associated with a recent negative effect gain disproportionate attention from individuals, and by extension social institutions, owing to lower 'imagination costs'. In a similar vein, psychologists speak of the 'availability heuristic' (Posner, 2004: 120, 169). Any conceptualisation of the determinants of border governance clearly needs to accommodate such cognitive phenomena, as they can heavily pattern the day-to-day practice of border specification and enforcement. Also needed is an expansive conception of the ideational in accounting for the particular character of borders; that is, ideas, ways-of-thinking, ideology etc as having at least quasi-independent explanatory significance. This should be unsurprising, given what we intuitively know both about modern nationalisms and pre-modern communities that may warrant description in a more broadly-defined terminology of the 'nation'.

The notion of 'national awakening' has been prominent in the ideology and historiography of nationalisms¹¹ (Gellner, 1997: 8). A similar process is often at work in relation to perceived threats to the national interest from insufficient vigilance at the borders: nationalist political entrepreneurship turns up new inflows to be subject to

¹¹ Gellner (1997: 8) valuably reminded us how nationalist activists frequently see the need for 'national awakening', where man (sic) has to be awoken "...to his national identity and the political imperatives implicit in it: the need to protect the national culture by endowing it with its own state-protector, the need to unmask, neutralise, and drive out the foreigners who wish to destroy and debase that culture."

regulation. Purposive proselytizing of exclusivist nationalist ideas may be sincere, or it be instrumentally motivated by practical material ends. Public interest discourses may often mask private interest motivations; as readily acknowledged by scholars as normatively diverse as proponents of public choice theory and critical postmodernist accounts of globalization (Sassens, 2006: 195). There is a large and rich literature on the domestic determinants of trade policies that notes the significant role played by coalitions of business, labour and others with a personal economic stake in protection, as well as those who resist it (Milner, 19988; Simmons, 1994). In response to an early wave of economic nationalism in relation to foreign direct investment in the 1960s, tentative theoretical explorations were provided by Breton (1964) and Johnson (1967). The subsequent literature is surprisingly under-developed, excepting several notable contributions by the likes of Richard Caves (1996), given the resilience of controversies over foreign ownership in particular sectors and that the growth in FDI flows has outpaced international trade flows these last two decades (Graham, 2000; UNCTAD, 2007). This author has elsewhere developed a theoretical account of the public and private interest domestic determinants of the regulation of inward foreign investment, as well as a specific historical study of the Australian case and an analysis of contemporary Japanese developments¹² (Pokarier, 2004, 2007b, 2008). Suffice it to note here that an inclusive theory of political entrepreneurship in political markets that gives due conceptual consideration to both rent-seeking (and instrumental defences against it) and nationalist ideas – and their deep inter-dependence – has some analytical promise¹³. There is still little scholarship even on the contemporary private interest dimensions of the rapidly changing border security agenda in the United States, Europe and beyond, despite dramatic increases in public budgetary outlays and significant new imposts upon at least some existing corporative providers of the

¹² The public interest-private interest distinction roughly accords with the distinction drawn between ‘logics of appropriateness’ and ‘logics of consequences’ drawn by March and Olsen and used to good effect by Krasner (1999: 5) in his exploration of sovereignty as ‘organized hypocrisy’. In Krasner’s view, the international system is an environment in which the logics of consequences tend to predominate over the logics of appropriateness (1999:5). The rich literature on the domestic political economy of trade and investment policies suggests that Krasner’s view may hold true more generally.

¹³ Ekelund *et al* (1996) shows the potential for a common analytical framework that can make sense of an ostensibly otherworldly-oriented institution such the medieval Catholic church and private economic actors.

organisational and physical architectures of cross-border mobility. More generally, we need to marshal the insights of business history literature into the particularities of the political economy of a wider range of cross-border mobilities and their regulation.

Conclusions: tasks for business historians

Business historians can add much to the understanding of the development of nation-states, and the development of borders in particular, and to conceptualising the public-private interface in contemporary governance of borders.

Business historians might make a contribution to bridging the primordialist-modernist divide in the debate over the origins of nation-states. The modernist account emphasises the social mobility and meritocracy of modernizing economies, coupled with mass education, in breaking down old class-based cultures and identities ('one's place') and allowing a new national identity to be a focus of loyalty and self-definition. Gellner (1997: 28-29) placed particular importance on the semantic nature of work, where "context cannot be used in the determination of meaning", where "precision of articulation, such as enables a message to transmit messages by its own internal resources", in a uniform national language, becomes "a precondition of employability and social participation and acceptability." For Gellner this explains nationalism. This account is profoundly challenging in many respects, and provides good clues to understanding the tenor of contemporary debates over immigration regimes, and over the relative performance of national education systems. Yet it presents an explanatory quandary. The very semantic nature of work Gellner describes both accords with the organisational capabilities that facilitate trade and investment across physical distances and cultural divides (which often predated nationalist movements) and suggests the very commonality of professionals of differing ethnicities. That is the very claim made for the contemporary forces of globalization, as encapsulated in notions such as Richard Florida's 'creative class' (2005). If aristocrats of the past felt more in common with their social equals in other nations than their subordinates at home, then why not engineers, biologists, or shipping clerks of the world unite? Our own academic communities offer such hope. We know that in the nineteenth century, for instance, there were strong networks of professionals across national and cultural divides, and significant cross-border mobility of all factors of production, and yet the twentieth

century was to be characterised by tragic bouts of exclusive nationalisms¹⁴. Did the early beneficiaries of international business and professional networks perhaps antagonize their less mobile, less interconnected, and ethnicity-centred brethren into more vehement forms of nationalist exclusionism as an extension of at-home insecurities? This is of direct relevance to the social impacts of contemporary international professional mobility. Nationalism can both shield class divisions from the critical gaze of those disadvantaged – the standard Marxian position – and have levelling/localising/inverse snobbery dimensions. Nationalism may often be less about a positive common affinity with others than a negative anti-cosmopolitanism. Seen historically this could manifest as antagonism towards the urbane trans-cultural Jesuits of the Roman Catholic Church, the aristocracy and mobile wealthy merchants. Yet the trappings of cosmopolitanism, and personal mobility in particular, is now readily in the grasp of most citizens in developed economies. By way of example, a recent study by Mau, Mewes and Zimmermann (2008: 3) estimated that half of the German population had travelled outside the borders of the nation within the previous year and that more than one in ten people had, at least once, spent a period of longer than three months abroad. Moreover, personal mobility was found to correlate to more cosmopolitan attitudes (2008: 17).

Business historians might contribute answers to a number of questions arising from the fraught history of modern nationalism. For instance, in practice how disrupting and distorting were new nation-state projects to established cross-cultural business networks? To what extent, and how, did affected enterprises and entrepreneurs (domestic and multinational) respond strategically – in both a corporate and political sense – to these political developments? How did business interests shape emerging definitions of national interests, territory and borders? How ‘natural’ was the national orientation of many enterprises in the twentieth century? Collectively, the business history discipline already has the answers to these questions and more. They need only be marshalled in a form that that will draw the attention of other historians and students of ‘globalization’.

¹⁴ On the other hand, earlier ‘non-modern’ nationalisms could be associated with openness. The early ‘covenant’ nations, in Smith’s (2008) terminology etc generally were characterised by sophisticated private international trading communities. Religious nationalisms could lead to openness to refugee fellow believers who brought new trades and technologies; such as in the case of Huguenots.

There are many insights to be gained too, from the business history field, into the public-private interface in the governance of national borders. In an era when the 'war on terror' has led to a sharp increase in state expenditures on border enforcement measures, including more elaborate and heavily staffed state institutions to that end, it is worth reflecting on lessons from the past. As the business regulation literature reveals, inevitable enforcement and compliance deficits give rise to bouts of innovation by both the regulated and regulators. Entrepreneurs find and exploit loopholes and governments seek then to close them off. How do compliance and enforcement costs rise as a consequence and who gains? Enforcement deficits also lead state actors to coopt private sector actors in their control efforts. What firms get favoured? What impacts on there on the intra and inter-firm practices of such cooption in border enforcement? Are there efficiency losses from diminished contestability of private markets for cross-border mobility facilitation? Gellner (1997: 107), writing normatively of the need to promote the separation of patriotism from 'obsession with territory', observed that the twentieth century had "...witnessed one successful de-territorialisation of nationalism: everyone knows now that the power and prestige of a nation depends on its annual rate of growth and its economic clout, and *not* on how much of the map it manages to paint with its own colour.' Yet both senior business executives and the most junior back office staff are keenly aware that regulators like to daub their colour all over the operating procedures and structures of enterprises involved in facilitating cross-border mobilities.

Much contemporary discourse about globalization and its impacts implies that national borders are like walls that are being shot full of holes by the twin assaults of new technologies and private entrepreneurship. In fact, modern virtual borders are more akin to the shark nets that are sometimes set offshore from popular swimming beaches. Short of closing off a completely secure enclosure so confining as to be dysfunctional, the placement of nets and their gauge will always be selective and never completely effective. They may have deterrence effect. They may also give comfort to people easy scared by the imagery of intimidating but improbable events. And some will profit from the net business. Yet fishermen and others going about their own business need be careful not to get entangled in them.

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