From geopolitics to geoeconomics: Transnational state effects in the borderlands

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From Geopolitics to Geoeconomics: Transnational State Effects in the Borderlands

MATTHEW SPARKE

This article reads Ohmae’s arguments about ‘the end of the nation-state’ against the arguments of Luttwak about the centrality of ‘geoeconomics’ in the new world order. By exploring the limits of both their arguments, the article develops a much more critical account of geoeconomics, suggesting that it can be used by scholars of boundaries and geopolitics to come to terms with the development of cross-border regionalism and associated transnational state effects (i.e. transnational governance imperatives) in the context of free trade. Geoeconomics is thus argued to describe the localised changes in governance imperatives implicated in a series of economically-driven and quite quotidian challenges to national borders on the ground in both North America and Europe. The article outlines how an examination of localised strategies to create cross-border regions in the context of globalised economic interdependencies offers a research window onto processes currently challenging the nation-state from the ground up. As such, it is argued that the case studies discussed here also offer a way of empirically evaluating the geoeconomic influence of discourses about ‘the end of the nation-state’ promoted by writers such as Ohmae.

A funny – and to many observers, a very troubling – thing has happened on the way to former U.S. President Bush’s so-called ‘new world order’: the old world has fallen apart. Most visibly, with the end of the Cold War, the long familiar pattern of alliances and oppositions among industrialized nations has fractured beyond repair. Less visibly, but arguably far more important, the modern nation state itself – that artifact of the 18th and 19th centuries – has begun to crumble. ... Public debate may still be hostage to the outdated vocabulary of political borders, but the daily realities facing most people in the developed and developing worlds, both as citizens and consumers – speak a vastly different idiom. Theirs is a language of an increasingly borderless economy, a true marketplace. But the references we have – the maps and guides – to this new terrain are still largely drawn in political terms, [...] and] in a borderless economy, the nation-focused maps we typically use to make sense of economic activity are woefully misleading. We must, managers and policy-makers alike, face up at

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last to the awkward and uncomfortable truth: the old cartography no longer works.

Kenichi Ohmae¹

If the players left in the field by the waning importance of military power were purely economic entities – labor sellers, entrepreneurs, corporations – then only the logic of commerce would govern world affairs,... the action on all sides would unfold without regard to frontiers,... But things are not quite that simple.... As territorial entities, spatially rather than functionally defined, states cannot follow a commercial logic that would ignore their own boundaries. As bureaucracies write large, states are themselves impelled by the bureaucratic urges of role-preservation and role-enhancement to acquire a ‘geo-economic’ substitute for their decaying geopolitical role.

Edward Luttwak²

[W]e are more preoccupied with borders than ever, because we now understand them – or many of them at least – to be not absolute, natural, and therefore readily taken for granted, but only relative, artefactual and thus problematic.

Ulf Hannerz³

At first glance, Ohmae, the McKinsey and Company business strategist, and Luttwak, the Director of the GeoEconomics Project at the Center for International and Strategic Studies, would seem to radically disagree. Ohmae, the guru of globalism, argues that the borderless economy has brought an end to the nation-state and its attendant territorial demarcation on the ground. Luttwak, the state strategist and, as Ó Tuathail puts it, ‘quintessential defense intellectual’,⁴ argues by contrast that states and their territority are still very much intact; it is only that now the logic of inter-state conflict is vectored through what he calls ‘the grammar of commerce’. For Luttwak, this new grammar demands a new vocabulary, the vocabulary of ‘geoeconomics’ where ‘the authority of state bureaucrats can be asserted anew, not in the names of strategy and security this time, but rather to protect “vital economic interests” by geo-economic defenses, geo-economic offensives, geo-economic diplomacy, and geo-economic intelligence’.⁵ For Ohmae, by comparison, the new grammar of commerce demands a wholly new cartography, not just a new toponymy. Indeed, in Ohmae’s terms, Luttwak’s argument would seem to personify the anachronism of being held hostage by the old maps and old idioms.

Clearly, the depth of the disagreement between these two would-be post-geopoliticians of the new world order is profound. Yet rather than dwell on the disagreements, this article focuses instead on what the two discourses might be said to share by way of foreclosure and omission in order to
introduce a series of arguments and empirical materials about the changing geographies of borders and borderlands. Just as Ohmae is at his most dogmatic in his assertion that borders are now outdated, Luttwak is at his most axiomatic in his insistence on their continued centrality to the meaning of states which, he asserts, are at essence spatially defined by borders. What these assertive simplifications foreclose, of course, is any careful investigation of what is actually happening to the spatial organization of borders in the context of increasing global economic interdependency. This is what this article aims to do in three ways: first, by exploring the theoretical lessons of the tensions between Luttwak’s and Ohmae’s arguments; second by outlining the recent development of cross-border regionalism at a general level in the supposedly borderless North America and European free trade areas; and third by describing some findings of research on two specific case studies of attempts to establish specific cross-border regions in the context of continental trade liberalisation. These case studies have been labeled by their promoters as Cascadia, a region linking the Canadian province of British Columbia with the US Pacific North West, and as Transmanche, a region linking the English county of Kent and the French region of Nord – Pas de Calais.

Exploring the attempts to promote such cross-border regions and the specific ways in which they are envisioned by their promoters, points in turn to what Hannerz describes as the especially ‘artefactual’ and ‘problematic’ character of borders in the contemporary moment. The comparison of the very different contexts of the EU and NAFTA also discloses how the changing character and meaning of borders directly reflects some of the wider and more varied dynamics involved in the reproduction and transformation of governance in the context of economic interdependency. Overall, the materials presented here disclose processes of borderland transformation that are far more complex and messy than either Ohmae’s or Luttwak’s assertive grammars would allow. They do not signal the immediate eclipse of the border à la Ohmae, but nor do they indicate some kind of ontological, transhistorical, persistence of borders à la Luttwak. Instead, they are processes in which new cross-border geographies are anticipated and mapped-out using new boundary lines, lines which are themselves variously contested and reworked according to different national and transnational imperatives.

Of course, given the aphoristic and avowedly normative nature of both Ohmae’s and Luttwak’s work – the way in which they are both writing with a view to directly influencing the shape of policy-making using a series of sound bites about the ‘new world order’ – it is scarcely surprising that they share a common vulnerability to empirical critique. What is much more interesting about the implications of the research presented here is that it
demonstrates how Luttwak's new vocabulary actually provides a way of describing how arguments like Ohmae's have a world-shaping, boundary-transcending effect. In other words, the case-studies outlined below illustrate how it may be possible to use Luttwak's neologism of 'geoэкономics' far more critically and usefully than he does to name the processes through which the re-use and re-working of discourses of 'the end of the nation-state' actually have an effect in producing or at least shaping what will be described in what follows as the anticipatory geographies of cross-border regions. 'End of the nation-state' discourses, as a number of critics point out, are of a piece with the more general invocation of 'globalization' as an ideological instrument in the wider neoliberal assault on national welfare states, national regulation, national planning and so forth. But framed in terms of inter-regional competition as Ohmae frames them, and deployed in the context of promoting cross-border regions, they have a localised neoliberal (which is to say, market-led and market-oriented) effect on governance practices. It is not a deliberate and intentional effect of state sovereignty at all, but rather operates to consolidate geographically a more systemic and transnational state effect that is emerging as a result of the deregulative, decentralizing and competition-based governance imperatives unleashed by free trade. This neoliberal transnational state effect has a distinct set of geographical components and influences, and it is these components and influences which are argued here to come together as a form of geoэкономics in the promotion of cross-border regional integration. Thus, while critiquing and illustrating the empirical and theoretical contradictions in the arguments of both Ohmae and Luttwak, this article suggests that the questions about borders that are at once raised and ignored by their arguments provide a useful way into investigating the changing modalities of governance in the context of intensifying economic interdependencies. These are changes in which geoэкономic arguments connecting the so-called 'end of the nation-state' and globalisation with regionalisation are having an increasingly powerful effect. On this basis, the paper turns full circle in order to argue that investigating the geoэкономic imperatives of cross-border regional development projects provides a form of empirical answer to the big questions begged and confused by Ohmae and Luttwak: questions about the end and ends of the nation-state at the end of the millennium.

The Geoэкономic Imperatives of Deterritorialisation

The disjunction between Luttwak's and Ohmae's arguments has already been posed by Ó Tuathail as a way of foregrounding different approaches taken in strategic circles to adjust to the end of the Cold War and the coming end of the century. Ó Tuathail points out that while they seem radically at
odds, the two arguments are alike insofar as they equally imply an end to traditional geopolitics. He further argues that this eagerness for an epitaph for geopolitics completely misses the ways in which geopolitical framings of the present global and political conjuncture remain persistent in at least three important ways: namely, the emergence of what he calls ‘megamachinic’ framing devices such as those developed with and for the long-distance use of cruise missiles; the emergence of new preoccupations with controlling so-called ‘rogue-states’ and legal and illegal transnational flows of contraband, resources and military equipment; and the emergence of dichotomous discourses of response to ‘globalisation’ divided between those fixated on ‘resistance and place’ and those exhilarated by ‘acceleration and pace’. Using the opposition of Ohmae and Luttwak as a starting place here also, this article moves the critical argument away from the sweeping topic of geopolitics in general to the particular topic of how the reinvention of geopolitics in the context of economic interdependency is being registered in changes to that most classically Cartesian and cartographic of orthodox geopolitical categories, the border. However, the point of making this critical and empirical move to the border is ultimately to bring further nuance and content to the discussion of the third area of emergent geopolitics listed by Ó Tuathail: *i.e.*, the dichotomous discourses of response to globalisation. It is in this area that a more critical and sophisticated use of the notion of geoeconomics may enable us to move beyond a charting of discursive dualisms and towards a more economically sensitive analysis of the forms of competitive capitalist dynamics that subsume the dualisms and the contradictions they represent. To move in this direction it is necessary first to separate the concept of geoeconomics from the state-centric, instrumentalist and normative implications it has in Luttwak’s arguments, and in this regard Ohmae’s deterritorialisation discourse is an excellent counterpoint.

For Luttwak, geoeconomics consists of a series of intentional practices either deployed by ‘the state’ or through ‘the state’ by national ‘economic elites’ in order to win access to new markets, bloc access to domestic markets, create the basis for economic expansion through state-led investment, training and regulatory change, or even through espionage involving industrial and technological secrets. ‘The overall effect of bureaucratic impulses to find new geo-economic roles and of geo-economic manipulations by interest groups’, he says, ‘will vary greatly from country to country and from case to case. But fundamentally, states will tend to act geo-economically simply because of what they are: territorially defined entities designed precisely to out do each other on the world scene.’ It is not necessary to follow the post-structuralist critique of the monadic state unit as essentialised agent or the geographical critique of what Agnew and
Corbridge call the ‘territorial trap’, to be aware of the limitations of this kind of statist and spatially fetishistic argument. Even amongst other champions of the ‘real’, it comes off as anachronistically absolutist. As Ohmae argues, albeit in the neoliberal extreme, such state-centrism is becoming outdated at a practical level by the increasingly global organization of capitalism where it is individual corporations and consumers, not states, governments and democracies, that more and more make the important decisions. Luttwak would by these standards be judged to be held hostage to what Ohmae calls the old cartography, a cartography of states and fixed frontiers that cannot map the globe girdling networks of corporations, trade and communications infrastructure.

Held hostage to state-centrism as he may be, though, Luttwak is still refreshingly candid and critical about the kinds of extreme free-market posturing that, like Ohmae’s arguments, ignore the continuing role of state practices in shaping globe-girdling economic affairs. In this sense, he too can be used as a counterpoint. ‘Things’, as Luttwak would have it, are indeed ‘not as simple’ as Ohmae imagines. Thus he argues about the United States that, ‘it tends to engage in much geo-economic practice while loudly rejecting its principles. American political leaders have a way of vehemently proclaiming their eternal faith in “the market” while they simultaneously preside over their own geo-economic interventions, and loudly warn off foreign governments from doing the same.’

However, even as he critiques the limitations of the Ohmae-que arguments about the borderless and amorphous market, Luttwak is no less loudly silent here about some quite obvious trends in US policy-making. As Ó Tuathail argues in his critique of Luttwak’s lacunae, the theorist of geoeconomics as state-led conflict wholly ignores the ways in which the US state may be said to have become transnationalised since the 1980s. ‘To the extent that we can talk about a unified state in the United States’, Ó Tuathail notes, ‘it has over the past two decades tended to serve the interests of mobile and footloose transnational capital and not the interests of territorially based citizen and neighborhood community groups. The US state, in other words, has long been practicing a form of geoeconomics, but it is a geoeconomics that is promoting, not hindering, the deterritorialization and spatial blurring that Luttwak laments. Luttwak himself is part of what he decries.’ This canny deconstruction of Luttwak’s formulations clearly begins the work of de-linking the concept of geoeconomics from its statist roots. However, Ó Tuathail here only goes as far as arguing that geoeconomics may therefore be useful as a way of describing one of many deterritorialising dynamics against which the US foreign policy establishment deploy every conceptual damming innovation they can develop in an effort to stem the flows.
Clearly, describing the deterritorialisation and debunking such discursive restabilisation efforts is an important avenue for critical geopolitics, but from the point of view of theorising on how deterritorialisation is negotiated and contested on the ground it leaves us with little purchase on arguments such as Ohmae’s, arguments which are so boldly celebratory of deterritorialisation in the vertiginous abstract. What is also needed, as O’Tuathail in fact argues by way of a preface to his critique of Luttwak, is a heightened sensitivity to the geographies of reterritorialisation. ‘Out of the experiences of vertigo’, as O’Tuathail underlines, ‘newly imagined visions of state, territory, and community are projected in an effort to restabilize and reterritorialize identity amid global flux. As one order of space unravels, new orders are deployed to retriangulate local foregrounds against global backgrounds into new productions of global space’. Such new productions of space can also take place at the local level, and, in an ironic twist, it is precisely here, in various local settings, that we can begin to detect the force of economic reterritorialisation arguments such as Ohmae’s having a reterritorialising influence. It is this influence that Luttwak’s language in turn helps us name as geoeconomics.

Captive to the territorialised view of the state though he is, Luttwak’s own formulations of geoeconomics are not entirely useless for the purposes of describing how economically-oriented deterritorialising arguments have reterritorialising affects. Notably he argues that in contradistinction to traditional world politics and geopolitics where the ‘goals are to secure and extend the physical control of territory, and to gain diplomatic influence over foreign governments,... the corresponding geo-economic goal is not the highest possible standard of living for a country’s population but rather the conquest or protection of desirable roles in the world economy’. This is a remarkably clear and concise description of geoeconomics that immediately links it with the neoliberal abandonment of national welfare goals and the moves towards market-led and market-oriented development. What is most useful about this description is that it also alludes to the new kinds of geographical questions that become prioritised under the geo-economic imperative, questions of roles and positioning in global networks, not questions about who is in or out of a clearly demarcated national population. It is these very same questions for which Ohmae offers his own arguments to managers and policy-makers as an answer.

Ohmae argues that the territorialised nation-state is increasingly eclipsed by four specific forms of deterritorialized flow. In classic sound-bite fashion he summarises these four flows as the four ‘I’s: the flows of ‘Investment’, ‘Industry’, ‘Information Technology”; and ‘Individual Consumers’. He then proceeds to offer his answer to the geographical questions about economic positionality in the context of such flows.
If the unfettered movement of these I’s makes the middleman role of nation states obsolete, the qualifications needed to sit at the global table and pull in global solutions begin to correspond not to the artificial borders of countries, but to more focused geographical units – Hong Kong, for example, and the adjacent stretch of Southern China, or the Kansai region around Osaka, or Catalonia – where real work gets done and real markets flourish. I call these units ‘region states’. They may lie entirely within or across the borders of a nation state. This does not matter. It is the irrelevant result of historical accident. What defines them is not the location of their political borders but the fact that they are the right size and scale to be true natural business units in today’s global economy. Theirs are the borders – and the connections – that matter in a borderless world.¹

Better than any other single statement in his book, this passage from the introduction captures Ohmae’s own attempt to describe region states as the reterritorialising counterpoint to deterritorialisation. It is not for nothing that he insists that such region states can transcend national borders. Indeed, cross-border regions like (at the time) Hong Kong-Southern China make the perfect illustrations of his argument because they literally embody the deterritorialising and reterritorialising moments at once: they transcend borders and yet take shape as new territorial entities with new boundaries of their own. To this extent, Ohmae’s highlighting of cross-border regions is useful. However, his argument in general is so supremely focused on the boons of borderlessness that he leaves no room at all for understanding either the different processes of reterritorialisation on the ground, or the ways in which they involve complex renegotiations of governance. For him, region states exist simply as nodes in the midst of global networks and, as such (and almost automatically in Ohmae’s argument), as the gateways to prosperity in the midst of borderless economic flows. In addition to this simplification, of course, Ohmae’s explicitly normative approach does not broach the topic of how his own discourse and other similar discourses about ‘the end of the nation state’ become re-used by local planners, policy-makers and developers in the promotional positioning of would-be region-states.

It is the promotional positioning of specific regions within global flows for which the label of geoeconomics seems so well suited. It is useful in that it gets at the way in which a more or less geopolitical phenomena (of imagining territory as a mode of political intervention and governance) is closely articulated with a whole series of economic imperatives, ideas and ideologies. Moreover, once de-linked from its statist and intentionalist conceptualisation as deliberate, state-led policy making, geoeconomics can
be understood not just as a description of a certain style of economically-oriented geopolitics, but also as a form of spatial strategy, which, like the so-called hidden-hand of the market, itself emerges more as a systemic net effect, an unintentional series of outcomes of localised governance in economically globalised times. Geoeconomics, in other words, is useful as a term insofar as it allows us to name an array of quotidian assumptions and practices that emerge out of the context of free trade and the resulting force of borderless economic flows. In order to get a better sense of what these assumptions and practices might be it is vital to examine how they come together and become manifest in the imagining of cross-border regions as reterritorialised responses to deterritorialization.

‘Maps and Guides’ to the New Terrain: Free Trade and Borderland Geoeconomics

[T]he debates on globalization, de-territorialization and re-territorialization have raised serious questions for border scholars, but the idea of a boundary has been understood rather vaguely in these debates. Scholars have considered various social and cultural phenomena and their effects on boundaries rather than the changing meanings of boundaries as manifestations of territoriality.

Anssi Paasi

Another way of describing this article’s attempt to chart the geoeconomic imperatives at work in border region transformations is as an effort to begin answering Paasi’s challenge to scholars of geopolitics in the pages of this journal. Clearly, the argument outlined thus far is in complete concurrence with Paasi’s point about the vague approach to boundaries in the debates over deterritorialisation and reterritorialisation. However, the further point that is being developed here is that this vacillating vagueness and associated simplification is interested, that it stems out of the context of free trade and serves neoliberal, which is to say, deregulatory, laissez-faire, political-economic ends. In this sense then, the approach being taken here still follows the illuminating argument and example of Paasi, who’s own work on the Russian-Finnish border shows how useful it is to take a symptomatic approach to boundaries and their reworking as manifestations of more systemic frameworks and practices of territoriality. However, the particular form of territoriality at issue here is not that of the Cold War with its Iron Curtains and walls, but rather the more open-ended and unbounded system of territoriality emerging out of post-Cold War continental free trade agreements. These agreements vary significantly, and the two agreements discussed here, the EU’s Single Market and NAFTA, perhaps exemplify these divergences best of all. In order to come to terms with how the cases
of Cascadia and Transmanche have emerged as geographies of cross-border regional development it is necessary to examine first these wider systems of free trade and their associated systems of border-transcending territoriality. Only then is it possible to come to terms with how the border-transcending imagination of the cross-border regions themselves can be interpreted in each case as a form of geoeconomic manifestation of a wider system of territoriality. Thus this section of the article is split into two parts. The first addresses the diverging systems of free trade and the associated forms of governance and trans-border territorial systems in the contrasting EU and NAFTA contexts. The second examines the ways in which the cases of Cascadia and Transmanche may be said to reflect these systems. Uniting the whole section, however, is the overarching purpose of critiquing the simplifications of Ohmae and Luttwak; not least of all by showing that there are indeed, contra Ohmae, ‘maps and guides’ to the new terrain of free trade, many of which bear testament to a form of neoliberal geoeconomics.

*The Territoriality of Free Trade and Cross-Border Regionalism*

While the post-Second World War emergence of continental free trade in both Europe and North America might be traced as far back as the European Coal and Steel Community agreement of 1951, the US-Canada ‘Auto-Pact’ agreement of 1965, and, more arguably, to the US-Mexico Maquiladora agreements of the 1960s, it was not until the late 1970s and early 1980s, and the rise of governments with deregulatory, *laissez-faire* agendas across Europe and North America that a major break was made from the more autarchic national economic planning models that marked the post war period. These prior models of national political economic governance have usefully been described as operating a ‘Fordist’ mode of regulation by the French-based Regulation school of political economy.21 As such, Fordism not only involved the system of combining mass production and mass consumption at the national level, it also comprised the co-ordination of Keynesian macro-economic planning with commitments to national wage bargaining, nationally co-ordinated regional planning, and a whole slew of regionally equalising commitments to the welfare, education, healthcare, and communications services of a nation. While debate has raged over the unevenness of the Fordist mode of regulation from country to country, over the sheer diversity of the histories of political and ideological struggle that the term would seem to bracket, and over whether the form of capitalism that might be said to be replacing Fordism can be called ‘disorganised’, ‘flexible’ ‘neo-Fordist’ or simply ‘post-Fordist’, there remains a significant degree of agreement that the global economic crises brought on by the collapse of the Bretton Woods system and the OPEC oil shocks of the early 1970s sent the overarching dominance of the Fordist model into a nosedive.
By the early 1980s it was clear that Fordism in its traditional comprehensive form was falling. While different governments clearly mediated and affected the rate of descent, one of the signal indicators of the common trend amongst all Western nation-states, and, as it were, an indicator of the ‘ground’ towards which different Fordist regimes were all variously moving, was the coeval negotiation of continental free trade agreements during the 1980s. Of these, the Canada-US agreement, which was signed by President Reagan and Prime Minister Mulroney in 1987 was the first to be actually implemented in 1989. However, at the same time Mulroney and Reagan were first meeting to discuss free trade at the so-called Shamrock conference of 1985, the European Commission was already drafting plans for the European Single Market in a White Paper that followed the Luxembourg summit of member state leaders that year. With the 1992 passage of the Maastricht Treaty, the European Single Market became a reality in January 1993. The following year, with the 1 January 1994 NAFTA implementation that extended North American free trade to Mexico, the post-Fordist commitment to continental free trade became entrenched deeply on both sides of the Atlantic.

For numerous commentators such as Ohmae the equation of free trade with a territorial system defined by the end of the nation-state, deregulation and the bull-dozing of national borders is simple. The borderless economies bring an end to ‘the old cartography’ and we pass suddenly into the deterritorialised tabula rasa of frictionless capital flows and networked societies. In actual fact, however, the changes have been a great deal more complex and negotiated, shaped as much by processes of re-regulation that create diverse forms of re-ordering. Not least of all amongst the forms of re-regulation have been the continental free trade agreements themselves. While the EU’s Single Market and NAFTA have simple economic goals of reducing the tariff and non-tariff frictions on the movement of commodities, investment capital, and, though to much more reduced and uneven extent, labor, they operate through a massive array of administrative re-codings of goods, services and financial instruments, bureaucratic re-codings which then depend for their effectiveness on national level bureaucratic implementation in all the signatory countries. Such processes of re-regulation have the effect of transnationalizing the state in a way that nevertheless depends on all the old systems of trade and financial monitoring that were previously operative at a national level. They are also processes that open the door to all kinds of complex local mediations too. What then, we need to ask, is the resulting territorial system associated with this complex and negotiated transnational state effect?

The simplest answer to the question of free trade’s territoriality was offered by Prime Minister Mulroney of Canada when he advertised CUF...
as bulldozing a borderless ‘level playing field’ for business. This ‘level playing field’ metaphor is useful because it evokes more than just a borderless *tabula rasa*; it also metaphorises the competitive dynamics that both critics and advocates of free trade alike agree are unleashed by trade liberalisation. The increasing ease of commodity and financial movement enables business to organise on the basis of the most basic costs of production: labor costs, taxation costs, supply costs, infrastructure availability, local regulatory regimes and so on. As a result, local regions are forced into a competitive race with one another to attract increasingly footloose capital. If such a dynamic coincides with increasing privatization and the increasing decentralisation of governance too – as it has done in North America in particular – then the territorial system becomes still more competitive, unprotected by any overarching principles of inter-regional equality. In short, it becomes a form of territoriality that reflects all the creative and destructive dynamics of a post-Fordist, or, as Harvey would have it, more flexible capitalism writ large upon the landscape.  

It is a territorial system that replaces the key features of Fordist territorial governance – *centralisation, equalisation, redistribution, regional planning*, and *boundedness* – with what might be called the post-Fordist territoriality principles of *decentralisation, polarisation, competition, deregulation*, and *unboundedness*. This last category of ‘unboundedness’ may be seen as more questionable insofar as continental trade liberalisation can have so-called trade diversion tendencies too (i.e. a trade bloc quality that excludes non-member countries from equal market participation). However, it should be underlined that there remains a more profound and systemic set of tendencies towards unboundedness built into the continental free trade phenomenon, a phenomenon which has shown it is inherently expandable (e.g. from CUFTA to NAFTA), and which, it must not be forgotten, has coincided complementarily with a series of *multilateral*, non-regionalised, global trade liberalization measures that have led from the GATT rounds to the formation of the World Trade Organization. As Michalak notes, ‘[m]ultilateralism and regionalism in this context are merely two contradictory manifestations of the process of capitalist overaccumulation. Both forms of international trading arrangements serve the same purpose, i.e. the expansionary reconstruction of the capitalist mode of production’. Whatever their scale of application, therefore, it would seem that free trade agreements create an expanding sphere of flexibility for business, a level playing field of marketised competition that can be easily expanded, but only with great difficulty retracted.

*Decentralization, polarization, competition, deregulation, and unboundedness* are certainly important features of free trade territoriality, and, as shall be shown, they are clearly reflected in the development of cross-
border regionalism in Europe as well as in North America. However, nesting within this overarching system of ‘level playing field’ territoriality there are also a whole set of more localised patterns of territoriality. Amongst these are the so-called post-Fordist forms of territoriality associated with ‘regional agglomerations’ upon which economic geographers in particular have applied so much special focus in recent years. This work has led to a certain paradigmatic argument that seeks to explain recurring post-Fordist patterns of high-tech, horizontally-integrated industries clustering in technopole-type regions. The stylised abstract argument emerging from this literature suggests that these agglomerative tendencies develop because of how horizontally integrated input-output networks require the spatial proximity of suppliers so that just-in-time sourcing does not become a larger cost than the alternative way of containing costs in modern industry, namely the classic forms of Fordist vertical integration. Since free trade has generally served to make possible the development of such input-output sourcing networks across borders that previously partitioned economic activity, it is at least clear in the abstract how such localized patterns of agglomerative territoriality might work in conjunction with the larger level playing field system to underpin the development of cross-border agglomerative economies.

It is precisely the conjunction of the ‘level playing field’ and ‘agglomerative’ forms of territoriality that Ohmae’s arguments about region states serve to run together and popularise for policy-makers. The resulting visions of cross-border regional development that they produce may well be understood in the abstract, in terms of the coming together of these two levels of free trade and agglomerative territoriality. Yet while this is a quite simple (and, in Ohmae’s account, synergistic) scenario to describe in the abstract, it is a far more complex conjunction of competing imperatives that one actually finds on the ground. A whole series of additional factors, ranging from national cultures of innovation to language differences and from enduring ethno-political conflicts to straightforward asymmetries of wealth and poverty on either side of borders, also come into play. Most important amongst these additional contextual factors are the overarching mediating patterns of governance associated with the development of free trade, and it is here that the contrasts between the EU, with its centralised forms of governance, and NAFTA, with its utterly decentralised and marketised mode of governance, need to be addressed. Rather than explore them in the abstract, the best way to approach this question of governance is to examine how the general visions of cross-regionalism have emerged in ways which reflect the divergent patterns of governance in the two settings.

Empirically contradicting Ohmae’s claim that there are no ‘maps and guides’ to the new terrain, two single maps illustrate the contextually mediated trends towards the development of cross-border regionalism at a
FIGURE 1
EUROPÄISCHE GRENZREGIONEN

The AERIt Membership Profile 1

INTERNATIONAL ORGANISATIONS IN WHICH SEVERAL MAJOR REGIONS FORM A CROSS-BORDER ASSOCIATION (MEMBERS OF THE AERIt)

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BORDER REGIONS AND CROSS-BORDER REGIONS (MEMBERS OF THE AERIt)

5. Alpina Provinz
   Bresan.Sudrol
   (CH)

6. Canton de Genève
   (CH)

7. Diputación General
   de Aragón
   (ES)

8. Gauvalitza
   de Galtziura
   (ES)

9. Gobierno de Navarra
   (ES)

10. Gobierno Vasco
    (ES)

11. Junta de Andalucía
    (ES)

12. Junta de Castilla
    (ES)

13. Junta de Extremadura
    (ES)

14. Kommunförbundet
    Värmland
    (S'n)

15. Provincia Autonoma
    di Trento
    (IT)

16. Región Atosa
    (FR)

17. Región Languedoc-
    Roussillon
    (FR)

** BORDER REGIONS AND CROSS-BORDER REGIONS (NOT YET MEMBERS OF THE AERIt)**
general level in Europe and North America. Figure 1, Europäische Grenzregionen, captures the recent proliferation of European cross-border regions. This map was drawn up for the Arbeitsgemeinschaft Europäischer Grenzregionen (AGEG), the European Association of Border Regions, a lobbying and planning organisation for cross-border-regions that is based in Gronau, Germany. It is a particularly confusing, dense and multi-layered, not to mention messy, piece of mapping, which might seem more akin to the kinds of military cartography that once filled European war rooms. However, as European Commissioner Wulth-Mathies is keen to highlight in her foreword to the cross-border planning handbook that centrally features the map, it is a cartography that betokens a new, supposedly pacific and prosperous world order.

For centuries, borders in Europe have separated peoples. Fierce wars have been fought and hatred and enmity have all too often split people into groups on either side of the borders. With the rise of nation-states in Europe, border regions became political, social, and economic backwaters. ... The creation of the European Single Market, the removal of border controls and the structural and political instruments of the European Union have helped border regions to become integrated once more. ... Successful cross-border cooperation can make a decisive contribution to the creation of a competitive and prosperous Europe, with no frontiers of wealth or social distinction. A Europe in which the obstacles of the past can finally be overcome and new bridges built towards a common future.31

This reading of the map and the projects it represents also accounts for the cartographic messiness; the numerous overlapping cross-border regions and associations thus become legible as so many symptoms of the diverse local adjustments made necessary by the rise of the Single Market, the patterns of EU governance, the end of the Cold War and the putting to rest of old wartime rivalries.32

The recent re-mapping of North America has not been subject to the same level of co-ordinated and centralised planning and lobbying, Yet emerging in various venues new cartographies of cross-border regionalism have nevertheless been widespread. Based on an overarching assessment of these for the US Department of Transportation, regional scientist Larry Swanson has put together a map of North American cross-border regions (see Figure Two).33 The map leaves out the important San Diego-Tijuana cross-border metropolitan complex – perhaps the most economically integrated cross-border region in North America.34 This lack of comprehensiveness is further matched by a certain cartographic simplification of the scope of the various regions which blurs distinctions
Emerging Transnational Regions of North America

The map below shows the general location of existing and emerging trade corridors in North America and their associated cross-border subregions that are actively networking and organizing to coordinate regional efforts in economic development, transportation planning, and other initiatives. Included are the following:

Figure 21: Organized Transnational Regions of North America

A. Toronto-Buffalo Can-Am Council - located in one of the busiest cross-border trading regions in North America

B. Red River Trade Corridor - focused in the Red River Basin located in Manitoba, North Dakota, and Minnesota, the organization links small and large cities and businesses in regional development activities

C. Rocky Mountain Trade Corridor - recently organized to network the private sector and government agencies throughout the fast-growing Rocky Mountain region

D. Cascadia Corridor - largely organized to pursue possible high-speed rail between Vancouver and Seattle and to link businesses in this fast-growing transnational marketplace

E. Arizona-Sonora Commission - organized to bring governments, communities, and businesses together from both sides of the border in planning infrastructure and regional development

F. El Camino Real Corridor - organized by area chambers of commerce to bring metropolitan decisionmakers from Albuquerque, El Paso, Juarez, and Chihuahua together in devising economic development strategies for the region as a whole

G. Greater Austin-San Antonio Corridor Council - organized by local governments and businesses along the corridor from Austin, Texas, to Monterrey, Mexico; where the greatest U.S.-Mexico trade is focused
between their varying degrees of institutional meaningfulness and impact. The Rocky Mountain Corridor, for example, has nothing like the widespread and multi-level institutional support as the Arizona-Sonora region. Rather than complain about this cartographic simplification as an error, I think it is more useful to consider it like the messiness of the European map as a symptom instead of the intersection of the free trade linkages and, in this North American case, public-private marketised governance practices that are simultaneously underpinning and anticipated by the cartography.

To argue that the maps are at once underpinned by political economic activities that they further anticipate is not a contradiction. It is a way of describing how they need to be understood as cartographic ‘still shots’ of dynamic, ongoing processes of which they are also a part. Clearly, both maps would be barely conceivably were it not for continental free trade and the way it has made key border gateways far more central for trade and business. Yet at the same time, these maps have also been drawn with a view to supporting diverse political, planning and infrastructural development projects designed to further facilitate the speed and ease of cross-border interactions. As such they also reflect the ways in which the territoriality effects of free trade and regionalisation are also mediated in different ways in the EU and North American settings by the contrasting systems of supranational governance.

Immediately apparent in the European map is its association with EU policy making. Not just the multi-lingual titles and the associated spelling errors are evidence of this, but also the very fact that it was designed and drawn-up on the basis of EU funding for a group which is the base of the EU-funded LACE laboratory on European border regions and whose main organisational mandate is to lobby the EU for further funds for cross-border regions. More substantively in terms of the map’s content, this same link to EU planning is also evidenced in the way the main types of cross-border regional groupings depicted on the map correspond to the overlapping types of EU funding arrangements and their changing eligibility requirements for trans-frontier regions. In a sense, the various overlapping regions on the map need thus to be read as a cartographic palimpsest representing the diverse over-writings and erasures enacted in EU policy towards border regions over the years. We see, therefore, the regions linking parts of two or more member states which are eligible for funding on both sides of the border through the INTERREG programmes; the regions linking parts of EU member states with parts of the former Eastern Europe which are eligible for funding through the PHARE programmes; the regions linking parts of member states to parts of the Russian Federation which are eligible for TACIS funding; and the regions linking EU member states with EFTA
countries such as Norway, which are eligible for funding through INTERREG for the EU member state portions of the cross-border development projects. This list is itself something of a simplification, and the development patterns of both INTERREG and PHARE have been as complex as the palimpsest mappings of Europäische Grenzregionen are messy.35

As the classificatory rubrics of EU governance practices change, local policy-makers seeking to position their regions most competitively for EU funding develop new regional mappings with various inclusions and exclusions designed to match as many of the eligibility requirements as possible. Over time, a major by-product of all this jockeying for EU support has been the creation of many overlapping border-region ensembles, along with innumerable new logos, promotional pamphlets and their own attendant cartographic representations. Policy makers in some of these regions find it useful to join AEGEG, and so these particular regions and their local remappings find a more prominent place in the Association’s map. But the AEGEG mappers nevertheless include as many other cross-border regional arrangements as possible in order, amongst other reasons, to foreground and promote the notion that cross-border regionalism is widespread, popular and, in its own universalizing way, anticipatory of a united Europe. Thus again the messiness of the resulting map of border regions speaks volumes of the cartography’s intimate connections to the complex negotiations, overlapping anticipations and, indeed, contradictions of EU membership itself. It is not for nothing that Commissioner Wulf-Mathies notes in the Association’s LACE magazine that the “border areas have special importance in the process of European integration because they anticipate a united Europe at a practical level.”36

It scarcely needs noting, but all these centralised and bureaucratised considerations are a far cry from the mainly ad hoc arrangements behind the cross-border promotional projects highlighted in the Swanson map. The lack of centralised funding and co-ordinated planning means, ironically, that the cartography of North American cross-border regions is a great deal simpler. Each particular promotional project has developed largely on the basis of local imperatives stemming from the private as well as the public sector, and, while these projects have varied in scope and design over time, it has not been because of changing administrative directives issued at a transnational level.37 As public-private arrangements geared to leveraging public-funds for projects that will mainly expedite private profit-taking, they would seem to be radically distinct from the bureaucratically-inspired European regions. Whereas the European projects are led by policy-makers in local governments who are, at some level, democratically accountable, the North American projects are driven by private think-tanks and
Chambers of Commerce, which attempt to attract public interest and public funding to projects designed first and foremost with business needs in mind. Whereas the Europeans identify aid for peripheral regions as a key legitimating factor behind support for cross-border region development, the North American projects attempt to build with boosterism on arguments about economic centrality, whether about being the biggest border corridor for truck movements (Austin–San Antonio–Nuevo Laredo–Monterrey), or the most promising border region in which to locate North America’s largest air-cargo hub (The Red River Corridor). Whereas the European projects often place environmental remediation, healthcare and the reduction of gaps in living standards in the lists of cross-border development priorities, the North American projects persistently foreground business opportunities (albeit sometimes with some ‘greenery’ – as the Economist magazine frankly puts it – about environmental sustainability surrounding the business flower\(^4\)). In other words, the development of cross-border regionalism in North America has a market-oriented simplicity and single-mindedness about it that is directly reflected in the simplicity of Figure 2.

The kinds of contrasts and distinctions listed above certainly help us to make sense of the messiness of the European versus the simplicity of the North American cartography. However, as will be shown in the next section, a more detailed examination of two actual cross-border regional promotion projects reveals a more systemic series of similarities, which would seem to emerge despite the different overarching systems of governance at work in the two free trade contexts. These similarities will bring the argument back directly to the notion of common geoeconomic imperatives at work on both sides of the Atlantic, imperatives that reflects the territoriality effects of free trade – decentralisation, polarisation, competition, deregulation, and unboundedness – combined with the force of Ohmae-esque anticipations of cross-border region-state economic agglomeration and expansion.

* Cascadia and Transmanche As Anticipatory Geographies of Geoeconomics

A quick examination of the maps of Cascadia (Figure 3) and Transmanche (Figure 4) would seem to indicate a whole range of contrasts between the two cross-border regions. Where Cascadia transcends a land border, Transmanche traverses a sea. Where on both sides of the 49th parallel English is spoken, language differences divide the communities on both sides of the Channel. Whereas in colonial times the region now called Cascadia was actually a unified territory linked by networks of native groups and colonising fur traders, Transmanche seeks to bridge a boundary that is flooded with histories of division and war, not to mention innumerable English ideologies of island isolationism. Whereas Cascadia
FIGURE 3
CASCADIA IN THE CONTEXT OF PNWER
FIGURE 4
TRANSMANCHE IN THE CONTEXT OF THE EUROREGION

[Map showing the Euroregion and Transmanche Region with major cities and countries labeled.]

- UK
- ESSEX
- LONDON
- E. SUSSEX

- FRANCE
- PICARDIE
- PAS DE CALAIS

- BELGIUM
- FLANDERS
- NORD
- WALLONIA

- Channel Tunnel
- Dover
- Thanet

Newhaven

Scale: 0 50 100 Miles
may be argued, as its promoters do argue, to be integrated by a mountain range (the Cascades) and the associated ecosystems and waterways, Transmanche, has to transcend the very waterway that gives the region its name. However, most significantly by way of reflection of the contrasting contexts of governance outlined above, there is the contrast between the institutional-turned-political geographical contexts of each region. Cascadia is embedded in a larger regional public-private promotional ensemble called the Pacific North West Economic Region or PNWER (pronounced ‘Pen-Wur’); whereas Transmanche, as a result of manouevring for INTERREG funding, has now been wrapped into a larger ‘Euroregion’ that also includes the whole of Belgium. Until very recently, PNWER’s whole mission has been concerned with expanding the regional economy using a largely Pacific Rim promotional discourse and follow-up information sharing and networking practices.39 By contrast, the Transmanche-Euroregion produced as one of its first and most notable achievements a census of the cross-border region.40

These differences noted, what becomes much more noticeable about both regions on closer inspection are their similarities. In this regard the promotional plans in both Cascadia and Transmanche reflect the very same geoeconomic combination of free trade territorality with anticipations and arguments about the opportunities for regional agglomeration and economic expansion. These similarities exist despite the fact that the promoters in Cascadia come largely from the private sector (plus a few members of the public sector like Paul Schell, the current Mayor of Seattle, most close to business), while the promoters of Transmanche come largely from local governments on either side of the Channel (with the noted addition of the representatives of Eurotunnel who for purposes of generating more movement through the region – and thus through the Channel Tunnel – have also been centrally involved in the promotion of Transmanche). More than this, the similar approaches to promoting the notion of cross-border agglomeration persist in both contexts despite innumerable indications that horizontally and regionally integrated input-output systems of sourcing networks are nowhere near transcending the actual borders in either region.

While Ohmae and others anticipate business to be at the direct forefront of the border transcending practices in the context of free trade, the promoters of both Cascadia and Transmanche have had to deal with a remarkable lack of business uptake of their respective regionally integrated visions. Indeed, they have had to rely on the widespread expectation of business-led development to cover-up for its absence. This is not to say that there is absolutely no material economic underpinning to the cross-border regionalism. Trade across the 49th parallel has increased considerably (in both directions) since the 1989 implementation of the Canada-US Free
Trade agreement. But it is not trade that stays in the region. Washington’s big exporters, such as Boeing and the Microsoft-high tech sector, trade with the whole of Canada, while British Columbia’s (B.C.) main exports including notably wood products, agricultural goods and, more recently, movies are equally non-regionally confined in their distribution networks and linkages within the US. Except a few small examples in Whatcom county on the US side near the border, there are virtually no firms in B.C., or Washington and Oregon area that depend on the sort of intra-regional integrated economic supply system that is advertised by the likes of Ohmae and Cascadia’s boosters as the foundation of its future as a vibrant gateway and region-state on the global stage. In the Transmanche case where the hopes of planners have been as high, but the boosterism less brash, the same effect of through-traffic is equally apparent. Instead of becoming a gateway region-state with its own economic integrity, the region has simply seen increased flows of people and goods moving between London, Paris, Brussels and Cologne. Certainly, the ‘Chunnel’ and the Single Market have together had an effect, but it is more a corridor- than a cross-roads-effect.

Moreover, when the French promoters of the region were interviewed in Lille, they spoke with resentment about how, when they had organised a large Transmanche business conference in the city, they were unable to even get any British executives to attend. The conference had been sponsored by local government officials on both sides of the Channel as well as by Eurotunnel and the EU, but this was clearly not enough to attract the British business representatives. For them the border still meant something – just as the 49th parallel does, it should be noted, for a number of Canadians skeptical about Cascadia as some kind of return to the 1840s and the US ‘manifest destiny’ bid for the so-called ‘whole of Oregon’.

Rather than dwell on this lack of an integrated intra-regional cross-border business base for their regional visions, the promoters of Cascadia and Transmanche persist in pushing the economic idea that such integration is nevertheless inevitable. Certainly in each region the increase in flows across the borders has directly led to calls for more cross-border infrastructure to handle the increased movement. But the more dominant aspect of each regional vision – namely the notion that such increases in cross-border ‘corridor’ flows can be leveraged into a ‘cross-roads’ of economic agglomeration and expansion – persists in both cases with little basis in real patterns of regionally defined business integration across the respective borders. It is this persistent pattern of economic positioning and promotion that needs to be explained in terms of geoeconomics. It is a pattern that similarly endures in both cases notwithstanding the difference in governance practices presented by the EU and NAFTA contexts, and a pattern that resounds again and again with Ohmae-esque arguments about
the inevitability of border transcending integration. Ultimately, therefore, it
seems that the argument about the expected coming together of real free
trade freedoms and imagined economic agglomeration and growth can best
be understood as a geoeconomic argument. It is an argument that has a basic
economic underpinning in free trade, but it gains its force and orientation
from a focus on a future, from the notion that cross-border regional
integration is good for competitive reasons, that it is inevitable in an
increasingly inter-regionally competitive world, that it is, in every sense, the
most competitive future. What in turn enables this geoeconomic futurology
to have a seeming objectivity and legitimacy as a guide for regional policy-
making is the way that it takes form in a series of imagined geographies of
integration. By examining some examples of these anticipatory geographies
of cross-border integration it therefore becomes possible to get a more
clearly defined sense of how the geoeconomic imperative works through a
series of imaginings of regional positioning in global networks.

Although there is not enough space here to present the numerous
mappings of each region, it should be noted that a primary vehicle for
generating these anticipatory geographies of cross-border integration is
cartography. The regions are portrayed with maps, deploying the same
proleptic cartographic effect that numerous scholars have shown to be key
to the abstraction of the space of the nation-state itself (i.e. the way maps
seem only to reflect spaces that they actually help to constitute and
consolidate). These maps give an unrealistic sense of solidity and lend an
objectivity to the regions through the very use of new boundary lines and
new toponymy. More that this, they illustrate how even as they are
'Imagineered' as boundary transcending entities, there new regions rely on
the same old modernist trick of mapping boundaries to mark their own
reterritorialisation of space. Together with these maps, come numerous
logos and, in the Cascadian case, that ultimate sign of banal nationalism, a
new flag for the region. This whole performative aspect of the anticipatory
geographies of Cascadia and Transmanche reveals the peculiarly formulaic
reworking of the rituals of citizenship involved. It is a reworking of
citizenship that would seem to anticipate an utterly denuded and gutted
model of belonging, a form of belonging to nothing less and nothing more
than the market itself. The more practical implications of this neoliberal
model of citizenship become clearer when we examine the particular
modalities of geoeconomics with which the anticipatory geographies of
each region are consolidated and capitalised.

The two main features of the geoeconomics of both Cascadia and
Transmanche have been the same. They have been to promote the regions
in first, the international competition for inward investment, and, second,
the international competition for consumption revenues. Cascadia has come
to life in magazines like the now defunct *New Pacific* mainly as a form of geographic sales pitch for the region: a way of positioning it as some sort of especially well-placed and well-endowed, inherently cosmopolitan-astransnational region primed for economic growth on the Pacific Rim. In this investment oriented regard, the aim of the visionaries seems to be focused on casting Cascadia as both a promising and pleasurable place in which to invent, manage and trade. This anticipatory geography, it should also be noted, instrumentalises the environmental continuities in the region in order to turn the ecologics of Cascadia's supposedly integrated natural history into an economics of a natural future, which is to say, an inevitable future. An article by Dori Yang for *The New Pacific* captures the spirit of such anticipatory environmental determinism, clearly linking it with the project of turning Cascadia into the home of wealthy investors, managers and global traders.

Across the Pacific Northwest, from Burnaby to Boise, from Corvallis to Calgary, high-tech companies have sprouted up like mushrooms in a rain forest, emerging from the lush soils of the region and attracting an inflow of technical talent from across the continent. Cascadia is not yet the heart of the technology world. But as the glow in Silicon Valley fades, its right where the high-tech sun is rising. And it has what many regions wish they could replicate: a natural environment where entrepreneurs thrive and techies long to live.46

Such evocations of Cascadia's natural destiny, combined with repeated references to its relative proximity to Asia and its history of global trading in key raw materials such as pulp and lumber, are thus welded together by the geoeconomic imperative of seeking global position in an anticipatory geography of investment boosterism.

Interestingly, Asia is also the target of some of the inward investment oriented anticipation of Transmanche's future development. Figure 5 below is a mapping of this anticipatory geography that was used by a promotional team from both Kent and Nord -Pas de Calais when they traveled to Tokyo to sell the benefits of locating in Transmanche. More so even than in Cascadia, where the private sector is most keen in trans-border infrastructure improvements, it is the new road and rail links through the region, not least of all the Channel Tunnel itself, which are advertised here as the foundation of Transmanche's high potential, high growth future. Whereas in Cascadia it is the notion of being the closest high-population region in North America to Asia that is hyped, in Transmanche the anticipatory geography addressed to the Asian audience is underpinned by conceptions of situatedness between the key centers of Brussels, Bonn, Cologne, London and Paris, with the now fast re-developing French city of
FIGURE 5
THE TRANSMANCHE REGION:
ADVERT TARGETED AT JAPANESE INVESTORS

GILLINGHAM
• Gillingham Business Park

DARTFORD
• Crossways

CHATHAM
• Chatham Maritime

SITTINGBOURNE
• Eurotek

RAMSGATE
• Herne Bay Business Park

FOLKESTONE
• Folkestone and Hythe Economic Development

MAIDSTONE
• Kings Hill

WEASTLING

PONTECATINO

BOULOGNE

ST-OMER

ARRAS

30 km
20 km
10 km
FIGURE 6
CASCADIA: THE TWO NATION VACATION
Lille at the heart of it (where the Eurostar, TGV and other Belgian/German bullet trains all make stops)." These minor differences noted, a major geo-economic imperative behind each of these anticipatory geographies of boosting inwards investment should now be clear. Both geographies seek better to position the borderland regions in the international competition for investment, and both seek to marketise the infrastructural transcendence of the borders themselves as a sign of economic promise in the context of wider economic interdependencies.

Selling Cascadia and Transmanche as places to invest is only half the project, however. The other half is the appeal made to the other kind of idealised citizen-subjects of the trans-border region, consumers, and, in particular, tourists (both local and extra-local). In the Transmanche case these promotional projects need little explaining; they have been advanced by Eurotunnel, Eurostar and le Shuttle as a way of generating more demand for movement back and forth through the region. This has led to the production of numerous brochures and magazines advertising each side of the region to the other, along with frequent shopping trip giveaway competitions by large super-market chains like Sainsburys, Carrefour and Mammouth. Even arts festival campaigns co-ordinated on both sides of the Channel have been developed, though with little demonstrated sign that they led to anything more than some tri-lingual (French, English and Dutch) festival pamphlets.

In a slightly different way and with a more advanced advertising campaign pitched at long distance tourists from Germany, Japan, Australia and the UK, the promoters of Cascadia – most notably planners at the Port of Seattle and the Discovery Institute, a Seattle-based conservative think-tank – have developed the concept of the ‘two-nation vacation’ (see Figure 6). Here the whole panoply of iconic commodification has been put together with a map that again lends objectivity, and in this version, a copper-plated sense of historicity to the geo-economic construction of Cascadia. Native people, waterfalls, bears, eagles, salmon, trees and orcas are all yoked into the project of developing a Cascadian natural history turned natural future. Yet designed as it is for the tourist trade, the actual circle of belonging imagined by this promotional campaign is much smaller. It is only to the consuming tourist to whom the invitation is extended, everyone and everything else is just commodified and marketed.

Much more could be said about the specificities of each of these cross-border regionalisation projects, and certainly there are many contrasts that have not been noted above. Whereas Cascadia, for example, is now also used to brand a mutual fund, that ultimate sign of capitalist commodification, Transmanche has by complete contrast also enabled EU monies to be used to enact environmental remediation that might otherwise
never have been funded by the local governments on either side of the Channel. The overarching governance effects of the EU and NAFTA do therefore make a difference. Moreover, while the Cascadia boosterism is largely the direct product of a classic (albeit transnational) North American public-private regional growth coalition, the Transmanche developments represent much more of a EU committee-conceived, public sector led venture that has in turn been managed and implemented by semi-autonomous public-private development agencies with market-led growth agendas. Despite these differences, the overwhelming similarities between the geoeconomic positioning strategies deployed in both contexts stand out. It is not just that they both have a similar bottom line focus on attracting inward investment and tourism through the deployment of rhetorics and mappings of the ‘cross-roads’ opportunities. It is also that this repeated refrain and remapping of location is wholly conceptualised, organised and publicised through the language and logic of the ‘level-playing field’, the language and logic, in other words, of market competition. Free market, capitalist competition, it would seem, is thus what ultimately explains the commonalities in these kinds of geoeconomic discourses and practices from one continental context to the next.

In addition to explaining the trans-Atlantic commonalities in cross-border geoeconomics, the root connection to capitalist competition and the unbounded territoriality of the free trade ‘level playing field’ also explains why the resulting transnational state effects are so open-ended and why they can accommodate what would otherwise be seen as contradictions between collaborative planning and competitive behaviour in the regions. Collaborating regionally across borders in order to compete globally and continentally is inherently contradictory insofar as the infrastructure investments that reduce frictions and enable ‘collaboration’ across the internal borders also enable more competition within the cross-border regions too. Indeed, this internal competition is seen as a key goal by some promoters of cross-border ‘collaboration’ who view it as a way of further disciplining municipal and local governments through the threat of moving business to other parts of an integrated region. Considered from the atomizing and absolutist spatial logic of traditional statism, such a contradictory mixing of collaborative and competitive dynamics (or, to return to Ó Tuathail’s language, the contradictory mixing of both ‘place’ and ‘pace’ discourse at once) could never be considered as a result of unitary state power. But clearly, it is not such a result. Not only is it transnational, it is also, because of the contradictions, at complete odds with any notion of intentionalist, single-minded state decision-making. Considered instead as an open-ended transnational state effect that emerges as a result of competition-based geoeconomic imperatives, the result is not contradictory
at all; or rather, its contractions can be understood as reflections of the contradictory, scale-switching dynamics of capitalism itself.31

Ohmae summarises the competition-inducing and contradiction-sustaining implications of the transnational state effect when he makes the following comparison between what, in the terms of this article, can be called nation-state geopolitics and region-state geo-economics:

Region states are very different from 19th century nation states. Nation states get very upset if invaders set one foot within their borders and retaliate with military force. Nation states tend to protect their own industries, because they feel it is the responsibility of the government to protect indigenous industry. Region-states aren’t concerned about such things, as long as the money – keeps flowing in. And they become the hub and spokes for the global flow of capital markets and corporate activities. All kind of information then flows generously, individuals will visit and prosperity follows.32

Of course, Ohame also has to add these claims about future prosperity to his description, claims which are unfounded but which simultaneously mask the more systemic neoliberal implications of all the geo-economic arguments and tendencies. It is these implications to which the argument here turns by way of conclusion.

The Ends and End of the Nation-State: A Cautionary Conclusion

We would also note that the theories of boundary removal are largely based on the observation of economic realities. Both the western European and North American (USA-Canada) experiences have been characterized by an opening of markets, a removal of trade barriers and a global economic environment. The postmodern discourse on boundaries has used these observed realities within a specific sphere (economic) of human activity to suggest that similar changes will take place within additional cultural, national and social spheres. This is a highly determinist argument, one that assumes that changes in the economic environment, normally defined in terms of technocratic networks, will automatically produce similar results in other spheres of life activity.”

David Newman and Anssi Paasi33

With these words, Newman and Paasi warn geographers, and especially political geographers, of the dangers of over-generalising about the transcendence of borders from the case of border-transcending free trade developments. Elsewhere Newman has reminded scholars of boundaries that while ‘[t]he impact of globalization may weaken the link between national identity and fixed boundaries at one end of the spatial scale’, it may
also lead to the ‘strengthening of local territorial identities at the other end’. The merit of both these arguments has clearly been born out by the material presented above, not least of all by the demonstration that there is nothing automatic about the ways in which continental free trade might be related to changes at the border. The emergence of anticipatory geographies of cross-border regionalisation not only testifies to the way in which deterritorialisation operates through, and thereby becomes mediated by, localised forms of reterritorialisation, but also shows how the border-transcending forces of free trade are simultaneously interpreted and negotiated in extremely complex ways on the ground. As a way of theorising the particular conjunction of free trade ‘level playing field’ territoriality with the geographical anticipation of economic agglomeration, this article has also added to Newman and Paasi’s caution the suggestion that the notion of geo economics is an especially valuable tool for coming to terms with these processes of mediation. Valuable, in short, because it enables us to name what was shown empirically to be a particularly contradictory dialectic of deterritorialisation and reterritorialisation in which the geographical displacement of the boundaries, that is to say, the ends of the nation-state, has been imagined through neoliberal discourses of the ‘end of the nation-state’.

In one way this empirically argued re-working of Luttwak’s language may be read as a somewhat more materialist approach vis-à-vis the culturalist genre of critical geopolitics, which focuses in classic ‘postmodern’ ways on discursive processes of border-construction and destruction. Certainly any further development of the notion of geo economics demands still more attention on how post-Cold War cultural-political geographies are intricately embedded in the changing economic geographies of globalisation. However, in addition to these critically materialist arguments, the actual deconstruction of Ohmae and Luttwak that was also offered here, the way they were read against the grain by being read against each other, obviously owes a debt to a more formal form of Derridean deconstructive analysis. The point was not only to demonstrate the limits of their respective arguments, but also to illustrate how these limits actually adumbrated a whole arena of possible research on the emerging geo economics of borderlands. The material on the different EU and NAFTA free trade arena highlighted key questions of context, and the description of the geo economics of Cascadia and Transmanche in turn fleshed out some key commonalities that, notwithstanding these contextual differences, might be said to constitute the core characteristics of neoliberal geo economics as an emergent set of imperatives in regional governance. At its core, then, geo economics can be concluded from these arguments to comprise a trend towards the competitive promotional positioning of
regions within global flows, a form of positioning that is predicated upon the territorial dynamics unleashed by free trade – the trends towards decentralisation, polarisation, competition, deregulation, and unboundedness – and which embraces and reduplicates these trends in local pro-growth strategies aimed to turn the peripheral corridor character of borderlands into cross-roads of regional agglomeration and economic expansion. The resulting anticipatory geographies of borderlands development serve thus to turn an economic geography into the basis of a cultural-cum-political geography used to make policy-making interventions and, thus, ultimately to try to force changes in patterns of governance at the local level.

The material on Cascadia and Transmanche presented here demonstrated how the forms of governance at once anticipated and argued for through the various cross-border promotional projects were basically of the same kind that according to Harvey characterise the direction of urban governance in the context of what he calls ‘flexible accumulation’: namely, governance through the market through the practices induced by competing inter-regionally for more and more investment and consumption capital.58 It was suggested before that the resulting geoeconomic imperatives worked in this sense like the so-called hidden hand of the market, not as intentional and deliberate moves as in Luttwak’s account, and much more as the result of the systemic influences of free trade and other political and cultural factors being negotiated by policy makers in contextually contingent ways. In closing, though, it needs to be stressed that in the examples of geoeconomic positioning presented here such negotiation seems to have been very much constrained and, more significantly, will have yet still more constraining political implications if the promoters’ visions really develop. In this sense, then, the better metaphorisation of the systemic influence of geoeconomic imperatives may not be as so many marketised hidden hands, but rather as hidden hand-cuffs. This is to suggest that at a political level what is being anticipated in these various visions of cross-border geographies is not just a new economic space of development, but also a new political space too. As was indicated above, such a space that is actually predicated on the competitive dynamics of free trade already pushes policy-making towards more market-oriented models, where it is the competition for different forms of capital that becomes the highest priority of governance (and consequently a downward lever on environmental protections, progressive taxation, and so forth). But, more than this, if these new cross-border geographies ever become more solid as polities, they will also be political spaces utterly emptied of democratic accountability. In the place of full and comprehensive citizenship the promoters seem to envision only a citizenship of investors and consumers networked together by a
series of unaccountable and decentralised public-private partnerships. All this may seem merely of a piece with the broader neoliberal decentralising trends towards states’ rights, provincial rights, and, in EU parlance, subsidiarity, but by being extended into transnational space something else happens too. The very basis of modern democracy, national citizenship, is eclipsed in the name of developing more flexible, more timely, more locally accountable, cross-border pro-growth strategies. The future of these anticipatory geographies of the end of the nation-state, then, clearly has an underside: geoeconomics as the hidden hand-cuffs of democracy.

NOTES

7. The use here of the formula ‘state effects’ represents an attempt to move away from Luttwak-like assumptions about the absolute and agent like nature of the state holding power. Instead, the language of state effects forces us to come to terms with how any agency a state may seem to have emerges out of a whole panoply of changing power relations that state governance practices hold together incompletely and unevenly. In this regard the language used here follows Mitchell’s Foucauldian critique of traditional state theory in, T. Mitchell, ‘The Limits of the State: Beyond Statist Approaches and Their Critics’, American Political Science Review, 85/1 (1991), pp.77–96. However, this article extends Mitchell’s argument into transnational space (a place and possibility he does not explore) where a notion of state effects provides a valuable way of comprehending how certain kinds of systemic governance practices may be developing as dominant across transnational space without any transnational state-like entity (e.g. the United Nations) necessarily being even involved, let alone instrumental.
14. For a much more detailed commentary on Ó Tuathail’s arguments see M. Sparke, ‘Graphing the Geo in Geo-Political: Critical Geopolitics and the Re-Visioning of Responsibility,’ Political Geography, forthcoming, as well as Ó Tuathail’s response, ‘Dis/placeing the Geopolitics Which One Cannot Not Want,’ Political Geography, forthcoming.
16. Insofar as the argument here is being developed through a critique of Ohmae and Luttwak, the terms ‘deterritorialization’ and ‘reterritorialization’ are being used in this article in a relatively simple way to describe the creative destruction of space, which is to say, the production of new spaces and territories over the ruins of older spaces and territories and their associated boundaries – most especially, of course, national boundaries. It should be noted, though, that the terms also have a series of psychoanalytically inflected meanings thanks to the work of G. Deleuze and F. Guattari, Anti-Oedipus: Capitalism and Schizophrenia, tr. R. Hurley (New York: Viking, 1983). For the purposes of these authors’ anti-Freudian argument, the terms mainly described a series of epistemic, psychological and disciplinary dynamics through which ‘desire’ has been variously conceptualized, disciplined, liberated and re-disciplined through the course of modern Western thought. Their account is nevertheless ambivalent, and leaves room open, so to speak, for more spatially sensitive treatments of the production of ‘desire’ as a process with geographic beginnings and outcomes including the formation of boundaries and boundary objects. See especially, K. Theweleit, Male Fantasies: Volume One, Women, Floods, Bodies and History, (Minneapolis, MN, University of Minnesota Press, 1987), and M. Sparke, ‘Writing on Patriarchal Missiles: The Chauvinism of the Gulf War and the Limits of Critique’, Environment and Planning A, 26:7, 1994, pp.1061 – 1089. The rather different political-economic reworking of the terms which is being built upon in this article goes back to David Harvey, The Condition of Post-Modernity (Oxford: Blackwell, 1989), p.238; although as Harvey himself noted, the attention to the disciplining of desire in the Deleuze and Guattari formulations also enables us to read realist renditions of arguments about deterritorialisation and reterritorialisation such as Ohmae’s as so many symptoms of the ‘schizophrenia’ brought on by the ever accelerating creative destruction of contemporary capitalist restructuring. Such a psychoanalytic reading is not pursued here, partly for reasons outlined in Sparke, 1994, op.cit..
22. The actual trajectory of the fall was certainly steeper in some countries than others – the contrast of the UK under Thatcher with France under Mitterand being especially notable in this regard – but the downward trend towards the attrition of Fordist national planning and welfare and health-care safety-nets remains clear. See S. Lash and J. Urry, The End of Organized Capitalism (Cambridge: Polity 1987).
27. Indeed, neoliberal economists of free trade themselves make a point of this. For example, in his AMEX Bank Review Prize essay, Robert Z. Lawrence argued the following: 'The major regional initiatives currently under way are more likely to represent the building blocks of an integrated world economy than stumbling blocks which prevent its emergence. To be sure, there are risks that these initiatives could go astray. But the forces initiating these developments are the very opposite of protectionism. They represent positive, integrative responses to the pressures exerted by globalization. If accompanied by parallel progress at the GATT, regionalization could be a potent mechanism for freeing world trade and investment and harmonizing national institutional practices'. In R. Z. Lawrence, 'Emerging Regional Arrangements: Building Blocks or Stumbling Blocks?', in R. O'Brien, ed, Finance and the International Economy: 5 (New York: Oxford University press, 1991) pp.23–35.


30. However, more nuanced attention to what Saxenian describes as the intrinsically important role of the ‘culture’ of business (A. Saxenian, ‘Regional Advantage: Culture and Competition in Silicon Valley and Route 128’, [Cambridge MA: Harvard University Press, 1994]) has led to more sophisticated analyses of regional agglomeration focusing on the role of what Storper calls ‘untraded interdependencies’, see M. Storper, ‘The resurgence of regional economies, ten years later: The region as a nexus of untraded interdependencies,’ European Urban and Regional Studies, 2/3, 1995, pp.191–221. Since such untraded interdependencies – like local educational patterns, skills learning patterns and informal business cultures – are not necessarily deterritorialized by free trade, one would not expect regional agglomeration across the border to take place quite so automatically as Ohmae suggests.


35. Initially, INTERREG I, which ran from 1990 to 1993, supported 31 operational programs focused on internal borders, with a large proportion of the funds being directed to border region infrastructure projects in Europe’s less-developed or ‘Objective I’ regions. Subsequently, INTERREG IIa, which had a funding cycle from 1994 to 1999, was adopted with an increased budget of 2,563 MECU covering 59 operational programs. Of this funding, 900 MECU was allocated to the EU’s external borders, 740 of which was allocated to the 13 border regions contiguous with the countries of the former Eastern Europe. Funding on the other sides of these borders has come through the cross-border cooperation (CBC) component of the PHARE program (the EU’s aid program for the countries of the former Eastern Europe), although the PHARE CBC budget for 1994 was limited to 150 MECU. In
addition to all this there is the funding from TACIS, the program aimed at the Russian states (which received 30 MECUs for TACIS-CBC programs in both 1996 and 1997) and Morocco. If this was not already complex enough, any glimpse of the changing eligibility rubrics of each of these programs would also help account for the overlaps and messy idiosyncrasy of the Europäische Grenzregionen map. For example, a recent report on External Border funding requirements notes in passing that ‘PHARE CBC support is at present only available to border regions contiguous to the EU and defined as far as possible to be comparable with NUTS III level classification used for INTERREG II A’. In H. Martins, ‘EU External Border: Programmes in Support of Cross-Border Cooperation,’ *LACE Magazine*, 2/Autumn, 1998, pp.7–10.


37. The only exception to this has been the development of a series of cross-border environmental remediation projects along the US-Mexican border that have developed as a result of the NAFTA environmental side accord, the North American Agreement on Environmental Cooperation (NAAEC), which notably the Canadian federal government did not agree to or participate in. However, these small projects are not on the scale of the trans-border regionalism witnessed in Europe, and it is really only the various public-private consortium arrangements featured in the Swanson map that bare comparison in terms of geoeconomics.


39. Established in 1991 and composed of legislators and business persons from Alaska, Washington, Oregon, Idaho, Montana, B.C. and Alberta, PNWER’s objective is to put together the necessary organizational mass to enable Cascadia to become a major player in the world economy. Advancing this goal and already anticipating its realization, the organisation repeatedly quotes the amalgamated GDP statistic of US$350 billion p.a. for the two provinces and five states that comprise the area, arguing thus that, if the region was a single country, ‘it would rank 10th among the world’s industrial economies’ (PNWER, n.d.). Beyond its economic rhetoric, the timing of PNWER’s establishment is significant because it indicates the way in which the envisioning of an economic Cascadia has followed almost directly upon the initial intensification of trade following the implementation of CUFTA in 1989. However, a more critical approach to transnational regional planning has been developed in the most recent collection of viewpoints on the region and its future edited by S. Periwal, *PNWER in the 21st Century*, (Victoria, Canada: BC Government Study Paper, 1999).


42. See the discussion of this question in A. Church and p.Reid, ‘Transfrontier Cooperation, Spatial Development Strategies, and the Emergence of a New scale of Regulation: the Anglo-French Border,’ *Regional Studies*, 29/3, pp.297 – 316

43. Interview by the author in Lille, 15 September 1997.

44. In the North American case this need has also come with an increased sensitivity to the
delays caused by border inspections, a sensitivity that has in certain limited ways lead to various expedited customs procedures. In the European case, by contrast the call for such innovations was largely pre-empted by the Maastricht agreement itself, as well as various earlier rounds of border control harmonization initiatives launched by the EU.


47. For a valuable commentary on how Lille in particular is situated at the center of these regional imaginations, and on the way that this has underwritten the boosterism around the EuroLille complex and downtown redevelopment see P. Newman and A. Thornley, ‘EuraLille: Boosterism at the Centre of Europe,’ *European Urban and Regional Studies*, 2/3, 1995, pp.237-246.


50. This was described as a key goal of Cascadian promotional efforts by the outgoing director of PNWER, Roger Bull an ex-Canadian Consul General, in an interview with the author in Seattle in April, 1997. It is also emerging as a pattern in Transmanche where French businesses are increasingly moving or threatening to move to Kent (while maintaining links to French markets as a result of the Tunnel and Transmanche infrastructure improvements) as a way of lobbying for more neoliberal tax reduction and deregulation measures in France. ‘To be Competitive, We Must all Move to the United Kingdom, read a headline in the trade journal’ *Eletronique International Hebdo* that reported on efforts by one Olivier Cadic to persuade fellow French business people to move to Kent. “You see the word ‘liberte’ on every public building in France,” he said, “but I wasn’t free until I came here.” Quoted in W. Hodge, ‘Ashford Journal: Ah, Britain! The Light at the End of the Tunnel,’ *New York Times*, March 8th, 1998, p.A6.

51. Investments, not only in spatially fixed capital, but also politically, in territorially fixed regimes of governance, are always at risk of devaluation as the creative destructive dynamics of capitalism produce new political as well as economic geographies. For one of the most powerful and eloquent accounts of the scale-switching dynamics of capitalism, see N. Smith, *Uneven Development: Nature, Capital and the Production of Space*, (Oxford: Basil Blackwell, 1990).


55. For a longer elaboration of this combined project of using geographic analysis in conjunction with deconstructions of various theoretical and philosophical foundationalisms see Sparke, forthcoming op.cit (note 24).