Contents

2. Analytic Fundamentals	11
Identity Spaces, Decision Spaces, Jurisdictions, Governing Authorities 11	
Externalities, Market Failures, Public Goods, Governance Failures 14	
Trade-offs 18	
Benefits of External Openness 19	
Costs and Risks of External Openness 23	
Distribution of the Net Benefits and Net Costs of External Openness 28	
Tensions between Local Autonomy and External Openness 32	
De Jure Sovereignty and De Facto Autonomy	36
3. Localism	41
Insiders and Outsiders 44	
Simultaneously Looking Inward and Outward	48

1

4. Border Buffers	55
General Guidelines 56	
Border Buffers for Goods, Services, and Financial Transactions 62	
Localist Diversity and a Level Playing Field? 76	
International Minimum Standards for All Jurisdictions? 80	
5. Cross-Border Migration of People	85
6. External Imbalances and Exchange Rates	101
Imbalances in Cross-Border Interactions 101	
Trade-off Choices for a Nation's	
Financial Governance 103	
Exchange-Rate Flexibility 110	
7. Cross-Border Governance and	
International Cooperation	117
Employ Border Buffers as Hostile Policy Instruments? 117	
Global Climate Change: Progress Depends on International Cooperative Agreements 125	
Cross-Border Comity, Historical Progress 132	
8. Summing Up: Crafting a Balanced Compromise	145
Postscript: Emergence of the Coronavirus Pandemic	155
References	159
Index	169