



# State Officials's Guide

# International Affairs

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The Council of State Governments





# State Official's Guide to International Affairs

by Chris Whatley



The Council of State Governments

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## Foreword

In the opening decade of the 21st century, two facts appear to be driving state international engagement: the world is shrinking and so are state revenues. In the era of “globalization,” no state can afford to ignore the issues and interests that link all levels of American government with the broader international community. However, state international engagement must be pursued against a backdrop of competing demands and limited resources.

Riding a wave of technology, commerce, and immigration, globalization has found its way into virtually every corner of American life. In a global economy the simple task of finding and keeping a decent job is played out in an international context. While the federal government is responsible for foreign policy, globalization respects no jurisdictional boundaries. Through their roles in economic development, infrastructure planning, education, environmental management, and a myriad of other responsibilities, state governments lie at the forefront of America’s evolving response to the opportunities and threats posed by the new global age.

State involvement in international affairs is not a new phenomenon. For almost 50 years states have been leading trade missions, running overseas offices, and forging a broad range of international partnerships. State international engagement accelerated rapidly in the 1990s as a new awareness of the importance of trade combined with rising state revenues to create the conditions necessary to expand international programs.

However, state international activities have long been saddled with a persistent set of obstacles, including inconsistent funding, inadequate coordination, and a lack of public and political consensus over goals and objectives. These existing challenges have been compounded by the state fiscal crisis as states look to cut any program that appears to be expendable.

While pressing budget needs may compel some states to try to “opt out” of international engagement, the global economy affords no such option. Regardless of the choices state leaders make, businesses will continue to face foreign competition, graduates will enter job markets that increasingly require knowledge of foreign languages and international practices, and trade agreements will be negotiated that impact the ability of states to regulate their own jurisdictions. In short, states will be buffeted by international competition and confronted by policy challenges that require international insight – whether they act proactively to engage the world or not.

This guide is not designed as a plea for increased funding for state international programs. There are no easy choices to be made in a time of fiscal austerity. The purpose of this guide is to inform difficult decision-making processes, while also highlighting innovative practices states can use to maximize their international engagement regardless of resource constraints.

With an ever-growing set of pressing issues confronting state leaders, it may seem a luxury to spend time thinking about international engagement. However, in a world where great opportunities and harrowing threats are no more than a mouse click away, it is an investment that no state leader can afford to ignore.





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First, and foremost, The Council of State Governments wishes to thank and acknowledge the many state elected leaders and other state officials who have dedicated their time and talent to informing CSG's understanding of the role of states in international affairs. Through the regular meetings of CSG's International Committee, regional conferences, and other events, the Council has had the opportunity to gain the insight of hundreds of state officials on the unique role that state governments play in international affairs. In addition, CSG is deeply grateful for the contributions of its affiliate groups, including the State International Development Organizations and the National Association of State Treasurers, in advancing our understanding of state governments' international interests.

CSG gratefully acknowledges the support of the The George Washington University's Elliott School of International Affairs for allowing us to use the results of their excellent survey report entitled *Global Activities by U.S. States*. The Elliott School has become a national leader in expanding the international horizons of state government leaders through its research efforts and through its annual hosting of the "Governing in the Global Age" leadership seminar. The state government community has benefited greatly from the attention this prestigious institution has dedicated to the role of states in international affairs.

CSG also wants to acknowledge the invaluable contributions of Timothy J. Conlan and Joel F. Clark of George Mason University. Their original research, conducted on behalf of CSG, on the role of state legislatures in international affairs sheds new light on a long neglected area of state international activity.

CSG is also indebted to the participants in its December 2002 International Forum, including Professor Earl Fry, Brigham Young University; Mark Gordon, the University of Detroit Mercy School; Ralph Munro, former Washington secretary of state, and Barry Penner, president of the Pacific Northwest Economic Region. The analysis contained in this guide is deeply informed by the insights and observations of these dedicated government leaders and academic experts.

Finally, special thanks go to USAID for its ongoing commitment to promoting mutually beneficial partnerships between state international activities and overseas development needs. Through a wide range of grants and other programs involving state universities, agencies and associations, USAID has succeeded in harnessing the strength of American federalism in meeting human development needs worldwide while simultaneously assisting American states to promote the interests of their own citizens through effective international engagement. In particular, CSG gratefully acknowledges the work of Richard Sheppard, former deputy director of the U.S.-Asia Environmental Partnership, for challenging, championing and advancing the role of state governments in international affairs.

## Executive Summary

For more than 50 years state governments have been actively engaged in the international arena. In a global economy, state international engagement is essential for promoting economic growth and providing decent jobs for state residents.

Dwindling resources will clearly impact state governments' ability to pursue international engagement for many years to come. However, the process of globalization is not going to wait for state balance sheets to return to black. As a result, elected leaders need to increase their awareness of their states' international interests and activities in order to make informed decisions with limited resources.

State leaders can maximize their state's international engagement by developing an integrated strategy for international affairs that networks the existing international activities of state agencies, mobilizes public and political support around a shared vision, and leverages scarce state dollars with federal grant programs and other funding sources.

## Emerging Trends in State International Engagement

State international engagement has grown substantially over the past 20 years. States spent approximately \$190 million on international programs (excluding investment incentives) in 2002, up from \$20 million in 1982. In 2002, states maintained approximately 240 overseas offices, up from four in 1980. At the same time, state legislatures passed 270 bills or resolutions on international topics in the 2001-2002 legislative session, up from 72 in 1991-1992.

However, state international programs are beset by a persistent set of obstacles. State spending on international programs is volatile and limited. In addition, most states lack the leadership structures and coordination mechanisms necessary for building consensus for international engagement and for developing an integrated international strategy. All of these challenges have been greatly compounded by the current fiscal crisis.

State international activities also occasionally come into conflict with the federal government's primacy in foreign policy. However, the federal government remains largely indifferent to most state international activities. This indifference actually poses a greater challenge to effective state international engagement than the prospect of undue federal interference.

Despite these limitations, states conduct a broad array of programs to advance their interests in the international arena, including the following:

1. **International trade and investment:** States have long been active in creating jobs at home by promoting investment from abroad and by assisting businesses in the state to access international markets. State governments maintain a network of approximately 240 overseas offices and employ more than 1,000 trade and investment specialists. In addition, state governments have begun to advocate their interests in national trade policy and the negotiation of individual trade agreements.
2. **Border cooperation:** Many of the key domestic policy challenges faced by state and provincial leaders in border regions can only be effectively addressed by working with their counterparts in Canada or Mexico. These states participate in regular cross-border coordination forums and frequently enter into agreements or compacts on environmental issues and other topics.



3. **International education initiatives:** Through their support and funding of education programs states play a central role in preparing American citizens to compete in a global marketplace. While there are a few notable examples of innovative state programs in international education, the subject remains a low priority in most states.
4. **International partnerships:** State governments have entered into a broad series of international partnerships, including formal sister state relationships, cultural exchanges, and many other informal interactions. These partnerships offer substantial benefits for participating states. However, they also pose their own unique set of challenges.
5. **Other categories of international engagement:** Some of the prominent additional areas of activity that contribute to state international engagement include the international investments of state treasuries, small-scale technical assistance exchanges by state agencies, and individual international travel by state leaders.

## The Role of the State Executive in International Affairs

International engagement must be viewed as a core component of an overall effort to improve the competitiveness of the state's economy and contribute to the welfare of its residents. Executive leaders can harness the state's international potential by building consensus for a shared vision, developing an integrated strategy for international affairs, coordinating across agency lines, and using the power of the bully pulpit both to advance state goals abroad and to leverage additional resources at home.

1. **Building consensus and establishing a strategy:** State executive leaders are uniquely positioned to reach out across agency lines, branch jurisdictions, and constituency groups to build a consensus for international engagement. They are also best equipped to ensure that all international activities contribute to a single integrated strategy for international engagement.
2. **Setting accurate and realistic goals:** The performance of international programs must be measured against accurate and realistic standards. A state that ties the success of its international engagement to export statistics may seem to be failing even though it is achieving important progress. The true results of state international programs can best be tracked through close consultations with the businesses and other constituency groups they are designed to benefit.
3. **Coordinating across agency lines:** Interagency coordination is essential for effective international engagement. States can help maximize their international engagement by creating interagency coordination structures led by high-ranking executive leaders.
4. **Advancing goals abroad while leveraging resources at home:** The bully pulpit confers unique advantages to executive leaders in international engagement. Executive leaders can help businesses overcome barriers in foreign markets by reaching out to their international counterparts. State executive leaders can also use the power of their offices to mobilize resources for international engagement both within the state budget and by leveraging outside funding sources.
5. **Promoting staff continuity:** Executive leaders can also help avoid the pitfalls of rapid staff turnover and promote long-term consistency in international engagement by making at least one high-level position in the state trade office a civil servant.

## The Role of the Legislature in International Affairs

Legislatures play a vital role in state international engagement through the law-making function, through their oversight of state international programs, and through the unique role they play in channeling public opinion on important international issues. Given the powers and interests of state lawmakers in international affairs, no state international engagement strategy can be effectively pursued without the active support and involvement of the legislature.

The number of bills passed by state legislatures on international topics has increased by 375 percent over the past 10 years. At the same time, the topics of state international legislation have expanded greatly to include bills on terrorism and a host of other issues. State legislatures have also begun to create special committees and staff structures to review international bills. Constituent concerns are the primary motivation for state legislation on international issues. However, organized lobbying by interest groups and foreign governments has also contributed to the trend.

The federal government seldom consults with state legislatures on international issues or asks to comment on individual bills. State legislators have also demonstrated only modest levels of concern about the potential impact of international trade agreements on their powers and jurisdictions.

Key roles for state legislatures in international engagement include the following:

1. **Building consensus for international engagement:** By consulting with their constituents legislators can help promote public consensus for international engagement. Hearings and other actions by oversight committees can also serve to prompt executive agencies to develop an integrated international strategy.
2. **Holding state trade programs to appropriate standards:** Measuring trade program performance is extremely difficult due to deep flaws in U.S. export statistics and other challenges. Personal feedback from business leaders in the industries targeted by state programs, through hearings and other consultations, offers the best resource for determining program effectiveness.
3. **Safeguarding state interests in international trade agreements:** States can best protect their independent powers by investing in committees and staff structures designed to explore trade policy concerns. These committees should also reach out to the executive and the judiciary to solicit their input and assistance in the debate.
4. **Channeling constituents' concerns:** State resolutions on international issues provide unique insights into American public opinion. However, it is in the interest of state legislators to reach out proactively to the State Department's Office of Intergovernmental Affairs and to congressional offices when considering controversial international resolutions.

## Innovative Responses to International Engagement

Even in the midst of the fiscal crisis, innovative state leaders have found ways to advance their states' international interests. A few examples of the many innovative international programs include the following:

1. **A strategic approach to international affairs – Maryland leads by example:** In the face of dwindling resources, Maryland created a Governor's Subcabinet for International Affairs to ensure that all state international activities contribute to



a single integrated strategy. For a limited investment of time and resources, the state has succeeded in creating an innovative structure that ensures that the state can speak and act with one voice in the international arena.

2. **Border cooperation – PNWER promotes regional infrastructure security:** For the past two years the Pacific Northwest Economic Region (PNWER), a binational organization linking five U.S. states and three Canadian jurisdictions, has worked to protect the Pacific Northwest from the type of cascading blackouts that struck the Northeast in 2003. By conducting a unique simulation exercise and providing ongoing recommendations, PNWER has helped protect the vital interests of citizens on both sides of the 49th parallel.
3. **International education – Wisconsin builds a global generation:** Since 1997, the Wisconsin Task Force for International Education has worked to increase and diversify opportunities for state residents to participate in international education programs. Despite the impact of the fiscal crisis, the task force has succeeded in expanding opportunities for study abroad programs and advancing other important goals.
4. **Trade policy – Lessons from our neighbors:** Provinces play a direct role in the creation of Canada's national trade policy. The province of Ontario alone employs more trade policy experts than all 50 states. American state leaders can benefit greatly from studying the efforts of our northern neighbors.
5. **International partnership – Massachusetts builds ties with South Africa:** The Massachusetts-South Africa Health Care Task Force has taken state partnership to a new level. Since 2000, the state has participated in an active series of exchange and professional development programs for medical professionals in the two countries sponsored primarily by individual donations from concerned citizens.



## Chapter One



Emerging Trends in State International Engagement



## Emerging Trends in State International Engagement

Although states don't have a foreign policy, they do have a foreign profile. In a global economy, no jurisdiction is immune from the impact of international events. When the International Monetary Fund makes a decision to rescue a failing economy on a distant continent, its impact is felt immediately in the order books of state businesses and the balance sheets of state pension funds. This is but one example of how international events have direct implications for state governments.

At the same time, the decisions, programs and policies of state governments generate their own ripples in the international system. When state leaders make policy choices on environmental regulations, safety standards, and a host of other issues their actions are played out on an international stage. Decisions taken to respond to purely domestic concerns can easily affect an investment decision by a multinational corporation, or can even lead to international trade disputes.

While international engagement remains a small aspect of state attention, states have responded to their growing international interests by investing in a wide array of international activities, including trade and investment programs, cross-border cooperation efforts, international education initiatives, and a broad range of partnerships with counterparts around the globe.

### From Modest Beginnings to Global Reach

In the midst of the Great Depression of the 1930s, Colorado state Representative Henry Toll, founder of The Council of State Governments, led a delegation of state leaders to Europe to build relationships and explore new approaches to important policy challenges. However, the current trend in state international engagement probably began in 1959, when North Carolina Governor Luther Hodges led the first known gubernatorial trade mission to Western Europe.<sup>1</sup> In the years since this modest beginning, state governments have opened overseas offices on every continent, cultivated deep working relationships with their neighbors in Canada and Mexico, and forged a wide variety of cultural exchanges and other partnerships around the world.

State international engagement has grown substantially during the past 20 years. States spent approximately \$190 million on international programs (excluding investment incentives) in 2002, up from \$20 million in 1982.<sup>2</sup> In 2002, states maintained approximately 240 overseas offices, up from four in 1980.<sup>3</sup> At the same time, state legislatures passed 270 bills or resolutions on international topics in the 2001-2002 legislative session, up from 72 in 1991-1992 (see Chapter Three for a detailed analysis of new trends in state international lawmaking).

### Why Are States Going Global?

Jobs are the driving force in state international engagement. State officials consistently list the desire to create or protect jobs as the primary motivation for interna-

<sup>1</sup>Earl Fry, *The Expanding Role of State and Local Governments in U.S. Foreign Affairs* (New York: Council on Foreign Relations Press, 1998).

<sup>2</sup>Adrienne T. Edisis, *Global Activities by U.S. States: Findings of a Survey of State Government International Activities*, The George Washington University, July 2003, p. 2.

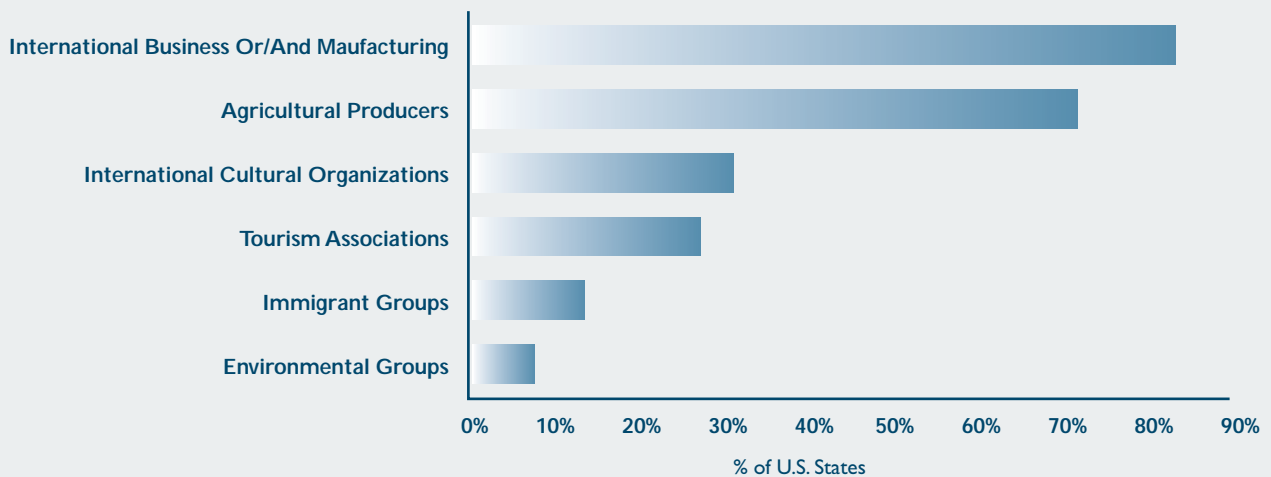
<sup>3</sup>State International Business Development Survey, State International Development Organizations (SIDO), December 2002.

tional programs. This linkage between employment and state international engagement is well-founded, since more than 18 million Americans owe their jobs to trade, foreign direct investment, or international tourism.<sup>4</sup> People who are lucky enough to hold these jobs are also paid on average 17 percent more than workers in non-internationally focused industries. These industries were the engines of growth for the American economy throughout the 1990s.

While economic factors are the dominant force in state international engagement, immigration flows, terrorism and criminal threats, environmental challenges, the spread of infectious diseases, and new obligations under international agreements have also contributed to the trend. Quite frankly, the dizzying pace of globalization is creating new international interests, opportunities and threats faster than state governments can adequately respond to them.

### Internationally Orientated Constituencies

The below were identified as one of the three most vocal constituencies regarding international activities in a survey conducted by The Elliot School of International Affairs at George Washington University.



Source: *Global Activities by U.S. States*, Elliott School of International Affairs at George Washington University, July 2003.

<sup>4</sup>Earl Fry, Public remarks made at *The International Forum*, The Council of State Governments, December 2002.



## Obstacles to State International Engagement

Although state international engagement has grown substantially in recent years, it remains bedeviled by a persistent set of obstacles. State spending on international programs remains modest compared to the scale of the challenges posed by globalization. Spending on long-term international programs designed to increase international competitiveness, including international education initiatives, research partnerships and other programs, is particularly limited.

Most states have yet to develop the political consensus, coordination mechanisms and leadership structures necessary to pursue an integrated strategy for international affairs. The international engagement of most states consists of a collection of unrelated activities, rather than a strategic commitment to maximizing the competitiveness of the state economy or advancing other international interests. While governors and other state leaders often make commitments to increase state trade budgets or open new overseas offices, these commitments are frequently perceived as the pet program of a single politician rather than a vital interest of the state as a whole. There is a clear need for all branches of state government, as well as business interests and public constituencies, to work together to review state interests in the international arena, inventory state programs, and build consensus for an appropriate international engagement strategy.

State spending on international programs is volatile as well as limited. Studies have shown that state budgets for international trade programs alone regularly face annual increases or decreases of 50 percent or more.<sup>5</sup> This “feast or famine” cycle prevents the development of long-term relationships necessary for effective global engagement. In addition, since most states lack mechanisms for coordinating international activities across agency lines, they miss opportunities to build synergies and achieve cost efficiencies by linking the activities of universities, arts agencies, economic development offices and other state institutions.

The core obstacles to state international engagement have been recognized and reported for many years by top scholars and observers of state international programs. They include inadequate strategic direction, limited funding, lack of public and political consensus, and inadequate coordination mechanisms.<sup>6</sup> To these obstacles is added the new burden of a crushing state fiscal crisis. In 2003, legislatures in Massachusetts and California voted to eliminate their states’ entire international trade portfolios. Other states have slashed funding to mere “life support” levels, closing overseas offices, eliminating travel, suspending business counseling programs and furloughing staff.

## Intergovernmental Relations in International Affairs

The U.S. Constitution confers primacy in the conduct of foreign policy to the federal government, and instances of intergovernmental conflict do occur.<sup>7</sup> The Supreme Court ruled in 2000 to strike down a Massachusetts law designed to prevent compa-

<sup>5</sup>Timothy J. Conlan and Michelle A. Sager, *International Dimensions of American Federalism: State Policy Responses to a Changing Global Environment*, U.S.-Asia Environmental Partnership, United States Agency for International Development, November 1997, p. 24.

<sup>6</sup>Carol Conway and William E. Northdurft, *The International State: Crafting A Statewide Trade Development System*, The Aspen Institute, 1996, p. 38.

<sup>7</sup>Brannon P. Denning and Jack H. McCall, “States’ Rights and Foreign Policy: Some Things Should be left to Washington,” *Foreign Affairs*, January/February 2000.

nies that do business in Burma from receiving state contracts. In 2003, the Supreme Court also ruled in a 5-4 vote to strike down California's Holocaust Victim Insurance Relief Act of 1999.<sup>8</sup> Under the California law, state insurers were required to provide extensive information regarding every insurance policy sold in Europe between 1920 and 1945 as a means to assist holocaust victims and their survivors in recovering lost insurance claims. The High Court found that both of these laws interfered with the federal government's ability to speak with one voice in foreign affairs.

The State Department also does occasionally lobby state legislatures to table or amend specific legislation that is perceived to be at odds with U.S. foreign policy. An example of this lobbying is provided by Virginia's flag controversy.

Prompted by constituency requests from Vietnamese immigrant groups, the Virginia House of Delegates passed a bill in February 2003 requiring that the flag of the former South Vietnam replace the flag of the Peoples Republic of Vietnam in public schools, universities and other state facilities where such flags are displayed. The bill prompted an angry diplomatic response from the Vietnamese government. The State Department reacted by lobbying the Virginia Senate to ensure that the bill did not come up for a vote. Secretary of State Colin Powell wrote a personal letter to the Vietnamese government apologizing for the controversy and noting that the State Department had worked to kill the bill.<sup>9</sup>

Such intergovernmental dustups are the exception to the rule. In general, the federal government has shown little interest in state governments' efforts to forge partnerships, pursue economic opportunities, pass resolutions on international topics, and advance other interests in the international arena. In fact, the true intergovernmental obstacle to state international engagement is federal indifference. States need active avenues of consultation, cooperation, and assistance from the State Department, the U.S. Department of Commerce, the Office of the U.S. Trade Representative, and other agencies to accomplish their goals and defend their interests in the international arena. Today, such mechanisms remain few and far between.

### International Trade and Investment

Promotion of international trade and investment is the single largest category of state international engagement. In fact, it is often the only category of international activity that is listed on an organizational chart. The international divisions of economic development agencies employ more than 1,000 international trade and investment professionals and maintain a network of approximately 240 overseas offices.<sup>10</sup> State agriculture departments are also very active in helping agricultural producers find foreign markets for their crops, often in concert with the Foreign Agricultural Service of the U.S. Department of Agriculture.<sup>11</sup> In addition, as international trade negotiations have begun to embrace service industries and other economic sectors traditionally regulated by states, state governments have begun to recognize that they have vital interests at stake in America's international trade policy and in the negotiation of individual trade agreements.

<sup>8</sup>“U.S. Supreme Court Defeats Holocaust Law,” *Insurance Journal*, July 7, 2003.

<sup>9</sup>Steven Ginsburg, “Global Furor Doooms Virginia Flag Bill,” *The Washington Post*, February 16, 2003, p. C06.

<sup>10</sup>Conlan, p. 24.

<sup>11</sup>The responsibility for assisting state farmers in accessing foreign markets varies by state. For some states, like Minnesota, the responsibility lies with the economic development agency. In other states the agricultural department has its own dedicated staff for international marketing.



## Investment Promotion

Investment promotion is the one element of a state's international engagement that makes front-page news. Toyota's decision in February 2003 to build a new truck assembly facility in Texas is expected to create more than 2,000 jobs. However, securing this investment required a \$133 million incentive package of infrastructure improvements, job training funds, and state and local tax benefits.<sup>12</sup>

The federal government has historically paid little attention to actively soliciting foreign direct investment. States have stepped into the breach by using their economic development agencies, overseas offices and other international resources to recruit international investors. Given the high profile of investment decisions, successful promotion efforts usually involve substantial personal involvement by the governor, key legislators and other state elected leaders.

Unfortunately, fierce competition for a limited number of major investors has created bidding wars among states. Since the 1970s the number of states providing incentives to investors has steadily increased. By 1998, more than 40 states offered tax concessions and other incentives to attract new investment and support existing employers.<sup>13</sup> Potential investors employ professional site location consultants who are adept at playing one state against another. This competition prevents cooperation among states on investment promotion and has cost state coffers billions in lost tax revenue.

A number of studies, including an important report by the National Governors' Association, have suggested that states can be more effective over the long-term in attracting investment from at home and abroad by focusing on developing their education systems, infrastructure, research institutions, and other resources that support industry "clusters," rather than relying on incentive-based competition to lure investors.<sup>14</sup>

A few state leaders have begun to call for states to pursue regional approaches to investment promotion, recognizing that investors often decide ahead of time to locate in a given region and then intentionally pit one state against another to secure the largest incentive package. States could curb some of the more extreme examples of bid competition by recognizing that an investment in an adjoining state can have equally beneficial economic spin-offs to suppliers in their own state.<sup>15</sup> However, as long as investment promotion is perceived to be a zero-sum game, with a headline pending on the outcome, it will be very difficult for elected leaders to resist the pressure to compete.

## Trade Promotion

Far less visible, but no less important, are the efforts of economic development agencies to create jobs at home by helping businesses sell products abroad. The core clients for these programs are not major multinational firms, rather they are small and medium size companies that often have little experience in the international arena, but generate a large percentage of local jobs.

<sup>12</sup>Karim Khan, "Toyota to Build Trucks in Texas," *Business Facilities*, July 2003.

<sup>13</sup>Keon S. Chi and Daniel J. Hoffman, *State Business Incentives: Trends and Options for the Future*, The Council of State Governments, 2000, p. 12.

<sup>14</sup>*A Governor's Guide to Trade and Global Competitiveness*, National Governors Association, 2002, p. 23.

<sup>15</sup>Ralph Munro, Former Washington Secretary of State, Public remarks made at *The International Forum*, The Council of State Governments, December 2002.

States employ professional trade staff within the home offices of their economic development departments to help these firms take advantage of international opportunities. Most states also operate small overseas offices, generally staffed by local contractors, to identify opportunities for state businesses in key markets (see Appendix A). In addition, states partner with community colleges, small-business development centers, and other organizations to provide counseling on international opportunities to businesses throughout the state. The services offered by state international trade divisions and their partners vary greatly from state to state. However, the most common services include educating companies about the benefits and mechanics of international trade, conducting targeted market research, providing leads and contacts of potential overseas buyers, organizing trade missions and trade show delegations to key markets, and assisting companies with accessing financing and insurance for trade deals.<sup>16</sup>

While these programs offer important services to state businesses, their performance is very difficult to track. They generally don't deliver a flashy payoff, like the construction of a new factory, which can be linked directly to state support. Rather, their benefits unfold gradually in the form of increased sales or improved competitive advantages. These incremental successes often take years to achieve and are therefore very difficult to track in an annual reporting cycle driven by the state fiscal year.

Most states measure the impact of their trade promotion programs by surveying businesses that have participated in assistance programs to determine if they have secured new sales or hired additional employees. However, these surveys are notoriously imprecise, as businesses are often reluctant to provide information on sales or to attribute their successes in the international marketplace to government assistance.

There is a clear need for states to invest in developing standards to measure program performance that take into account the difficulties of tracking export assistance efforts. The State International Development Organizations (SIDO), the only national association of state international trade directors, has worked over the past three years to share lessons learned on measuring program performance among state agencies. However, much work remains to be done in developing standards that are recognized and respected by executive agency heads and legislative oversight committees.

There is also a clear need for better networking and joint planning among the purveyors of trade assistance services within each state. States are not alone in providing trade promotion services within their jurisdictions. The U.S. Department of Commerce, the Small Business Administration, nonprofit world trade centers, for-profit business consultancies, and even some local governments all offer a number of services designed to support small-business exporters. In some states, distrust and insufficient communication have kept state trade officials from working collaboratively with the U.S. Department of Commerce and other potential partners located in their states. SIDO has established a working group between state trade directors and Department of Commerce leaders to promote intergovernmental collaboration in trade promotion. However, the effort to integrate the activities of the wide variety of trade assistance providers into a "trade system" remains in its infancy.<sup>17</sup>

<sup>16</sup>This section is drawn from the findings of *A Benchmarking Best Practice Survey of Multi-State International Trade Programs*, by Daniel Abramowitz, Michigan Economic Development Corporation, July 2003.

<sup>17</sup>Conway and Northdruff, p. 38.



State trade programs also often suffer from “mission creep” as a result of political pressures. Trade programs live or die by the results they achieve in the marketplace. However, since state trade divisions, and their overseas offices, are usually the most visible elements of a state’s international portfolio they are often called upon to carry the load in the state’s efforts to forge cultural ties and support partnerships outside the business development arena. While these broader partnerships are often of great benefit to the states involved, for trade professionals they can prove a distraction from the task at hand. In addition, some state economic development agencies are compelled by political pressures to open overseas offices or conduct trade missions to markets of limited interest to state businesses. While legislators and other elected leaders generally have noble motives in spurring these agencies to support broader partnerships or focus on new markets, these pressures can spell the death of a state’s trade promotion program.

This phenomenon was recently demonstrated in California. In 2002, the California Assembly approved the opening of an overseas office in Armenia, at a cost of \$150,000 per year, despite the fact that the country is a marginal market for U.S. exports.<sup>18</sup> However, by 2003 the mounting extent of the state budget crisis prompted increased legislative scrutiny of the state’s trade program. An investigation of the California Technology, Trade and Commerce Agency criticized the state’s international trade program both for exaggerating the results of its activities and for maintaining overseas offices in markets of little importance to California businesses. Despite strong support from many businesses and other organizations, the Legislature voted to close all 12 of California’s state trade offices by the end of 2003 and to dismantle the entire agency.

### Trade Policy Development

International trade negotiations are placing new pressures on the American federal system.<sup>19</sup> No longer can state leaders concern themselves solely with decision-makers in Washington. The North American Free Trade Agreement, the World Trade Organization and new potential agreements have propelled state regulatory decisions and state lawmaking into an international context.

As negotiations have moved beyond lowering national tariffs to include protections for international investors and liberalization of service industries, international trade policy has moved squarely into territory traditionally regulated by states. Today foreign investors in the United States can, and increasingly do, bring cases before international tribunals challenging state laws and regulatory decisions. While these tribunals do not have the power to strike down state laws or impose penalties on state governments, they do have the power to impose penalties against the federal government or retaliatory sanctions against American exports that could lead to greater pressure for states to bring their policies in line with international treaty obligations.

Despite this new wrinkle in the federal system, states continue to show only limited interest in influencing national trade policy. While a few states employ trade policy specialists to advise them on international trade issues, for most states the task of ensuring that their vital interests are safeguarded in international negotiations is an additional duty assigned to officials in their economic development agencies or gov-

<sup>18</sup>“California’s Overseas Trade Offices: An Implausible Notion,” *Sacramento Bee*, June 9, 2002.

<sup>19</sup>For an in-depth discussion of these challenges see Mark C. Gordon, *Democracy’s New Challenge: Globalization, Governance, and the Future of American Federalism*, Demos, 2001, p. 51.

ernors' offices. These officials seldom have professional training in trade law and have little time to dedicate to the task of sifting through complex agreements.

State legislators have shown slightly more interest in the subject. Legislatures in California, Massachusetts, New Hampshire and Washington have held hearings on the impact of trade agreements on state law making powers, and the California Senate has established a special committee to focus on the issue.<sup>20</sup> However, international trade policy remains a category of limited state attention (see Chapter Three for a discussion of legislative concerns about international trade policy).

The Office of the United States Trade Representative, the agency mandated to negotiate trade treaties on behalf of the United States, has made efforts in recent years to improve its coordination with state governments. A single point of contact has been designated in each state for updates on trade policy developments. In addition, state associations, including The Council of State Governments, have been included in the USTR's Intergovernmental Policy Advisory Committee to increase the representation of states in trade policy.

Both the resources dedicated by states to analyzing the impact of trade policy on their jurisdictions and the avenues for input provided by the federal government remain very limited. In July 2003, 30 state attorneys general signed on to a letter prepared by the National Association of Attorneys General calling for greater protections of state interests in trade agreements. This may represent a new trend in increased attention to trade policy by senior state leaders. However, the limited attention devoted to trade policy by state governments is of serious concern given the large number of trade negotiations currently under way and the potential impact of new trade agreements on the fabric of the federal system.

### Border Cooperation

For border states, international engagement literally comes with the territory. Many of the key domestic policy challenges faced by state and provincial leaders in border regions, including environmental management and infrastructure planning, can only be effectively addressed by working with their counterparts in Canada or Mexico. As a result, states located in border regions conduct a broad series of international activities unique to their geography.

The passage of NAFTA in 1993 sent an already growing trend of regional economic integration into overdrive. By 2002, Canada and Mexico represented the top two export markets for American products, with sales to Canada alone exceeding all U.S. exports to the European Union.<sup>21</sup> North American economic integration has created unique challenges for border states. While NAFTA's overall impact continues to be a subject of much debate, most analysts concede that it has benefited the United States as well as Canada and Mexico. However, while the benefits of increased trade are felt throughout the United States, the costs of increased flows of goods and people across our northern and southern borders are born disproportionately by the border states. For these states, decisions on road construction, public health policy and air quality management are all played out in an international context.

<sup>20</sup>William T. Warren, "NAFTA and State Sovereignty: A Pandora's Box of Property Rights," *Spectrum: The Journal of State Government*, Spring 2002, p. 23.

<sup>21</sup>Earl H. Fry, *North American Economic Integration: Policy Options*, Center for Strategic and International Studies, July 2003, p. 2.



Border states have responded to this challenge by establishing a wide range of consultation mechanisms. On the southern border, the governors from the four U.S. and six Mexican states have met annually at the Border Governors' Conference for more than 40 years to coordinate joint programs on economic development, education and other issues. Since 2001, state legislators along the border have held similar consultations under the auspices of the Border Legislative Conference, a program administered by CSG with support from the United States Agency for International Development.

Coordination mechanisms are even more developed along the northern border, with governors, legislators and other elected leaders meeting regularly under the auspices of such regional organizations as the Northeast Governors and Eastern Canadian Premiers, the Pacific Northwest Economic Region, as well as the regional conferences of CSG. American states and Canadian provinces along the 49th parallel have concluded more than 400 separate agreements, including at least 100 concerning environmental management and natural resource conservation.<sup>22</sup>

Border cooperation is perhaps the one area of state international activity where mechanisms for interagency coordination within states are relatively well developed. Several states have delegated responsibility for cross-border relations to high-ranking state leaders. In Texas, the secretary of state serves the governor's liaison for Texas border and Mexican affairs, with responsibility for coordinating all programs and agencies involving cross-border cooperation. In Vermont, the responsibility for relations with Canada has recently been assigned to the lieutenant governor. The strong involvement of state leaders in cross-border cooperation is an indication both of the importance of this cooperation to state residents and the maturity of state involvement in these types of international activities.

The years since the passage of NAFTA have also witnessed a dramatic increase in immigration. In 2002, almost 12 percent of the U.S. population was born abroad, with the largest percentage of new immigrants coming from Mexico.<sup>23</sup> The extension of new immigration flows throughout the United States has compelled states in distant corners of the country to develop social services and implement policies that were once common only in border states. For example, approximately 40 states are currently considering measures to provide undocumented migrants with access to driver's licenses.<sup>24</sup>

As the pace of North American economic integration advances, with trade ties and migrant flows spreading new networks of interests throughout the continent, states in the interior of the country are likely to be drawn into collaborative mechanisms with Canada and Mexico similar to those that already exist in the border regions.

### International Education Initiatives

No sector of state international activity offers greater potential benefits to the long-term welfare of state residents than international education. Through their role in regulating and financing K-12 education and running state university systems, states stand at the forefront of a national effort to prepare American citizens to compete in a global market place. While there are a few notable examples of innovative leadership in international education, it remains a low priority in most states.

<sup>22</sup>Public remarks made at *The International Forum*, The Council of State Governments, December 2002.

<sup>23</sup>Ibid, p. 5.

<sup>24</sup>Fry, p. 12.

At present, the average American high school graduate simply does not possess the foreign language ability, cultural knowledge, and other international skills necessary to compete in a global marketplace. A 2000 Gallup Poll of students aged 13-17 found that less than half could identify Napoleon Bonaparte or Winston Churchill.<sup>25</sup> Knowledge of the history and political leadership of China, the Middle East or Latin America – areas of new importance to American security and prosperity – is even less developed. Statistics on foreign language proficiency are similarly disturbing.

Higher education offers a more encouraging picture. The United States is recognized as a world leader in postsecondary education. As a result, state universities are magnets for international students from around the world. These students enrich the institutions they attend with new perspectives and international insights. They also are an increasingly important revenue stream for cash-strapped university systems. In addition, state universities have long appreciated the benefits of participating in overseas exchange programs and other international partnerships. These programs are vital tools for educating students, enhancing the professional disciplines of faculty members, and advancing research efforts.

Many state leaders are committed to improving international education for students. However, international education programs, including foreign language instruction, are highly dependent on federal funding support. Combined federal spending by the U.S. Departments of Education, Defense and State on international higher education programs is only \$280 million per year. This represents less than 1 percent of federal discretionary spending on higher education.<sup>26</sup>

Given the meager size of federal support, and the vital importance of international education to the long-term competitiveness of state economies, it is in all state leaders' interest to find new ways to mobilize support for improving international education. State leaders can make valuable long-term investments in the future of their economies by dedicating sparse state resources to education initiatives, using the bully pulpit to mobilize private support, and pressuring the federal government to provide more funding for international education.

A few states have appointed special task forces to explore innovative solutions for improving on international education. Wisconsin's Task Force on International Education has become a national model for mobilizing state resources to improve international education (see Chapter Four for a full description). Such task forces generally include a broad group of government, business, media and education leaders who work jointly to inventory the states' international education resources and make recommendations.<sup>27</sup> Recruiting a broad-based task force of high profile leaders ensures that the effort will be able to reach out to a wide range of audiences within the state and will add stature to its findings. Recommendations from these task forces may include curriculum requirements, teacher training initiatives, partnerships between K-12 and institutions of higher education, strategies for mobilizing corporate funding support, and any number of new innovations.

<sup>25</sup>Jennifer Dounay, *International Education*, Education Commission of the States, September 2002, p. 2.

<sup>26</sup>*Beyond September 11: A Comprehensive National Policy on International Education*, American Council on Education, 2002, p. 22.

<sup>27</sup>*Asia in the Schools: Preparing Young Americans for Today's Interconnected World*, The Asia Society, 2001, p. 56.



## International Partnership

International partnership programs are one of the least appreciated elements of state international activity. These partnerships stem from an eclectic mix of actors within state government, from state arts agencies to National Guard units. Occasionally these partnerships lead to the signing of formal state partnership agreements establishing a broad series of activities over many years. More often they are pursued informally and vary greatly in scale and scope.

While economic development agencies often maintain information on state partnership agreements and other formal partnerships focused on trade, few states maintain a comprehensive inventory of the informal partnerships, exchange initiatives, and other international relationships forged by state agencies. The absence of data on these broader partnerships reflects states' limited ability to coordinate international activities across agency lines. Another reason these programs fall below the radar screen is that they are often managed by mid-level officials within state agencies and are frequently supported by funding sources outside of state appropriations. Despite these limitations, these partnerships often generate great benefits for the state by contributing to economic competitiveness, enhancing the quality of life for state residents, and advancing the professional development of state officials.

## Sister State Relationships

Sister state relationships are an offshoot of the sister city movement, which began shortly after World War II to promote global understanding and prevent future conflicts through citizen-to-citizen exchanges.<sup>28</sup> Today hundreds of American cities have forged partnerships with sister cities around the world. Throughout the 1980s and 1990s state governments established their own formal partnerships with international counterparts to promote cultural understanding and to solidify trade relationships.

A few states have created special budgets to support sister state activities. The Florida Office of International Affairs goes one step further, operating a special state-funded grant program to support exchange activities of sister cities throughout the state. However, in an era of declining resources, few states can afford to dedicate significant resources to supporting large-scale activities. As a result, most sister state relationships, be they formal partnerships or informal exchange programs, are pursued intermittently and are dependent on securing outside funding to sustain activities.

Tracking the scale and scope of these relationships is a daunting challenge, given the diversity of actors involved. A survey conducted by The George Washington University in 2002 found that 90 percent of states maintain partnerships or working relationships with foreign jurisdictions.<sup>29</sup> The survey focused on identifying formal partnerships, including sister state agreements, involving a broad series of activities and established relationships. The survey found that commercial ties were cited as the primary motivation for 80 percent of the partnerships, with cultural and educational exchange listed as the second most important factor.

<sup>28</sup>Paul Kalomiris, *How States Are Using Arts and Culture to Strengthen Their Global Trade Development*, National Governors Association, May 2003, p. 5.

<sup>29</sup>*Edisis*, p. 11.

While sister state relationships offer substantial benefits, they also pose their own unique set of cautions and challenges for state leaders. States often conclude a rapid series of sister state agreements during a period of increased international interest, only to allow these relationships to atrophy when a new governor is elected or new priorities come to the fore. It is far better to maintain a few well-developed sister state relationships in countries of particular interest to the state than to have a wide series of partnerships spanning the globe.

In addition, as economic development agencies are often the only organizations in state government employing full-time international specialists, they are frequently assigned the responsibility for maintaining sister state relationships. While the involvement of these agencies in sister state activities is invaluable, it is important to remember that economic development officials are not tour organizers or meeting planners. They are held accountable by legislative oversight committees for the results they achieve in the marketplace, not for the number of visiting delegations they facilitate. As a result, it is often preferable to assign the primary function for hosting delegations, where possible, to protocol offices, visitors' bureaus, or other agencies.

### **International Cultural Exchange**

State arts agencies are key players in state international engagement. According to The National Association of State Arts Agencies, these agencies spent more than \$40 million in 1999 on international cultural activities.<sup>30</sup> Participating in international programs contributes to the core mission of state arts agencies by linking state artists to global counterparts and exposing state residents to the cultures of the world.<sup>31</sup> Arts agencies fulfill this mission by organizing artistic exchanges, hosting international exhibitions, and supporting a wide range of cultural projects.

However, arts programs are more than just a cultural asset; they are an effective element of an economic strategy. State leaders have begun to use arts programs to leverage their trade promotion activities and sustain long-term international partnerships.<sup>32</sup> Successful trade promotion programs build relationships based on trust. Artistic and cultural exchanges offer a unique tool for building confidence and solidifying business relationships. By hosting visiting artistic troupes, including arts officials on trade missions, and by proactively forging cultural ties in important trade markets, states can advance their economic competitiveness while enriching the cultural life of their residents.

The linkage between arts and culture on the one hand, and economic competitiveness on the other, is most apparent when it comes to tourism. International visitors spent more than \$73 billion in the United States in 2001. While the United States enjoys a trade surplus in international tourism, our share of the global travel market has been steadily eroding for more than a decade, dropping 37 percent since 1992.<sup>33</sup> States can help attract new visitors by using their arts agencies to help brand and market their cultural attractions.<sup>34</sup>

<sup>30</sup>Chris Whatley, "Building Lasting Relationships," *State Government News*, The Council of State Governments, February 2002, p. 10.

<sup>31</sup>Morrie Warshawski, *Going International*, National Assembly of State Arts Agencies, 2000, p. 3.

<sup>32</sup>Kalomiris, p. 3.

<sup>33</sup>See 2003 *Market Share Indicator Report*, Travel Association of America, 2003.

<sup>34</sup>Kalomiris, p. 9.



## Environmental Partnerships

International partnerships do more than just forge economic relationships or cultural ties, they also help state agencies do their jobs better. Many state agencies allow their staff members to participate in international exchanges and partnerships. These activities hone the skills of participating state employees by exposing them to new techniques and challenges. One of the areas of greatest international activity among state agencies is environmental partnership.

States have important self-interests at stake in advancing international environmental cooperation. Environmental threats don't respect borders. One compelling example of the international dimensions of local environmental challenges is the issue of mercury poisoning. State leaders across the country are battling to control rising levels of mercury in watersheds. Thousands of children are born in the United States each year with permanent neurological damage due to mercury poisoning. However, since mercury from waste incinerators and other sources can be carried by the jet stream around the globe, effectively fighting mercury pollution requires international cooperation. As a result, a growing number of state environmental organizations have called upon the federal government take strong steps to curb mercury pollution worldwide.<sup>35</sup>

However, state agencies do more than just advocate for greater environmental cooperation; they contribute their own expertise to a wide range of environmental partnerships. In a survey conducted by the Environmental Council of the States in October 2002, 25 of the 28 states responding listed partnerships with international jurisdictions.<sup>36</sup> These partnerships involved counterparts on every continent.

International environmental partnerships include such varied activities as Alaska's efforts to assist the Russian Far East in developing oil spill response capabilities and Minnesota's efforts to assist the Dominican Republic in introducing agricultural manure management systems. Most states are able to dedicate less than \$50,000 of their own sparse resources to support these programs each year, but they are able to offer in-kind support in the form of staff time and other assistance. Fortunately, both the Environmental Protection Agency and the U.S. Agency for International Development have provided funding to help support many state partnership programs.

The U.S.-Asia Environmental Partnership program of USAID has been particularly instrumental in helping leverage state investments in international environmental cooperation. Since 1994, CSG has worked in partnership with the program to administer the State Environmental Initiative, a matching grants program designed to promote mutually beneficial partnerships between state agencies and Asian counterparts. To date the program has provided grants to 26 states to conduct partnerships in 12 Asian countries. The program has distributed more than \$6 million in grants, which have been matched by more than \$9 million worth of in-kind contributions and financial support from state agencies and their partners.

Past partnerships have included successful programs by the Maryland Department of the Environment to help Thailand adopt pollution control plans and by the California Air Resources Board to improve air quality monitoring in Vietnam. The

<sup>35</sup>See Report of the ECOS Mercury Workshop, Environmental Council of the States, October 2000.

<sup>36</sup>*International Activities Survey*, Environmental Council of the States, October 2002.

California-Vietnam partnership also served to further strengthen an existing sister city relationship between Ho Chi Minh City and San Francisco.<sup>37</sup> While the primary purpose of these partnerships is to promote environmental improvements in Asia, the programs of the U.S.-Asia Environmental Partnership have generated important benefits for participating state governments. They have helped state officials hone their skills in tackling difficult environmental challenges. In addition, the program has also achieved tangible commercial benefits for companies, as it has also worked to match Asian nations' needs for new environmental technologies with American products and expertise.

### **National Guard Partnerships**

Since 1993, 36 states, two territories, and the District of Columbia have forged deep ties with 40 countries around the world through the State Partnership Program of the National Guard Bureau. This program links National Guardsmen and other state leaders with partner countries' defense ministries and government agencies, for the purpose of building mutually beneficial relationships. Activities carried out by participating states include joint military training exercises, emergency management workshops, exchange programs and many other initiatives.

While the primary goal of the program is to foster "military-to-military" ties, the program has spawned a wide range of broader partnerships between participating states and international partners. Each participating state forms a team of 15 to 20 civilian leaders to participate in exchanges and to advance broader partnership. The activities conducted by these leaders vary by state, with some states choosing to hold exchanges of legislators and other officials while other states include medical professionals and other community leaders to foster cooperation on specific assistance programs. Each participating state has a full-time National Guardsman assigned to act as coordinator for the partnership.

The State Partnership Program has built important relationships with a broad network of countries. However, this program's value was demonstrated in compelling fashion in the months following September 11. Until the fall of 2001, most Americans had never heard of Kazakhstan, Uzbekistan, Kyrgyzstan or Turkmenistan. However, a dedicated group of National Guard soldiers, state government officials and community leaders in Arizona, Louisiana, Montana and Nevada forged important ties with these nations in the late 1990s through the State Partnership Program. These relationships were invaluable to U.S. military leaders and State Department officials as they sought to establish basing rights in the region to support Operation Enduring Freedom in Afghanistan.<sup>38</sup>

One particular partnership that has acquired new strategic importance is Montana's partnership with Kyrgyzstan. Since 1996, National Guardsmen and civic leaders in Montana have worked to build lasting ties with this former Soviet republic. The Montana program has involved a wide array of activities, from infantry exercises with Kyrgyz soldiers to training in pediatric care for local health officials by skilled nurse practitioners from the Montana Nurses Association.

<sup>37</sup>Karen Marshall, "New Faces of Development Assistance," *State Government News*, February 2002, p. 29.

<sup>38</sup>Whatley, p. 11.



Armed with a deep appreciation of the humanitarian conditions on the ground, the Guardsmen and community leaders involved in this innovative partnership have reached out to foundations and charitable organizations in Montana to assist their Kyrgyz partners. One of the most important results of this outreach has been to link the Farm-in-the-Dell Foundation, a charitable organization focused on assisting the developmentally disabled in Montana, with service organizations in Kyrgyzstan. As a result of this linkage, Farm-in-the-Dell has teamed with the Montana Guardsmen to fund the construction of a clinic for the developmentally disabled in Kyrgyzstan and to train local staff.

Before September 11, many Americans would have had a hard time understanding how the development of National Guard partnerships is in their immediate interest. Today, it is clear that the investments made by Montana and dozens of other states in building lasting partnerships in distant corners of the world has contributed substantially to the goodwill, common interests and other international relationships necessary for safeguarding American security.

### **Other Areas of State International Activity**

The scale and scope of state international engagement makes it virtually impossible to comprehensively catalogue the actions, interests and activities of all facets of state government. However, some of the prominent additional areas of activity that contribute to state international engagement include the international investments of state treasuries, small-scale technical assistance exchanges by state agencies, and individual international travel.

### **International Investments of State Treasuries**

One important area of state international engagement is the portfolio investments of state pension funds and other financial assets in foreign markets. State treasuries managed more than \$2 trillion in investments in 2001. Of this amount, more than \$268 billion was invested in foreign markets.<sup>39</sup> As a result, states have powerful interests in the stability of world financial markets. However, states have also historically used these investments as leverage to influence international events.

During the 1980s many states divested their pension funds from South Africa to protest apartheid. Recently the Supreme Court's decision in the Massachusetts-Burma case raised new questions about the constitutionality of state-led foreign sanctions, including divestiture efforts. However, previous forays by the court to prevent states from expressing their opinions on international issues through sanctions have failed to prevent the emergence of state-led divestiture campaigns. History has shown that when international events compel state leaders to give voice to their concerns, investment decisions are a popular medium of expression.

<sup>39</sup>Interview with Chris Allen, National Association of State Treasurers, September 2003.

### **Small-Scale Technical Assistance Exchanges**

There are examples of technical exchanges and international partnerships involving virtually every type of state government agency. State transportation departments have begun forging partnerships with national transportation ministries in Africa to support infrastructure planning. State utility departments have conducted exchange and training programs with counterparts from around the world. Most of these exchange efforts are supported by federal agencies including USAID, the U.S. State Department, and the Federal Highway Administration. However, some states dedicate their own resources to conducting these activities as a professional development tool for their staff members and as a commitment to extend good will abroad.<sup>40</sup>

### **Individual International Travel**

This study focuses on the institutional commitments of state governments to international affairs. However, it must be noted that thousands of state leaders participate on an individual basis each year in professional exchanges, humanitarian assistance missions, international election observation efforts, and other international activities, primarily as part of larger programs organized by the federal government, state associations or private nonprofits. These activities also contribute to states' role in international affairs by broadening the perspectives of participating state leaders and by building support for greater international engagement. Often the personal involvement of state leaders in such programs serves to stimulate state resolutions on international issues or to prompt state participation in formal partnership programs.

<sup>40</sup>*An Assessment of States' International Capacity*, p. 13.

## Chapter Two



Leading at Home and Abroad:  
The Role of the State Executive In International Affairs



## Leading at Home and Abroad: The Role of the State Executive In International Affairs

Executive leadership is an indispensable ingredient for successful international engagement. However, leadership means more than just leading a trade mission. International engagement must be viewed as a core component of an overall effort to improve the competitiveness of the state's economy and contribute to the welfare of its people.<sup>1</sup> Executive leadership can harness the state's international potential by building consensus for a shared vision, developing an integrated strategy for international affairs, coordinating across agency lines, and using the power of the bully pulpit both to advance state goals abroad and to leverage additional resources at home.

### Building an Integrated Strategy for International Affairs

One of the consistent obstacles to state international engagement is a lack of consensus regarding the goals and purposes of state international programs. In the absence of a shared vision of state interests in the international arena, international programs are often viewed as the pet projects of individual politicians or extravagant extras to be cut the moment the red ink begins to rise. State executive leaders, including governors, lieutenant governors, secretaries of state, and key executive agency heads, are uniquely positioned to serve as advocates for international engagement.<sup>2</sup>

Advocating for international engagement requires executive leaders to seek the input of a broad range of constituencies. The most successful international programs are those that can be sustained over time, building partnerships and economic relationships that last beyond the tenure of any given administration. As a result, the task of building consensus around an international vision and strategy requires executive leaders to reach out across party, institutional and economic lines.

The state of Wisconsin has been particularly successful in sustaining a shared vision of international engagement over time. Under the leadership of Governor Tommy Thompson, Wisconsin developed a reputation for innovative international programs in the fields of trade development and education. Much of the state's success in the international arena can be attributed to the collaborative efforts of the Wisconsin International Trade Council, an advisory body of senior agency officials, community leaders and other interested parties mandated with charting a strategy for the state's international competitiveness. Although Thompson resigned in 2001 to join the Bush administration, the state remains committed to pursuing a shared vision of international engagement. Governor James Doyle has appointed an interagency working group to maintain the state's focus on international engagement and to refine its vision.

Such advisory bodies are invaluable not only for identifying state international interests and goals, but also for developing an integrated strategic plan linking state priorities with actions and resources. An integrated strategy ideally should include both a framework for using existing state programs and resources to support the state's vision for international engagement and a plan for leveraging outside funding and resources.

<sup>1</sup>National Governors Association, p. 23

<sup>2</sup>*Ibid.*, p. 15.

Mobilizing support for a shared vision and developing a strategy are vital steps in forging a strategic approach to international affairs. However, successful international strategies require the personal and political commitment of state leaders. Through state of the state speeches, media events, and other forums executive leaders can convey the ongoing importance of international engagement to constituencies within the government and without.

### Smart Tips for International Engagement by Ralph Munro

*The best insights on the role of executive leaders in international affairs come from those who have held public office. Ralph Munro served as Washington's secretary of state for more than 20 years. During his tenure Washington developed a national reputation for effective international engagement. He shared the following tips with an audience of state leaders at CSG's 2002 Annual State Trends and Leadership Forum.*

1. **Smart leaders work with their neighbors.** States can achieve better results in trade and investment by building coalitions and alliances within their regions.
2. **Smart leaders seek innovations from around the world.** International programs do more than just expand your state's economy; they allow state governments to learn from innovative public administration practices from around the world.
3. **Smart leaders appreciate the importance of higher education.** Your university systems and research institutions are your most valuable assets in promoting trade and investment.
4. **Smart leaders monitor international trade negotiations.** States should act proactively to protect their interests in international trade agreements.
5. **Smart leaders leave their differences at the water's edge.** It is all too easy for rivalries within the administration or between branches of government to torpedo successful trade and investment programs. When it comes to international engagement states need a unified front.

### Setting Accurate and Realistic Goals

While it is important to establish a broad vision for state international engagement, it is also vital to set realistic goals. It is tempting to measure the success of international programs through increases in state export statistics. However, the data collected by the U.S. Census Bureau on state exports is confusing and incomplete.

State export statistics can be skewed by the presence of a single large multinational manufacturer within the state. While these companies are vital employers, they generally don't need government assistance in their export efforts. However, when their sales drop due to an unforeseen event, like the impact of September 11 on aircraft purchases, the export statistics for the entire state can take a sudden dive.

A state that ties the success of its international engagement to export statistics may seem to be failing even though it has made dramatic progress in helping small businesses find new markets for their products, expanding the quality of the state work force through educational initiatives, or advancing a wide range of international interests through innovative programs. The true results of state international programs can best be tracked through close consultations with the businesses and other constituency groups they are designed to benefit.

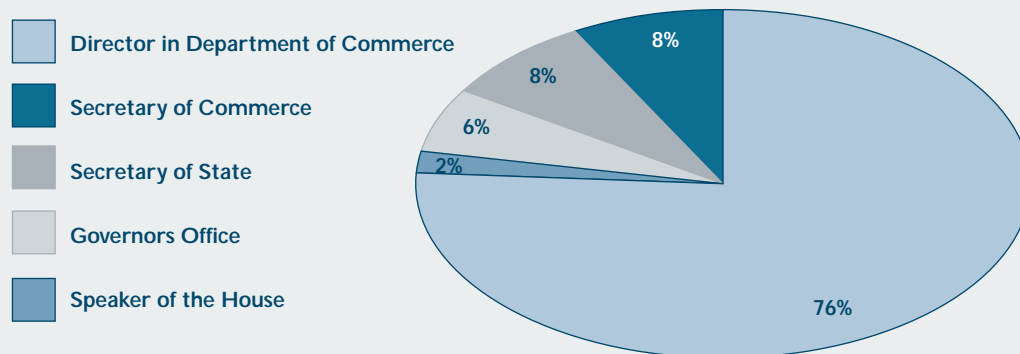


## Coordinating Across Agency Lines

State governments must work across agency lines to maximize their international engagement. However, in most states this coordination is lacking. A 2002 survey by George Washington University found that international relations are seldom managed at the highest levels of state government.<sup>3</sup> While most states do list the governor as having ultimate responsibility for state international affairs, very few states have a cabinet level official or a senior member of the governor's office who spends a significant amount of time on international affairs.

In the absence of high-level executive leadership, responsibility for coordinating international affairs tends to be delegated to economic development agencies. While these agencies employ excellent international trade professionals with great insights into international affairs, they seldom have either the time or the political muscle necessary to coordinate programs outside of their own agency.

**Top Ranking Officials in Charge of State Level International Matters After Governor and Lt Governor in 2002**



*Source: Global Activities by U.S. States, Elliott School of International Affairs at George Washington University, July 2003.*

A few states have begun to correct this problem by establishing interagency coordination mechanisms for international affairs. These structures generally consist of an advisory body or working group with representatives from every major state agency and other state institutions, including universities. A statewide officeholder or cabinet level official should ideally head these structures. Establishing the structures by an executive order of the governor helps ensure that they receive the level of cooperation necessary to succeed (see Appendix B for a copy of a Maryland's Executive Order Creating a Subcabinet for International Affairs, also described in Chapter Four).

<sup>3</sup>Edisis, p. 7.

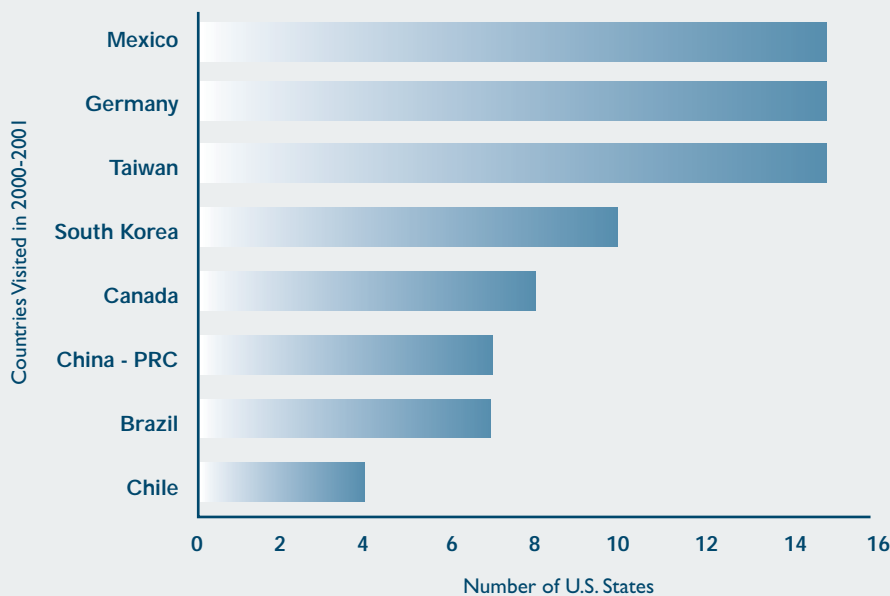
These coordination structures need not consume a large amount of scarce resources. States don't need foreign ministries; they just need mechanisms for inventorying and coordinating their international activities. The one indispensable ingredient in creating these mechanisms is executive leadership.

### Advancing Goals Abroad While Leveraging Resources at Home

Governors and other state elected leaders can maximize their states' international engagement by using the power of their offices to advance specific interests abroad and to leverage resources at home.

One activity that state executive leaders have embraced wholeheartedly is participating in international trade missions. In most states, the governor or lieutenant governor participates in at least one international trade and investment mission per year. Executive leaders bring unique abilities to these missions. In many foreign markets, American businesses are competing for government procurement contracts or require regulatory decisions from government officials to succeed in the market place. Executive leaders are uniquely qualified to assist businesses in their states in these markets by engaging their counterparts, government-to-government, and by investing in partnerships that build political good will.

Governors and Lt. Governors International Missions: Most Frequent Destinations



Source: *Global Activities by U.S. States* Elliott School of International Affairs at George Washington University, July 2003.



The power of executive leadership is equally vital for mobilizing resources for state international programs at home. Of the most immediate importance is justifying state expenditures on international trade programs and other self-funded activities. It is essential for economic development agencies and other state international programs to have the resources they need to fulfill the vision for international engagement adopted by the states. Executive leaders must reach out to the legislature, on a bipartisan basis, to articulate the importance of state international engagement and to lay out specific goals and accurate performance measurement standards for state international programs.

However, executive leaders can also use the power of their offices to leverage outside resources to support international engagement. The federal government offers a myriad of funding mechanisms for supporting state international activities in such important sectors as trade development and international education. These funding sources are summarized in a directory published by the U.S. Agency for International Development.<sup>4</sup> Executive leaders can add vital horsepower to their international engagement strategies by directing state agencies to seek out federal grants for international initiatives and by adding their personal endorsement to these grant-seeking efforts.

Executive leaders are also well placed to mobilize support from the business community and private charities for international initiatives. Chambers of commerce, port authorities, and other organizations are all vital contributors to state international engagement. These institutions have both skills and resources to bring to bear in support of the state's international vision. In addition, many states have successfully raised funds from private charities to support international partnerships. As states look to leverage limited resources through private fundraising, there is no substitute for the persuasive power of the bully pulpit.

### Promoting Staff Continuity

Finally, since many of the positions in state international trade divisions are political appointments, these agencies suffer from frequent turnover. Invaluable institutional knowledge is lost and steep learning curves must be climbed with every change of administration. Executive leaders can help avoid the pitfalls of rapid staff turnover and promote long-term consistency in international engagement by making at least one high-level position in the state trade office a civil servant.<sup>5</sup>

<sup>4</sup>See *Federal Resource Guide for Supporting State International Engagement: Coping, Competing, and Cooperating in a Global Economy*, U.S.-Asia Environmental Partnership, U.S. Agency for International Development, August 2002.

<sup>5</sup>*An Assessment of States' International Capacity*, The Council of State Governments, January 2000, p 16.



## Chapter Three



Globalization and the Statehouse:  
The Role of The Legislature in International Affairs



## Globalization and the Statehouse: The Role of The Legislature in International Affairs

Legislatures have a vital role to play in state international engagement – through the lawmaking function, through their oversight of state international programs, and through the unique role they play in channeling public opinion on important international issues. Given the powers and interests of state lawmakers in international affairs, no state international engagement strategy can be effectively pursued without the active support and involvement of the legislature.

In order to study the unique role of state legislatures in international affairs, CSG commissioned an independent survey and research study by Timothy J. Conlan and Joel F. Clark of George Mason University. This chapter summarizes the core conclusions of this study along with additional research on the specific contributions that legislators can make to maximize their state's international engagement.<sup>1</sup>

### State Legislative Involvement in International Affairs

According to the CSG/GMU survey the number of bills passed by state legislatures on international topics has increased by 375 percent over the past 10 years. State legislative involvement in international affairs is expanding across broad categories of activities, including hosting foreign visitors and participating in trade missions. State legislative bodies have also begun to create committee structures specifically mandated with overseeing trade policy and other aspects of state international engagement.

### International Legislation

The core function of legislative bodies is to draft, debate and adopt new laws. States are increasingly using their legislative powers to weigh in on international topics. Approximately 836 bills and resolutions with significant international content were introduced in the 2001-2002 legislative sessions of the 50 states.<sup>2</sup> These ranged from resolutions memorializing Congress and the president to take, or refrain from taking, a specific foreign policy action to substantive laws utilizing the powers of state governments to affect immigration, international trade, environ-

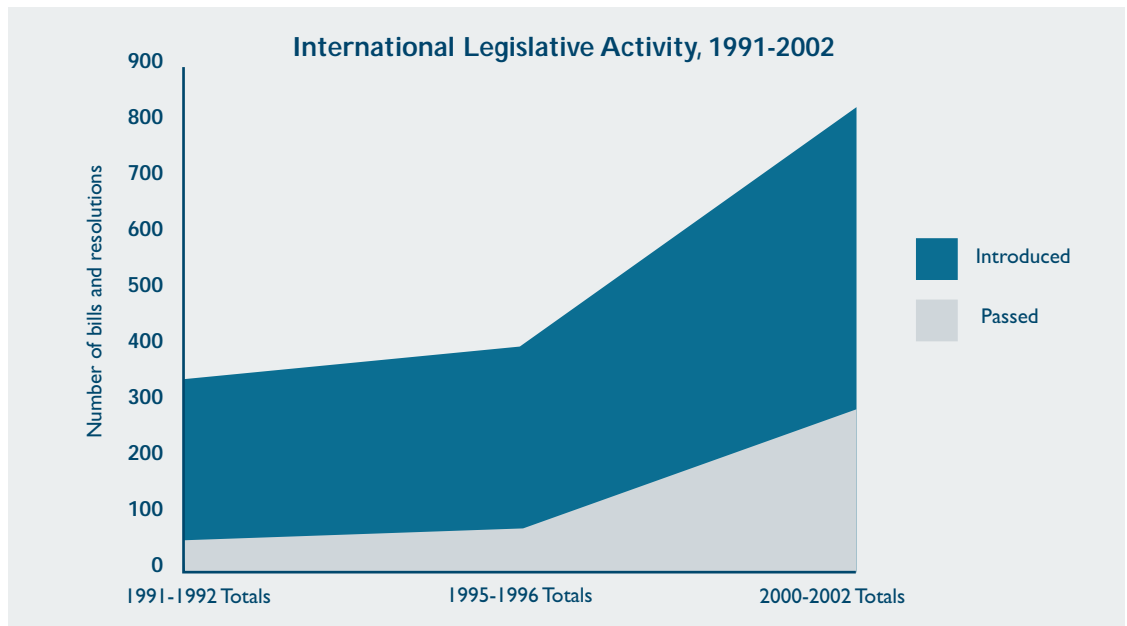
<sup>1</sup>The study was conducted through an extensive series of questionnaires, interviews, and computerized searches in late 2002. First, a questionnaire was mailed to directors of state legislative research support agencies. After two rounds of mailings and follow-up calls, questionnaires were received from 40 states. Second, researchers conducted computerized searches of bills and resolutions introduced and passed in all 50 states, covering a period from 1991-2002. Finally, case studies were conducted on five regionally diverse states, allowing for in-depth interviews with legislators and staff.

<sup>2</sup>Three states, Mississippi, New Jersey, and Virginia, hold their legislative elections in off years, so the period under study includes portions of two different legislative sessions for these states.

mental protection, border relations with Canada and Mexico, and national defense. Approximately 270 of these bills and resolutions were enacted into law or, if simple resolutions, passed by the requisite legislative chamber.<sup>3</sup>

**The Growth of International Legislation, 1991-2002**

	2001-2002 TOTALS		1995-1996 TOTALS		1991-1992 TOTALS	
	Introduced	Passed	Introduced	Passed	Introduced	Passed
<b>TOTAL</b>	<b>836</b>	<b>270</b>	<b>402</b>	<b>83</b>	<b>343</b>	<b>2</b>



<sup>3</sup>These numbers of 836 bills and resolutions introduced and 270 passed should be taken as close approximations rather than precise estimates, however. Although they were carefully compiled, the exact numbers can vary according to several different factors. For example, the precise number can vary according to the treatment of substitute bills in one legislative chamber and companion bills in the other legislative chamber. Definitions of international content are also subject to varying interpretations, such as whether certain terrorist offenses that are added to a state's criminal code are truly international in focus, or whether they are primarily directed toward domestic crimes and terrorist acts. Finally, different legislative search engines can generate somewhat different tallies of legislation. All of these factors mean that the numbers used in this report should be treated as close approximations of international legislative activity rather than as precise indicators. On the whole, the estimates generated in this report probably represent a conservative count. Evidence suggesting that the overall estimates are likely to be conservative comes from this report's case studies. These utilized independent state legislative databases as well as input from each state's legislative staff, and they routinely uncovered additional pieces of international legislation not captured by repeated rounds of LexisNexis searches. In addition, the overall study's reliance on searching bill abstracts was likely to miss pieces of international content buried in large, omnibus bills. Consistency and comprehensiveness were the most important considerations in compiling the data for this study, and these could best be achieved by using a single common database for all non-case-study states.



The subject matter of state international legislation is both varied and evolving. In the 2001-2002 legislative session, anti-terrorism legislation was the single most common focus of international legislative action, both in terms of bills introduced and adopted. This clearly reflected the impact of the September 11, 2001 terrorist acts, and it makes this legislative session quite distinct from earlier sessions examined. State bills and resolutions considered to have a focus on international terrorism included such proposed and adopted legislation as a Minnesota bill establishing new procedures for declaring national security health emergencies and providing criminal penalties for bioterrorism,<sup>4</sup> a Texas resolution memorializing victims of the terrorist attack on the U.S.S. Cole,<sup>5</sup> and a Virginia bill that expands the law of wiretaps to enable a wiretap when terrorist activity is suspected.<sup>6</sup>

### Topics of State International Legislation, 2001-2002

#### Bills Introduced

	Trade	Human Rights	Defense	Anti-Terrorism	Environment	Country Specific	Border Issues	Other	Total
Number	218	27	46	297	19	87	50	92	836
Percent	26%	3%	6%	36%	2%	10%	6%	11%	100%

#### Bills Passed

Number	71	5	7	92	8	40	14	33	270
Percent	26%	2%	3%	34%	3%	15%	5%	12%	100%

Trade-related legislation was the second most common form of international legislation introduced in the 2001-2002 period. Examples here include such legislation as a New Jersey bill to establish a foreign trade zone incentive program,<sup>7</sup> a Minnesota resolution urging that state and local government authority should be protected in international trade agreements,<sup>8</sup> and a California bill to establish a position of California liaison to the WTO.<sup>9</sup>

Other types of bills included country-specific bills and resolutions, border policy issues, and defense-related legislation. Examples of these types of bills and resolutions are: a concurrent resolution in North Dakota urging that the trade embargo with Cuba be lifted, a bill to establish a Border Trade Advisory Commission in Texas,<sup>10</sup> and a West Virginia resolution urging the state's congressional delegation to work to implement a National Missile Defense System.<sup>11</sup>

<sup>4</sup>House Bill 3031, 2002.

<sup>5</sup>HR 143, 2001.

<sup>6</sup>House Bill 38, 2001.

<sup>7</sup>Assembly Bill A880, 2002.

<sup>8</sup>HF3733, 2002.

<sup>9</sup>SB 945, 2001.

<sup>10</sup>Senate Bill 195, 2001.

<sup>11</sup>House Concurrent Resolution 37, 2002.

The “other” legislation category includes items ranging from humanitarian resolutions, environmental issues, special tax provisions for overseas activities, reciprocal education agreements, and other diverse issues. A Massachusetts bill to provide for the protection of tropical rain forests by restricting state purchases of certain wood products<sup>12</sup> represents one example that falls into the “other” category.

The focus of international legislation has also changed significantly over time. Trade-related bills and resolutions clearly dominated the states’ international agenda in the early and mid-1990s, when approximately 60 percent of all international bills introduced were trade-related (see Appendix C for additional details). About 15 percent of all international bills and resolutions in these earlier periods were connected to specific countries – resolutions concerning Israel and the Middle East, Cuba, Armenia, etc. The remainder of the legislation introduced dealt with a broad range of other topics, from human rights and the environment to border issues and defense. In 2001-2002, the focus of international legislation changed dramatically, reflecting a new and pronounced concern with issues of terrorism.

However, these overall trends mask important variation among states. In 2001-2002, international legislative activity varied from zero bills and resolutions introduced or passed in four states to a high of 93 bills or resolutions introduced in Texas. Overall, the 50 state legislatures averaged 16.7 bills and resolutions introduced and 5.4 bills and resolutions passed.

### **Motivations for International Legislation**

What motivates state legislators to become involved with international issues? The most commonly cited motivation for sponsoring international bills and resolutions involved constituency influence and requests. This was mentioned as a major motivating factor by 86 percent of respondents of the CSG/GMU survey. As one legislative aide put it, “An individual legislator typically gets contacted by a constituent active with an organization, and we have large immigrant populations in this state.” For example, legislators and staff in several states related sponsorship of resolutions on human rights in China to the presence and activities of Chinese Americans and recent Chinese immigrants.

Direct constituency involvement is supplemented on many issues by lobbying campaigns orchestrated by organized groups. Far more interest groups are now engaged in lobbying at the state level than in the past, and this expansion of state-level lobbying is evident on international issues as well.<sup>13</sup> For example, the Armenian National Institute in Washington, D.C. has worked nationwide to secure the passage of state resolutions commemorating the genocide of Turkish Armenians in 1915-1923.<sup>14</sup> Agricultural groups have lobbied states to encourage lifting the U.S. trade embargo with Cuba, while environmental groups have lobbied states to address global warming.<sup>15</sup> Even foreign governments have been involved in formal or informal lobbying efforts. The government of Taiwan has succeeded in persuading 23 states to adopt res-

<sup>12</sup>House Bill 2261, 2001.

<sup>13</sup>Clive Thomas and Ronald Hrebner, “Interest Groups in the States,” in Virginia Gray, Russell Hanson, and Herbert Jacob, *Politics in the American States*, 7th ed. (CQ Press, 1999).

<sup>14</sup>Armenian National Institute, International Affirmation of the Armenian Genocide, [www.armenian-genocide.org](http://www.armenian-genocide.org).

<sup>15</sup>See Elizabeth Benjamin, “Activists Air Plans to Fight Warming,” *TimesUnion.com*, November 21, 2002.



olutions urging Taiwan's participation in the WTO, and the Mexican Foreign Ministry has worked to persuade states, as well as local governments and private firms, to accept the Mexican *matricula consular* as a valid form of ID in the United States.<sup>16</sup>

Legislators' own policy concerns are another important motivation for sponsoring international bills and resolutions. This factor was mentioned as a major motivation by 59 percent of the survey respondents. One Minnesota legislator, who has been active in sponsoring resolutions concerning international trade agreements, National Missile Defense, and trade with Cuba, put it this way: "I grew up in an era when international issues were vitally important – in the 1960s and 1970s – so it just seems natural. People tease me about wanting to chair the [nonexistent] State Foreign Relations Committee." Personal policy concerns were mentioned as the driving force behind New Jersey and California legislators' efforts to address the preemption of state authority by international trade agreements as well.

Mass media were another motivating factor in this trend. Fifty-nine percent of survey respondents identified media attention to issues and problems as a major source of inspiration for international activities and a source of policy ideas. The most telling example of this media role is apparent in anti-terrorism policy, which went quickly from a secondary to a leading focus of state policy initiatives in the wake of the September 11 terrorist attacks.

### International Outreach

State legislative involvement in international affairs extends beyond legislative activity. According to the survey, approximately half of all state legislatures received at least one delegation of foreign leaders or parliamentarians in 2001-2002, and about half of all responding legislatures sent at least one delegation of members to a foreign country. Overall, about 50 different foreign countries were involved, either sending or receiving delegations. The largest number of visiting delegations came from East Asian countries, followed by Eastern Europe and the former Soviet Union, Western Europe and Africa. U.S. legislators who went abroad most frequently visited countries in East Asia, followed by Western Europe, Latin America and Africa.<sup>17</sup>

Trade promotion was the most commonly identified motivation for members participating in delegations going overseas. Legislators often join trade missions with other state officials, and 77 percent of survey respondents identified trade as a motivating factor in legislative travel. Promotion of democratic governance and cultural exchange were also identified as important motivations for overseas travel by state legislators, with each being mentioned by 59 percent of survey respondents. These moti-

<sup>16</sup>"ID cards offer peace of mind," CalifornianOnline.com, November 26, 2002.

<sup>17</sup>International travel and the reception of foreign delegations also varied widely. Fifteen states reported receiving no foreign delegations, although many may have received international visitors on a less formal basis. At the opposite extreme is California, which reported a high of 637 foreign dignitaries from 67 different countries in 2001. Other states also reported significant numbers of foreign delegations. Minnesota, for example, reported receiving 77 foreign delegations over a two-year period from 2000-2001, with more than 400 foreign visitors. Texas reports receiving 260 delegations over this same period. Similar variations existed in state legislators' travel abroad. Sixteen states reported sending no legislative delegations abroad during the 2001-2002 period, or they lacked data on the subject. Fifteen states reported legislative travel to 18 different countries. Indiana, for example, reported legislative visits to eight countries in Europe and Asia during this period.

vations are closely linked to financial support for legislative travel. Despite their importance, many legislators are hesitant to have taxpayers bear the full costs of official travel, and many trips are supported by grants or donations from federal agencies or corporate sponsors. Trade missions and efforts to enhance governance in democratizing countries are the most common recipients of such funding support.

For foreign delegations visiting state legislatures, trade, democracy promotion and cultural exchange remain important motivations. Many of these visits are subsidized by the U.S. State Department, which provides grants to the National Conference of State Legislatures and other organizations to support such missions. Although such visits can impose significant burdens on legislators and their staffs as they try to accommodate visitors' needs for information and access – especially during those periods when legislatures are in session – most legislatures try hard to cooperate. As one legislative protocol officer observed, “I’ve very rarely had a problem getting legislators to meet with visitors. I think there is an innate curiosity and personal interest on members’ part, and a desire to be helpful.”

### **Institutional Structures for International Affairs**

State legislatures have also begun to create new committees and procedures for dealing with international affairs. Twenty-six percent of responding legislatures had created a committee or subcommittee with major responsibility for dealing with issues of international trade or international affairs. Examples include the Alaska Senate Special Committee on World Trade and State/Federal Relations, the California Senate Select Committee on International Trade Policy and State Legislation, the Oklahoma Joint Special Committee on International Development, and Washington’s Task Force on International Trade Agreements and the Role of the State.

As more state legislatures have become engaged internationally, they have also begun to institutionalize their procedures for international protocol. Twenty-three of the states responding to the survey (57 percent) had designated a legislator or staff person with major protocol responsibilities for the legislature. In 14 of these states, the responsibility lay with the House clerk/Senate secretary or with a member of the leadership staff. Three states had established a legislative protocol office. Twenty percent of responding state legislatures relied on executive branch officials – typically in the governor’s or trade office – for protocol responsibilities.

### **Federal Involvement in State International Lawmaking**

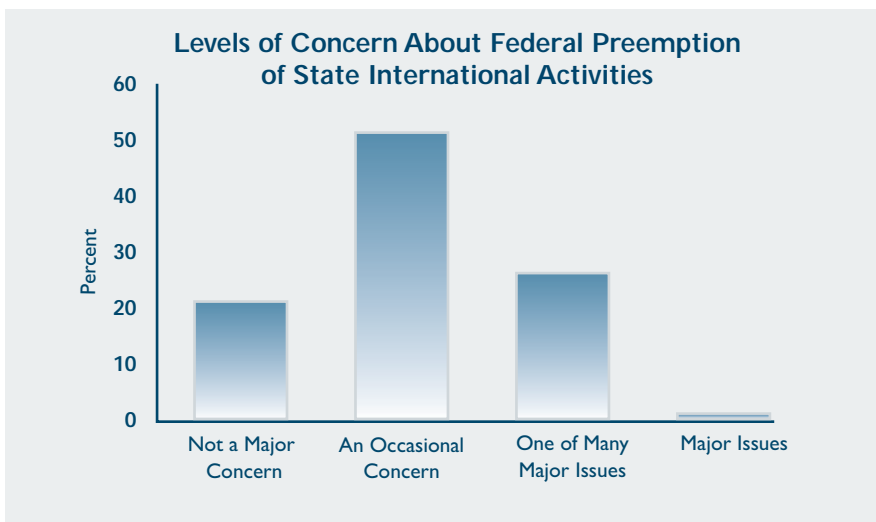
Federal officials generally do not testify on international issues before state legislative committees. Eighty-nine percent of survey respondents indicated that this rarely occurs. Similarly, 80 percent of respondents indicated that federal officials rarely lobby behind the scenes on such issues. Trade and environmental protection were identified as the issues most likely to generate federal efforts to lobby or influence state government, and officials with the departments of Agriculture and Commerce were considered to be the most likely to testify before the legislature. Finally, only two states (Washington and Maryland) reported state legislative consultations with the Office of the U.S. Trade Representative.

The survey of state legislatures also uncovered only modest levels of concern about the impact of international trade treaties on state lawmaking authority, although levels of concern appear to vary considerably over time and from state to



state. For example, 20 percent of state respondents did not consider federal preemption of state authority via international trade treaties to be a major policy concern at this time. The majority of respondents – slightly more than 50 percent – described such preemption as an occasional concern.

About one-quarter of legislative respondents did describe trade-based preemption as a major concern, although none put it in the category of highest policy priorities. Illustrative of these concerns, at least two states have established legislative committees or task forces to monitor the effects of international trade negotiations on state legislative prerogatives,<sup>18</sup> and legislators in various states have sponsored resolutions memorializing the president and Congress to respect state authority when negotiating and ratifying international treaties.<sup>19</sup> According to questionnaire respondents, the policy areas where legislators are most concerned about federal preemption are environmental protection, labor regulations and transportation.



## Key Roles for Legislators in Effective International Engagement

State legislators are active participants in the international arena. However, their efforts aren't always integrated with other state international activities. The state's international interests can best be maximized by harnessing the power and influence of the statehouse to develop an international engagement strategy that incorporates broad public consensus and encompasses all branches of government.

<sup>18</sup>California Senate Select Committee on International Trade Policy and State Legislation and Washington State's Task Force on International Trade Agreements and the Role of the State.

<sup>19</sup>See, for example, Minnesota S.B 3468, "Memorializing the President, Congress and the Governor to ensure that international trade agreements respect the traditional authority of state and local governments to protect the public interest," which passed the state Senate in 2002.

### **Building Consensus for International Engagement**

Legislators are vital partners in the states' efforts to build consensus for international engagement. As representatives of their constituents, legislators have a unique understanding of the needs and interests of the businesses, immigrant communities, and other important constituent groups in their districts. Legislators can help inform the state's international engagement by reaching out to constituents to gain their perspectives on the types of international programs and services that would best meet their needs. At the same time, legislators have a duty to help inform their constituents about issues or events of importance to their communities. As a result, legislators can play an important role in educating the public about the role the state plays in responding to the challenge of globalization through investments in international education, trade promotion and other programs.

Legislators also have an important role to play in working with the executive branch to ensure that the state develops a coordinated strategy to international engagement. International programs are all too often perceived as the sole purview of the governor. While the executive branch conducts the majority of international activities, legislators can play an important role in guiding these activities through the oversight function.

Often state legislatures only take a hard look at international programs when budget pressures prompt new scrutiny of overseas offices or trade budgets. However, state oversight committees could assist the state in developing a strategic approach to international engagement by holding hearings designed to explore the broad range of international activities conducted by the state. International trade would certainly be a major subject of such hearings, but they could also explore links with university programs, National Guard partnerships, and other international activities. Such proactive legislative oversight could help spur interagency cooperation and strategic planning.

These hearings could also shed light on the role played by state trade programs and overseas offices within an integrated international strategy. Understanding the strengths and limitations of these programs within a strategic context would better enable legislators to make tough decision when called upon to increase or decrease funding for overseas offices and other international trade programs.

### **Holding State Trade Programs to Appropriate Standards**

Measuring the effectiveness of state international trade programs is extremely difficult. Legislators have a duty to ensure that all state programs benefit their intended constituencies and use state dollars as efficiently as possible. However, in the absence of well-established standards for program evaluation, it is often tempting to set unrealistic goals. Mandating that programs achieve specific increases in state exports ignores the fact that state-by-state export data available from the Census Bureau is inherently flawed. Mandating that trade offices help a specific number of companies over the course of a year encourages agencies to have superficial contacts with as many companies as possible, rather than providing in-depth assistance to particularly important sectors.

Many states have retooled their trade programs to focus on industry sectors rather than on specific overseas markets or particular regions within the state. This approach enables the state to provide targeted assistance to industries where there is strong potential for growth or where large numbers of jobs are at risk due to foreign competition. Such industry or "cluster" focused programs lend themselves well to mutually beneficial oversight.



Legislators can ensure that trade programs are attentive to industry needs by holding hearings and consultations with key industry leaders and trade associations from the targeted industries. Personal feedback from business leaders in these industries is a much better measure of program effectiveness than flawed statistics or numerical measures.

### **Safeguarding State Interests in International Trade Agreements**

The legislative branch has a vital role to play in ensuring that state interests are included in national trade policy. To date, legislative bodies have been far more active in exploring the ramifications of new trade rules on state powers than any other branch of state government. Although trade policy is often subject to political and ideological disputes, state leaders across the political spectrum have an interest in ensuring that their basic powers are not preempted.

The recent establishment of oversight committees and special staff structures for exploring trade policy is an encouraging development. States that lack the resources to establish such structures should consider holding hearings on trade policy within existing commerce, economic development, or federal affairs committees. Given the legal implications of international trade policy, it is important to reach out to the attorneys general, chief justices, and state bar associations to solicit their input in the debate. State associations, including CSG, the National Conference of State Legislatures, and others, offer another venue for highlighting these issues and for advocating specific policy positions.

### **Channeling Constituents' Concerns**

Through resolutions and other legislative actions, state legislators provide a platform for voicing important concerns of their constituents. Most state senators and representatives are citizen legislators who juggle full time jobs as well as official duties. It is hard enough to attend to the core functions of state government within the packed legislative calendar, much less to bring up resolutions on international issues or events. As a result, when state legislative leaders take the time to weigh in on international events it is usually a reflection of important constituency concerns.

The sheer variety of international resolutions considered by states reflects the rich diversity of the American federal system. State resolutions often reflect regional preferences and interests that national level institutions are unable to sufficiently capture. This diversity was demonstrated in the buildup to the Iraq War, when state legislatures across the country took up resolutions discussing the impending conflict and the diplomatic issues surrounding it. These resolutions varied widely, from Hawaii House Concurrent Resolution 211 memorializing the president to refrain from war "in the spirit of aloha" to Pennsylvania House Resolution 115 "commending President Bush's leadership in his effort to protect the United States against Saddam Hussein." State resolutions on issues as important as war, immigration policy and trade provide unique insights into American public opinion.

While it is appropriate for state legislators to express their concerns on international issues, it is important to carry out this duty responsibly. The CSG/GMU survey identified a pattern of organized lobbying of state legislatures by international interest groups and foreign governments. While state legislators are no strangers to lobbying, they are not always ideally equipped to weigh the positions of these lobby groups against the broader public interest.

The U.S. Congress is inundated by a variety of lobby groups on foreign policy issues. However, Congress has committees, investigative resources and professional staff structures that can generate independent analysis on the international issues before the institution. Since state legislatures play no constitutional role in U.S. foreign policy and take positions on international issues only occasionally, they generally lack the resources necessary to conduct this same analysis. Some international lobby groups take advantage of this fact and push for the advancement of international resolutions at the state level that they know will have little traction in Congress. Such lobby pressures can lead to the adoption of resolutions that may not be in the interests of the states' own international engagement or in the interest of American foreign policy.

Practical experience has shown that the U.S. State Department and other federal foreign policy institutions show little interest in state resolutions on international issues, unless they become the subject of foreign protests. Federal indifference is a two-edged sword. It ensures that states can debate international issues of importance to their residents without federal interference. However, a little federal perspective may not be unwelcome when it comes to weighing complex issues with important implications for American foreign policy. Given this fact, it is in state legislators' interest to reach out proactively to the State Department's Office of Intergovernmental Affairs and to congressional offices when considering controversial international resolutions.

## Chapter Four



Lessons in Success:  
Innovative Responses to State International Engagement



## Lessons in Success: Innovative Responses to State International Engagement

State leaders who wish to seize the challenge of international engagement can take comfort in the fact that their fellow states, and their counterparts in Canada, offer a broad range of lessons in success. Even in the midst of the fiscal crisis, innovative leaders have found ways to advance their states' international interests. This chapter highlights five innovative international efforts that offer valuable lessons for state leaders across the country.

### A Strategic Approach to International Affairs: Maryland Leads by Example

As the effects of the state fiscal crisis began to unfold across the United States, Maryland realized it would need to find a more efficient way to pursue international engagement. With the costs of international activities rising, state leaders knew they would need to leverage the international contacts and programs of a wide range of agencies to advance the state's agenda. To achieve this purpose, Governor Parris Glendening created a Subcabinet for International Affairs in January 2001.<sup>1</sup>

The executive order used to create the subcabinet stipulated that it would be chaired by the secretary of state and would include the secretaries of the departments of Business and Economic Development, Agriculture, and Transportation, and the secretary of higher education (see Appendix B). Additional state agencies could be included as needed and a professional staff director would be appointed within the secretary of state's office. The principal members would meet on a quarterly basis with ongoing staff-level coordination throughout the year.<sup>2</sup>

The subcabinet was designed to ensure that all state international activities contribute to a common goal. It was directed to examine the current structure and organization of Maryland's system of international affairs and to develop an integrated strategy for international engagement. In addition, it created an advisory mechanism for tracking and identifying international issues and events of importance to the state.

The subcabinet was mandated to develop and implement a system of international protocol; develop a plan to coordinate and respond to international correspondence and requests; develop a consistent, systematic method for coordinating the state's international cultural, educational and economic development events, trips and activities; and perform other duties and responsibilities as assigned by the governor.

Kenneth Cummings, Maryland's former director of international relations, noted in an article in *Spectrum: The Journal of State Government* that establishing the coordination structure with the force of an executive order was essential for preventing foot dragging or interagency rivalries. He also noted that it is essential that the coordination effort give equal attention to non-revenue-generating sectors, like education and cultural exchange, as well trade activities.

<sup>1</sup>Ken Cummings, "Developing a Coordinated State Foreign Policy," *Spectrum: The Journal of State Government*, Spring 2002, p. 32.

<sup>2</sup>See Maryland Executive Order 01.01.2001.20.

With a limited investment of time and resources, Maryland has created an innovative structure that ensures that the state can speak and act with one voice in the international arena.

### **Border Cooperation: PNWER Promotes Regional Infrastructure Security**

On August 15, 2003, a massive blackout rolled across a wide swath of territory in Canada and the United States. For citizens stranded in subways in New York City or elevators in Toronto, the reality of North America's energy interdependence struck home.

While the vulnerability of electric grids and other critical infrastructure remains a concern for citizens on both sides of the 49th parallel, forward-thinking state and provincial leaders in the Pacific Northwest have been working for almost two years to safeguard regional infrastructure through an innovative program run by the Pacific Northwest Economic Region.<sup>3</sup>

PNWER was founded in 1991 to increase the economic prosperity and quality of life for all citizens of the Northwest region.<sup>4</sup> Its membership includes five U.S. states (Alaska, Idaho, Montana, Oregon and Washington) and three Canadian jurisdictions (the provinces of Alberta and British Columbia and Yukon Territory). It is led by an executive council that includes legislators and private sector representatives from all eight of its member jurisdictions. PNWER conducts a broad series of programs designed to foster close coordination in state and provincial policy-making, promote innovative practices, and advance the region's economic interests.

In June 2002, PNWER conducted a unique emergency preparedness exercise involving more than 150 government officials and private sector leaders from throughout the region. The exercise was designed to help participants increase their understanding of the implications of regional infrastructure interdependence, assess the current state of their preparedness, and suggest recommendations for improving regional infrastructure security. The exercise was co-sponsored by the U.S. Navy, Federal Emergency Management Agency, and the Canadian Office of Critical Infrastructure Protection and Emergency Preparedness.

The exercise, entitled "Blue Cascades," was based on a hypothetical series of terrorist attacks on the region's electric grid. It demonstrated that such attacks would rapidly have cascading implications throughout the region, with disruptions not only in electrical supplies, but also in telecommunications, natural gas distribution, emergency services and a wide range of other areas. Based on the findings of the exercise, PNWER is helping the states and other jurisdictions in its region implement effective safeguards against infrastructure disruptions both from natural causes as well as potential terrorist attacks.

Thanks to PNWER's foresight and commitment to cross-border cooperation, the Pacific Northwest region is better prepared to prevent the type of cascading infrastructure crisis that blacked out the lights on Broadway.

<sup>3</sup>*Blue Cascades Report*, Pacific Northwest Economic Region, July 18, 2002.

<sup>4</sup>Excerpts from the PNWER Web site, see [www.pnwer.org](http://www.pnwer.org).



## International Education: Wisconsin Builds a Global Generation

In 1997, the state of Wisconsin embarked upon a bold challenge. Recognizing that globalization was placing new demands on job seekers, Governor Tommy Thompson pledged to ensure that graduates of Wisconsin high schools, community colleges, and institutions of higher education have the skills they need to compete in a global marketplace.

To accomplish this goal, Gov. Thompson directed the Wisconsin International Trade Council, the state's interagency coordination mechanism for trade, to create a Task Force on International Education. The task force included leaders from business, education, state agencies and a wide range of community organizations. Its mandate was to address three simple but ambitious topics:<sup>5</sup>

1. What is currently being done in the area of international education?
2. What should be done to expand and improve international education?
3. How should it be done?

During six months of investigations, the task force developed an extensive inventory of the state's international education resources and the core areas where new support was needed. It discovered that the state offered a myriad of education opportunities, including courses in dozens of languages and numerous international exchange and training programs through schools, businesses and community organizations.

The task force identified study abroad programs as the single best tool for helping to "globalize the minds of students and teachers." However, it found that participation in these programs tended to be concentrated in specific academic disciplines and demographic groups. The task force recommended implementing a concerted effort to diversify access to international experiences. In addition, it noted the tremendous contributions that foreign students have made to internationalizing state schools and recommended programs to attract additional foreign students.

Some of the core policy changes the task force suggested were to provide \$1,000 tax credits for students and teachers who study abroad or to businesses who send an employee on an international internship. It also recommended creating a state fund to provide grants to school districts that accept foreign exchange students. It estimated that approximately \$3 million to \$5 million in public and private funds would need to be spent over five years to meet the goals identified.

In the five years since Gov. Thompson set his ambitious goal, the state fiscal crisis has intervened to complicate the task. Although the state has not been able to mobilize the full amount of funding identified or to implement the full range of programs suggested, it has had notable successes in securing foundation grants and corporate donations to support study abroad initiatives and other goals. In addition, the task force still meets regularly to refine its vision and to act as an ongoing coordination mechanism for leveraging resources and building partnerships.

<sup>5</sup>See *How to Create a Global Generation in Wisconsin for the 21st Century*, Governor's WITCO Task Force on International Education, May 1998.

### Trade Policy: Lessons from Our Neighbors

While most American states are only beginning to pay attention to the impact of international trade policy on state powers and interests, our Canadian neighbors have been vocal advocates of provincial rights in international trade policy since the 1970s.<sup>6</sup>

Under Canada's system of "executive federalism" the federal government is constitutionally prohibited from imposing obligations in areas of provincial jurisdiction. Since international trade policy is now increasingly focused on liberalizing service industries and addressing other market issues that are of provincial concern, the federal government can't act without provincial consent.

To advocate their interests in trade policy, provinces maintain substantial secretariats staffed by skilled professionals. Canadian federal trade officials and their provincial counterparts meet regularly throughout the year to craft common positions on important trade negotiations. These consultations ensure that the official positions adopted by the Canadian government reflect the provinces' interests and concerns. In fact, although the federal government negotiates trade agreements on behalf of the entire country, provincial officials are often literally in the room as international negotiations take place.

In contrast, only a few American states employ even a single trade policy specialist. For most states, monitoring international trade policy is an additional duty performed by a mid-level official in the governor's office or the economic development agency with no special training in trade policy. The province of Ontario alone has more staff capacity dedicated to international trade policy than all 50 states combined. In addition, while provincial cabinet officials meet quarterly to discuss trade policy with Canada's minister of trade and other senior federal government leaders, the Intergovernmental Policy Advisory Committee of the Office of the United States Trade Representative has not met in more than three years.

The Canadian system is not without its weaknesses, as it requires an often painful consensus-building process involving jurisdictions with very different economic interests. In addition, the larger provinces generally have more trade experts and resources to devote to trade negotiations than their smaller counterparts. However, the system is arguably the world's most effective process for guaranteeing representation of the interests of subnational governments in international trade.

Although it is very unlikely that the United States will adopt a system of state consultations as detailed as Canada's, American state leaders can draw important lessons from studying their Canadian counterparts. When trying to determine the potential impact of a new round of WTO negotiations on state government interests, it is often more useful to read the public dispatches of government ministries in Toronto or Quebec City than to read the official positions of the U.S. Trade Representative. States could benefit greatly from holding consultations with their Canadian counterparts to gain a detailed understanding of how the provinces safeguard their jurisdictional interests while promoting mutually beneficial trade.

<sup>6</sup>See Stephen de Boer, Canadian Provinces, "U.S. States and North American Integration: Bench Warmers or Key Players?" *Choices, Canada's Options in North America*, Vol. 8, No. 4, November 2002, p. 5.



## International Partnerships: Massachusetts Builds Ties with South Africa

While trade promotion is the driving force for most sister state relationships, a few states have forged innovative new partnerships designed to support broader interests and long-term goals. Perhaps the best example of this type of partnership is the Massachusetts-Eastern Cape Health Care Task Force.

Many people in Massachusetts developed deep bonds with South Africa during the anti-apartheid movement of the 1980s. Soon after the country's historic first elections, Governor Bill Weld led a trade mission to South Africa to strengthen ties with the country. The mission resulted in a decision to forge a sister state relationship with the province of the Eastern Cape. Accordingly, a sister state agreement was signed in January 1997, inaugurating an ambitious series of activities.

While many sister state relationships succeed in exchanging trade delegations and cultural groups, the Massachusetts-Eastern Cape relationship has taken state partnership to a new level. Understanding that HIV and infectious diseases represented a dire threat to South Africa's future, the two partners launched the Massachusetts-South Africa Health Care Task Force. Since its founding in 2000, the task force has conducted regular exchanges of government officials and health care practitioners between Massachusetts and the Eastern Cape. In addition, it has forged a working partnership between the University of Massachusetts Medical Center and the University of Transkei Faculty of Medicine, including exchanges of HIV researchers.<sup>7</sup>

The task force is chaired by the commissioner of the Massachusetts Department of Public Health and includes a distinguished group of health care practitioners, legislators and community leaders. South Africa Partners, a Boston-based nonprofit dedicated to promoting partnership with South Africa, serves as the secretariat for the task force. To date, the partnership's activities have been funded primarily by donations from individual citizens with additional in-kind support from the state and occasional funding from federal agencies.

For a small investment of time and talent, Massachusetts has leveraged outside resources to sustain a truly innovative international partnership. By participating in the partnership, American medical professionals gain first-hand experience in confronting critical health challenges under difficult conditions. At the same time, the Eastern Cape gains invaluable insights and experience working with Massachusetts' research institutions and public health organizations.

<sup>7</sup> *Building Bridges: The First Two Years*, A Report from the Massachusetts-South Africa Health Task Force, 2002.

## Final Thoughts

Despite a persistent set of obstacles state international engagement has risen dramatically over the past 20 years. However, the state fiscal crisis will severely test states' ability to pursue international programs in the years ahead.

The global economy is not going to wait for state budgets to return to black. The impact of global competition and international events will continue to be felt in the paychecks of state residents and the tax revenues of state governments, whether states pursue international programs or not. Given this fact, the challenge for state leaders is to develop an integrated strategy for international engagement that leverages the state's limited resources with federal grant programs and other outside resources.

However, states can do more than just inventory their existing programs and mobilize outside resources. By creating leadership structures that coordinate international affairs at a high level in state government and that seek input from a wide range of audiences, state leaders can begin to develop a better understanding of the programs their constituents value. Some sectors of international engagement, including international education initiatives and international trade policy, have received only limited state attention. A deeper examination of state international interests may well focus new attention on these programs.

Leadership is the indispensable element of successful state international engagement. If states are to maximize their interests in the international arena and find new ways to pursue international opportunities despite limited resources, state elected officials will need to be personally engaged in their states' international activities.

## Appendices

- **State Overseas Offices as of December 2002**
- **Maryland Executive Order**
- **States and Countries Participating in the National Guard State Partnership Program**
- **State-by-State Trends in State International Legislation**
- **Topics of International Bills and Resolutions Introduced and Passed, 1991-2002**
- **Legislative Case Study – California**
- **Legislative Case Study – Minnesota**
- **Legislative Case Study – Texas**
- **Legislative Case Study – Virginia**



## Appendix A: State Overseas Offices as of December 2002

Source: SIDO 2002 Membership Survey

State	Country	State	Country
<b>Alabama</b>	Germany	<b>Florida</b>	Brazil
	Japan		Canada
<b>Alaska</b>	China		China
	Japan		Czech Republic
	Korea		Germany
	Russia		Israel
	Taiwan		Japan
<b>Arizona</b>	Japan		Korea
	Mexico		Mexico
	Taiwan		South Africa
	United Kingdom		Spain
<b>Arkansas</b>	Belgium	Taiwan	
	Japan	United Kingdom	
	Malaysia	Venezuela	
	Mexico	<b>Georgia</b>	
<b>California</b>	Argentina	Brazil	
	China	Canada	
	England	Europe	
	Germany	Israel	
	Hong Kong	Japan	
	Israel	Korea	
	Japan	Mexico	
	Korea	South Africa	
	Mexico	United Kingdom	
	Singapore	Did not respond	
	South Africa	<b>Hawaii</b>	
	Taiwan	<b>Idaho</b>	
	<b>Colorado</b>	Germany	China
		Japan	Korea
		Mexico	Mexico
<b>Connecticut</b>	Argentina	Taiwan	
	Brazil	Belgium	
	China	Canada	
	Israel	China	
	Mexico	Israel	
	South Africa	Japan	
	Turkey	Mexico	
<b>Delaware</b>	China	Poland	
	Israel	South Africa	
	Japan	Australia	
	Taiwan	Argentina	
		Brazil	
		Canada	
	<b>Indiana</b>		
	Chile		



State	Country	State	Country
	China		China
	India		Japan
	Israel		Mexico
	Japan		South Africa
	Korea	<b>Minnesota</b>	Germany
	Mexico	(voluntary	
	Netherlands	representatives with	
	Singapore	small administrative	
	South Africa	budgets)	Japan
	Taiwan	<b>Mississippi</b>	Japan
<b>Iowa</b>	Germany		Santiago, Chile
	Hong Kong		Singapore
	Japan	<b>Missouri</b>	United Kingdom
	Mexico		Belgium
<b>Kansas</b>	Australia		Brazil
	Brazil		Germany
	Chile		Ghana
	Europe		Israel
	Japan		Japan
	Korean		Korea
	Mexico		Mexico
<b>Kentucky</b>	Belgium		South Africa
	Chile	<b>Montana</b>	United Kingdom
	Japan		Japan
	Mexico		Taiwan
<b>Louisiana</b>	Taiwan	<b>Nebraska</b>	None
<b>Maine</b>	Maine no longer	<b>Nevada</b>	None
	maintains an over-	<b>New Hampshire</b>	Did not respond
	seas office. How-	<b>New Jersey</b>	Brazil
	ever, the state's cham-		China
	ber of commerce		Egypt
	has an office in		England
	Germany.		Greece
<b>Maryland</b>	Brazil		Israel
	Chile		Japan
	China		Korea
	Israel	<b>New Mexico</b>	Mexico
	Japan		Mexico
	Mexico		Taiwan
	Netherlands	<b>New York</b>	Argentina
	South Africa		Brazil
	Singapore		Canada
	Taiwan		Chile
<b>Massachusetts</b>	Did not respond		Israel
<b>Michigan</b>	Canada		Japan



State	Country	State	Country
<b>North Carolina</b>	South Africa	<b>Rhode Island</b>	None
	United Kingdom	<b>South Carolina</b>	Germany
	Canada		Japan
	Germany	<b>South Dakota</b>	Netherlands
	Hong Kong	<b>Tennessee</b>	Canada
	Japan		Japan
	Korea		United Kingdom
<b>North Dakota</b>	Mexico	<b>Texas</b>	Mexico
	Did not respond	<b>Utah</b>	Austria
<b>Ohio</b>	Argentina	(all voluntary representatives)	Belgium
	Brazil		Brazil
	Canada		Chile
	Chile		China
	China		Germany
	Europe		Italy
	Israel		Japan
	Japan		Korea
	Mexico		Mexico
	South Africa		Singapore
	Did not respond		Sweden
	China		United Kingdom
	Japan	<b>Vermont</b>	Did no respond
	Mexico	<b>Virginia</b>	Brazil
	South Korea		China
	Taiwan		Germany
	United Kingdom		Japan
<b>Pennsylvania</b>	Argentina		Korea
	Australia	<b>Washington</b>	Mexico
	Belgium		China
	Brazil		France
	Canada		Japan
	Chile		Korea
	China		Taiwan
	Czech Republic	<b>West Virginia</b>	Germany
	Germany		Japan
	India		Taiwan
	Israel	<b>Wisconsin</b>	Brazil
	Japan		Canada
	Korea		Mexico
	Mexico	<b>Wyoming</b>	None
	Singapore		
	South Africa		
	UK-Trade Office		
UK- Investment Office			

## Appendix B: MARYLAND EXECUTIVE ORDER 01.01.2001.20 Governor's Subcabinet for International Affairs

A. There is a Governor's Subcabinet for International Affairs convening on a regular basis for the purpose of developing, evaluating and coordinating a cohesive international strategy in order to enhance the state's competitiveness and stature in the global marketplace and international arena.

### B. Membership and Procedures.

(1) The Subcabinet shall consist of:

- (a) The Secretary of State;
- (b) The Secretary of the Department of Business and Economic Development;
- (c) The Secretary of the Department of Agriculture;
- (d) The Secretary of the Department of Transportation; and
- (e) The Secretary of Higher Education.

(2) The Subcabinet shall consult with other state departments and agencies as needed and as appropriate.

(3) The Secretary of State shall chair the Subcabinet and shall be responsible for the oversight, direction and accountability of the work of the Subcabinet.

(4) The Governor shall designate a senior administrator in the Executive Branch to be responsible for implementation of this Executive Order and for supervision of assigned staff.

(5) The Office of Intergovernmental and International Relations within the Office of the Secretary of State, the Office of Protocol within the Department of Transportation and the Office of International Business within the Department of Business and Economic Development shall provide the primary staff support necessary for the completion of the Subcabinet duties. The Governor or Chair may call upon any of the Subcabinet members to provide additional staff assistance as needed.

(6) Appropriate funding for the implementation of this Executive Order shall be apportioned among the existing budgets of affected Executive Branch departments and agencies.

(7) The Subcabinet shall meet at least once every quarter of the year. The staff of the Subcabinet shall meet at least monthly.

(8) The Governor or the Chair may establish subcommittees as needed to carry out the work of the Subcabinet.

### C. Duties.

(1) The Subcabinet shall have the responsibility to advise the Governor on matters of international affairs, coordinate state international activity and oversee the protocol functions of the state. The Subcabinet shall contribute to the economic development of the state by ensuring that all appropriate state agencies work in a cooperative, coordinated manner in planning, implementing, overseeing and evaluating the foreign affairs of the state.



(2) The Subcabinet shall:

- (a) Examine the current structure and organization of Maryland's system pertaining to international affairs to facilitate the development of:
    - (i) A coordinated state international strategy;
    - (ii) An annual interagency plan for services and functions dealing with the international affairs of the state;
    - (iii) A procedure for identifying and assessing foreign developments with a potential for impact on the state;
    - (iv) Active participation in activities and exchanges on international matters affecting the state in cooperation with the federal government;
    - (v) A consistent and clear international identity of the state by serving as the official liaison between the Governor and foreign governments and international organizations;
    - (vi) A "global affairs information center" that serves as the first point of contact regarding international political developments impacting the state;
    - (vii) A Special Governor's Commission on Foreign Affairs comprised of leaders from the academic, business, diplomatic and civic communities to advise the Subcabinet on international affairs and activities; and
    - (viii) Recommendations for programs and policies, if appropriate, in order to ensure that the needs and goals of the state's international strategy are met and accomplished.
  - (b) Develop and implement a system for ensuring the adequate conduct of international protocol on behalf of the state of Maryland.
  - (c) Develop a plan to coordinate and respond to international correspondence and requests.
  - (d) Develop a consistent, systematic method for the coordination of the state's international cultural, educational and economic development events, trips and activities.
  - (e) Perform other duties and responsibilities as assigned by the Governor.
- D. The Subcabinet shall report to the Governor by October 1 of each year with recommendations to support a coordinated state international strategy.

Effective date: November 13, 2001 (28:25 Md. R. 2181)

## Appendix C: States and Countries Participating in the National Guard State Partnership Program

### State Partnership Program Participants

Alabama – Romania  
Alaska – Mongolia  
Arizona – Kazakhstan  
Arkansas – Guatemala  
California – Ukraine  
Colorado – Slovenia  
Connecticut – Uruguay  
District of Columbia – Jamaica  
Florida – Venezuela  
Georgia – Republic of Georgia  
Guam – Philippines  
Hawaii – Philippines  
Illinois – Poland  
Indiana – Slovakia  
Kansas – Armenia  
Kentucky – Ecuador  
Louisiana – Belize and Uzbekistan  
Maryland – Bosnia and Estonia  
Massachusetts – Paraguay  
Michigan – Latvia  
Minnesota – Croatia  
Mississippi – Bolivia  
Missouri – Panama  
Montana – Kyrgyzstan  
Nebraska – Czech Republic  
Nevada – Turkmenistan  
New Hampshire – El Salvador  
New Jersey – Albania  
New York – Albania and South Africa  
North Carolina – Moldova  
Ohio – Hungary  
Oklahoma – Azerbaijan  
Pennsylvania – Lithuania  
Puerto Rico – Honduras and Dominican Republic  
Tennessee – Bulgaria  
Texas – Czech Republic  
Utah – Morocco  
Vermont – Macedonia  
Washington – Thailand  
West Virginia – Peru  
Wisconsin – Nicaragua



## Appendix D: State-by-State Trends in State International Legislation (In Number of Bills)

	2001-2002 TOTALS		1995-1996 TOTALS		1991-1992 TOTALS	
	Introduced	Passed	Introduced	Passed	Introduced	Passed
Alabama	27	13	10	4	1	0
Alaska	8	0	8	8	6	2
Arizona	12	6	4	0	4	0
Arkansas	3	1	0	0	0	0
California	35	15	26	4	32	6
Colorado	3	1	5	0	7	2
Connecticut	11	0	10	3	10	1
Delaware	5	3	10	3	3	0
Florida	31	10	17	3	2	0
Georgia	23	13	2	1	0	0
Hawaii	25	5	34	2	47	2
Idaho	8	0	4	2	0	0
Illinois	11	6	8	2	7	1
Indiana	7	5	4	2	4	0
Iowa	6	2	5	0	6	0
Kansas	4	1	2	1	3	2
Kentucky	12	5	3	0	1	1
Louisiana	29	21	5	1	4	1
Maine	15	3	5	2	9	3
Maryland	10	3	8	2	10	7
Massachusetts	8	0	17	2	6	0
Michigan	38	2	8	1	13	0
Minnesota	66	6	9	1	7	5
Mississippi	7	4	0	0	0	0
Missouri	0	0	2	0	3	0
Montana	7	0	1	0	4	
Nebraska	0	0	5	0	6	1
Nevada	0	0	2	1	3	0
New Hampshire	12	2	6	1	5	4
New Jersey	19	0	17	2	10	0
New Mexico	15	8	4	2	3	2
New York	27	1	11	0	22	5
North Carolina	7	3	8	2	1	0
North Dakota	3	0	4	1	6	4

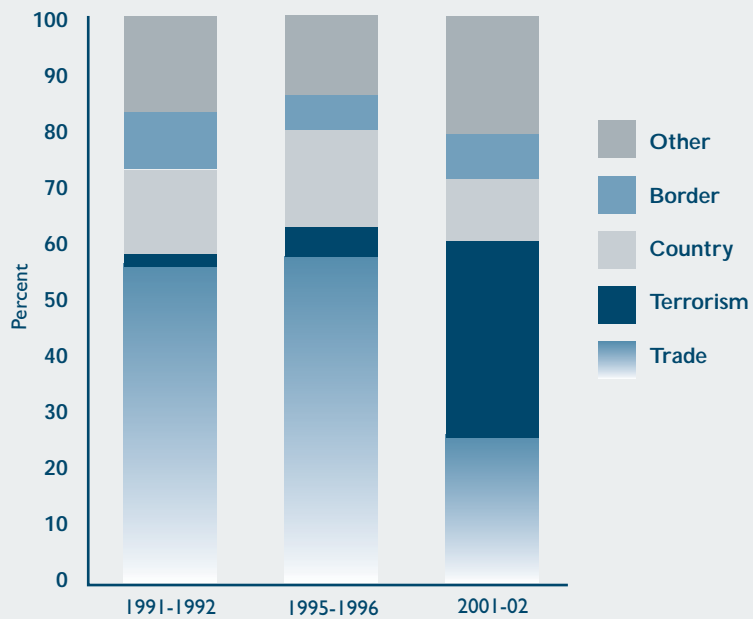


	<b>2001-2002 TOTALS</b>		<b>1995-1996 TOTALS</b>		<b>1991-1992 TOTALS</b>	
	<b>Introduced</b>	<b>Passed</b>	<b>Introduced</b>	<b>Passed</b>	<b>Introduced</b>	<b>Passed</b>
Ohio	6	0	4	2	4	1
Oklahoma	22	11	11	3	2	1
Oregon	9	8	18	7	14	7
Pennsylvania	11	7	30	1	20	0
Rhode Island	14	2	7	3	5	0
South Carolina	12	2	6	1	1	0
South Dakota	1	1	3	2	4	1
Tennessee	16	11	5	2	2	0
Texas	93	45	13	2	14	4
Utah	2	1	3	1	5	4
Vermont	9	6	2	0	6	0
Virginia	81	25	6	4	3	3
Washington	26	1	22	2	13	1
West Virginia	38	11	0	0	0	0
Wisconsin	2	0	4	0	0	0
Wyoming	0	0	4	0	5	1
<b>TOTAL</b>	<b>836</b>	<b>270</b>	<b>402</b>	<b>83</b>	<b>343</b>	<b>72</b>



## Appendix E: Topics of International Bills and Resolutions Introduced and Passed, 1991-2002

The Changing Composition of International Bills and Resolutions Introduced, 1991-2002



## Appendix F: Legislative Case Study – California

*(This case study covers the international activities of the California state legislature for the 2001-2002 legislative session. Please also see Chapter One for a discussion of the legislature's recent decision to close the state's overseas offices.)*

### Context

California is the nation's most populous state with nearly 34 million inhabitants. The state also leads the nation in economic activity, and California's lawmakers are quick to point out that it ranks as the world's sixth largest economy. California's strongest economic sectors include agriculture, high technology, manufacturing and tourism.

### Institutional Structures Engaged in International Activities

**Legislative Committees:** California has several select and full legislative committees that address a variety of international issues. The Senate Banking, Commerce and International Trade Committee oversees California's trade promotion offices. Its select committees include The Americas, Asia Trade and Commerce, and California-European Trade Development.

A particularly important committee is the Senate Select Committee on International Trade Policy and State Legislation. Established in 2000, this was the first state committee nationwide primarily devoted to assessing the impact of multilateral trade agreements such as WTO and NAFTA on state laws and regulations.

Assembly committees that work on international issues include the Assembly Committee on Utilities and Commerce, the Subcommittee on International Trade, and the Select Committee on California-Mexico Affairs.

**Legislator's Offices:** Senators and Assembly members and their staff promote trade opportunities for their local businesses and agricultural producers, and sometimes introduce bills and resolutions on a range of concerns including establishment of new trade offices, opening trade relations with countries currently embargoed (e.g., Cuba), and expressing support for human rights of individuals or groups abroad.

**Legislative Support Offices:** The Senate Office of International Relations was established in 1987 to provide the Senate with information and assistance conducive to developing cultural ties between California and other nations. It also assists foreign businesses, academic institutions, and governments in arranging their visits to the State Legislature. The California International Relations Foundation, which was established as a 501(c)(3) nonprofit corporation in 1991, is an official arm of the office. Governed by an advisory committee comprised of state legislators, executive agency heads, and local elected officials, the foundation's primary mission is to facilitate exchanges between the Senate and foreign governments. Activities in the 2000-2001 period included official visits to the California Legislature by prominent elected officials from South Africa, Italy, Spain, Nigeria, Hungary, Australia and Mexico.

### International Activities

Forty-seven bills and resolutions dealing with international issues were introduced to one or both houses during the 2001-2002 session, 23 of which passed one or both houses. Several examples are indicative of recent legislative action in international affairs.



**Trade:** International trade exports fueled much of California's economic growth in the 1990s. During that time state exports tripled to more than \$100 billion a year, with nearly one in seven jobs in California now depending directly or indirectly on foreign trade. This is a significant increase given that only one in 12 jobs involved trade in the 1980s.

A total of 14 bills and resolutions dealing with trade were introduced in the Senate or Assembly during the 2001-2002 legislative session, five of which passed in one or both houses where they were introduced. Legislative committees involved with state trade promotion activities include the Senate Committee on Banking Commerce and International Trade, and the Assembly Subcommittee on International Trade.

Their work included bills requiring better monitoring and reporting of trade promotion activities by foreign trade offices, and establishing a position of California liaison to the WTO. Resolutions during this period included those urging the U.S. president and Congress to enact Trade Promotion Authority, and urging the U.S. trade representative to respect states' laws in negotiating international trade agreements.

**Border Relations with Mexico:** A total of 15 bills and resolutions were introduced during the 2001-2002 session dealing with border relations with Mexico, with 12 passing in one or both houses in which they were introduced. These included successful bills creating a California/Mexico Development Corporation, a binational border development fund, a binational Health Week, and a border patrol cooperative arrangement. Senate and Assembly resolutions urging the U.S. Congress and president to implement the SENTRI border security program were also passed.

**Country-Specific Legislative Activities:** Five bills and resolutions in the 2001-2002 session concerned specific countries, four of which passed one or both houses. These included resolutions urging the University of California to reject pressures to divest its pension funds from companies investing in Israel, resolutions calling for a Day of Remembrance for the Armenian Genocide, and a Senate resolution calling for creation of a "sister-state relationship" between Cuba and California.

**Bills and Resolutions falling in the "Other" Category:** Bills and resolutions falling into the "other" category included a resolution entitled the "Arafat Accountability Act," which urged the U.S. Congress and the president to take action to end the violence against Israeli civilians, and a resolution urging Middle Eastern leaders to promote restraint among their peoples.

## Motivations for International Involvement

Senate and Assembly members introduced bills in the 2001-2002 session that required the Technology, Trade and Commerce Agency to create performance reports on its trade offices and activities. These bills reflect increased tensions between the Legislature and the agency. For example, members of the Senate Banking, Commerce and International Trade Committee and the Assembly Subcommittee on International Trade have expressed frustration with the perceived unresponsiveness of the agency to requests for information concerning specific foreign trade offices and shows. It's clear, however, that legislators and their staffs are not of one mind about the performance of the TTCA, or what action should be taken. One Senate committee staff member describes the situation this way: "We mainly tinker with trade programs. Although many people think the TTCA needs to be revamped, the agency is insulated. It's hard to get at them. You only get their attention by tinkering with their budgets." In contrast, an Assembly committee staff person

attributed the agency's problems to the "inevitable growing pains in establishing a new institution, and the common frictions between the governor's office and the Legislature."

In the past, different dimensions of trade were important to legislators. During the 1980s, for example, organized interests and associations were very involved in the formative steps of setting up trade development offices in California. And during the debate over enactment of NAFTA in the early to mid-1990s, individual legislators were compelled to take a position on the free trade agreement, and there was much work done on this issue through a joint international trade committee. "Now it's somewhat decentralized and people are off doing their own things," according to a senior staff member of the Senate Office of Research. Adds a principal consultant on the Senate Select Committee on Asia Trade and Commerce, "Now it's 75 miles per hour on education and health, and 55 miles per hour on trade."

Today California is at the forefront of state legislative concern over the preemption of state laws and regulations by federal trade commitments including WTO, NAFTA and the proposed Free Trade Agreement of the Americas. Yet the California Legislature is not of one mind on the federal and state dimensions of international trade either. Two contrasting schools of thought exist on this issue.

On the Senate side there is more concern about preemption, especially among certain senators. The Select Committee on International Trade Policy and State Legislation was formed in 2000 to analyze the effects of federal trade policy on state laws and regulations. In the 2001-2002 session Committee Chair Senator Sheila Kuehl introduced two resolutions concerning preemption of California law by federal authorities. She also co-wrote a letter (signed by 14 legislators) to U.S. Trade Representative Robert Zoellick in 2001 detailing Californian's concerns over the threats to state sovereignty posed by NAFTA and the WTO. At the same time, most senators are trying to balance their support for free trade in principle with their growing concern that state laws and regulations involving labor, the environment and product safety are being undercut by federal authorities.

Assembly members, on the other hand, are more concerned with helping California businesses expand their exports, and some in particular are committed to helping small minority-owned businesses explore international markets. While there is concern about the negative externalities of international trade in the Assembly, that concern has not risen to even the level of informal working group, although members do co-sponsor legislation that sometimes addresses those concerns. According to one legislative assistant, Assembly members "are focused on more immediate work involving the budget, education, health care and helping their constituents. Now that term limits have shortened time horizons, longer-term issues like trade and preemption become even less of a priority."

In terms of outside pressure on trade and other international issues, there appears to be very little pressure coming from federal policy-makers. According to a Senate staff member with more than 20 years experience in the California Legislature, "In regards to federal interventions, it's an occasional thing. We don't have regular meetings with Washington people. ... The old World Trade Commission used to have a point person in Washington, whereas now it's kind of haphazard." In the past California legislators worked extensively with the National Conference of State Legislatures, but even that level of coordination has diminished recently.



Individual legislators do hear from interest groups who take positions on a variety of issues with international dimensions, including environmental, labor and consumer groups. Specific issues of recent concern include trade with Cuba, human rights for the Falon Gong, and self-determination for Tibet. Under pressure from a large population of Armenian Americans in his district, one senator successfully introduced a bill to establish a trade office in Armenia.

### Possible Future Trends

Because of California's large export economy, international trade will continue to be an important issue for California legislators. The primary challenge remains how to expand market possibilities for state agricultural and manufacturing interests. It remains to be seen whether legislators and staff members working through the Assembly Subcommittee on International Trade can succeed in their efforts to expand minority-owned overseas business opportunities. It is an uphill climb, according to one committee staff person: "There are a lot of resources to help small businesses learn what to do put out by the U.S. Commerce Department and the TTCA, but they aren't packaged for easy use."

While there is sporadic interest and concern about the negative externalities of international trade and globalization, whether that interest can be sustained and converted to legislative action remains in doubt. For example, a recent Assembly hearing examined how California's trade position impacted the Mexican communities that have lost much of their work force through illegal immigration, but not much happened as a result of that hearing. According to one Assembly staff person:

The challenge is how you grow the economy without exploiting other regions? While it's a bipartisan issue to grow our trade opportunities, when it comes to labor issues, the environment and human resources, it's more of a Democratic issue. ... But in a time of state's education and health care crises, how important are these international trade issues in comparison?

Several staff members in both chambers identified term limits as one reason why legislators are not working together more on international issues. According to a senior Senate staff member: "These are not front-burner issues, especially in an era of term limits. Some legislators took a strong interest in trade in the past, but when they go it ebbs and you lose continuity." At the same time, term limits should not be considered the sole reason for lack of continuity on trade and other international issues. As one senior committee consultant put it: "We could blame everything on term limits, but politics is always like herding cats. Now it's just a bit harder."

*Written by Joel Clark in support of the 2002 CSG/GMU study of the role of state legislatures in international affairs.*

## Appendix G: Legislative Case Study – Minnesota

*(This case study covers the international activities of the Minnesota state legislature for the 2001-2002 legislative session.)*

### Context

The Minnesota Legislature's involvement in international affairs is colored by the state's geographic, economic, political and demographic characteristics. Geographically, Minnesota shares a 550-mile border with the Canadian provinces of Ontario and Manitoba. Much of the border with Ontario consists of heavily forested wilderness and park areas, but there are major border crossing routes to Thunder Bay in the northeast and to Winnipeg in the northwest. The state also has a 150-mile coastline along Lake Superior. Duluth, Minnesota's fourth largest city, is an international shipping port on the Great Lakes.

The state has a diversified economy, with strong agricultural, manufacturing and service sectors. The Twin Cities of Minneapolis and St. Paul are home to a number of large, multinational corporations, including 3M, Cargill, Target, General Mills, Northwest Airlines and Medtronic, and the cities also serve as a regional banking and insurance center. Leading manufacturing export sectors include computers and electronics, non-electronic machinery, medical devices and food products. Canada is the largest recipient of exports from the state, with about 24 percent of all Minnesota exports, followed by Japan, China and several European countries.

Demographically, the state has grown more ethnically diverse in recent decades, and this also has implications for state international policy-making. In the 19th century, the state was populated by immigrants from northern Europe, especially Germany and Scandinavia. In the 1980s and 1990s, however, immigration from Asia and Africa accelerated. Asians are now the fastest growing demographic sector of the state. Significant populations of Hmong peoples from Southeast Asia live in the Twin Cities region, along with growing numbers of residents of Chinese and Vietnamese descent. Refugee populations from Somalia have also grown rapidly. Finally, the state's Hispanic population has increased significantly, although at levels well below those of many other states.

### Institutional Structures Engaged in International Activities

**Legislative Support Offices:** In 1998, the Minnesota Legislature created a new position of international affairs coordinator within the Legislative Coordinating Commission to assist in scheduling meetings and arranging itineraries for visiting international delegations to the Legislature. The program is designed to build goodwill, encourage information-sharing about the legislative process, and enhance Minnesota's national and international stature. The coordinator synthesizes background information on delegations, foreign cultures and travel agendas into summaries and protocols for use by legislative leadership, legislators, staff and visitors.

**Multistate Organizations:** Several multistate organizations also assist the Legislature with international issues. The Great Lakes Commission promotes development of the Great Lakes Basin and plans water resource development. It was formed by an interstate compact among Minnesota, Illinois, Indiana, Michigan, New York,



Ohio, Pennsylvania and Wisconsin, with associate membership by the Canadian provinces of Ontario and Quebec. Current membership on the commission includes 10 state legislators from various states, including five from Minnesota.

The Midwest-Canada Relations Committee of CSG's Midwestern Legislative Conference is another example of multistate support for international activities. Legislators from 11 Midwestern states serve on the committee, with participation by legislators from the provinces of Manitoba, Ontario and Saskatchewan. The Midwest-Canada Relations Committee meets several times a year and deals with issues such as cross-border security and U.S. Canada trade and environmental issues. The committee also sponsors exchanges between member legislatures and Canadian provinces, such as Minnesota's legislative exchange program with Manitoba.

### International Legislative Activities

During the 2001-2002 legislative session, Minnesota was one of the most active states in considering and adopting international legislation. Sixty-six bills with international content were introduced into one or both houses of the Legislature, and six were enacted during this period. Trade, defense and anti-terrorism legislation led the list during this time, but bills dealing with human rights abuses in China and other country-specific legislation, especially that encouraging trade relations with Cuba, were also developed.

**Trade:** A total of 18 bills and resolutions dealing with trade were introduced in the Minnesota Senate or House during the 2001-2002 legislative session. Three of these were passed into law. Legislative committees involved with state trade activities include the Senate Committee on Commerce and the House Committee on Commerce, Jobs and Economic Development. Their work included bills establishing a legislative commission on legislative standards and extending tax exemptions for foreign insurance companies. Resolutions during this period included those urging the U.S. president to enforce trade agreements limiting the importation of low cost foreign steel and urging the U.S. government to respect states' traditional authority in negotiating international trade agreements.

**Terrorism:** Twenty-three bills and resolutions dealing with terrorism were introduced in the Minnesota Legislature during the 2001-2002 period, and three of these were adopted. The Anti-Terrorism Act of 2002 established new terrorist crimes and set penalties for crimes involving weapons of mass destruction, explosives and hoaxes. Another successful bill established the Emergency Health Powers Act, which relates to declaring national security and peacetime health emergencies, requires reporting of certain health conditions, and provides criminal penalties for bioterrorism. Anti-terrorism resolutions included one memorializing Congress to adopt a federal backstop program for terrorism insurance and others expressing sympathy for the victims of the September 11 tragedy.

**Other Bills and Resolutions:** Minnesota legislators introduced a variety of other types of international bills and resolutions during the 2001-2002 period, including ones on human rights, specific countries, and humanitarian issues. Examples included resolutions memorializing Congress, the president or the governor to enact legislation to remove trade, financial and travel restrictions relating to Cuba, to promptly provide aid to the victims of the January 26 earthquake in India, and to convey Minnesotans' concerns regarding human rights abuses committed by the People's

Republic of China. Other bills included one to allow undocumented noncitizens to qualify as state residents for higher education purposes.

### **Legislative Visitors and Travel**

Another dimension of legislative international activity involves the reception of international visitors and legislative travel abroad. The Minnesota Legislature consistently receives a substantial number of international delegations. The numbers grew so large that it created the need for an institutionalized response, and a half-time position of legislative protocol officer was established in the late 1990s. In 2001-2002, the Legislature made arrangements for 77 delegations with more than 400 visitors. About 70 percent of the Legislature's foreign visitors come through U.S. State Department programs coordinated by the Minnesota International Visitors Center. Most of these delegations in recent years have come from newly democratizing countries of Eastern Europe and the former Soviet Union. Most of the remainder are members of trade delegations or business-related groups. For example, the state has hosted three to five groups from the Netherlands annually for about 10 years, working to develop closer economic ties.

The number of formally organized international trips by Minnesota legislators is relatively small but increasing. Five such visits were organized by the Legislature's international affairs coordinator, up from three in the previous session. Legislators also engage in their own policy-oriented international travel, outside the purview of the international affairs coordinator. For example, Senator Edward Oliver has business interests in trade, was a board member of the Minnesota World Trade Center and accompanied Governor Ventura on a trade mission to China. Senator Sandra Pappas is involved with a parliamentary exchange with Israel, has traveled to Cuba to promote changes in U.S. trade policy there, and has been active in Central American peace and development issues. One of the biggest limitations on legislators' external travel is the perceived need to locate external sources of funding. Legislators are reluctant to have such missions paid for by state tax dollars, so trips are generally underwritten by federal grants, corporate sponsors, or the legislators themselves.

Finally, legislative staff members are also involved in international affairs. Secretary of the State Senate Patrick Flahaven has been particularly active, having served as chairman of the Committee on Interparliamentary Relations of the American Society of Legislative Clerks and Secretaries. Secretary Flahaven initiated a professional exchange program with the staffs of the Canadian Legislative Assemblies, and has been actively involved in USAID and Department of State programs for parliamentary staff training in Eastern Europe and Africa.

### **Motivations for International Involvement**

Individual legislators' motivations for international activity vary, depending on their policy concerns, professional relationships and constituents. Motivations can also vary depending on the nature of the issue involved and the stakes for public policy. Some issues, such as criminal penalties for terrorist crimes, involve the intersection of traditional powers of state government with developments in international affairs. Others reflect an effort by legislators, constituents or organized groups to use the voice of state government to influence the policy decisions or deliberations of the federal government or the governments of other nations.



Some state legislators become involved with international issues primarily because of individual policy interests and beliefs. For example, Sen. Sandra Pappas has been an active sponsor of resolutions on such issues as national missile defense, international trade agreements, and U.S. policy toward Cuba and Central America. As she explained in an interview: “People tease me about wanting to chair the [nonexistent] State Foreign Relations Committee. But I grew up in the 1960s and 1970s, when international issues were vitally important, so it just seems natural. I also teach a class on citizenship and the global context at Metropolitan State University.” Another legislator, Sen. Satveer Chaudary, takes an active interest in trade and other issues involving India. According to International Affairs Coordinator Christine Sasseville, he often meets with visitors and delegations from India, and he co-sponsored a resolution urging prompt aid by the federal government to victims of a devastating Indian earthquake.

Other members engage in international activities for more pragmatic reasons. Among these, constituency concerns rank highly. For example, Sen. Leroy Stumpf represents a district in the northwest corner of the state, which borders Canada, and he has been active on issues with border implications, such as transportation and fishing rights. Constituency factors were also said to play a role in Sen. Ellen Anderson’s sponsorship of a resolution concerning civil rights abuses in China, since she has constituents of Chinese and Tibetan descent residing in her district.

Organized interest groups are sometimes factors in the process as well. For example, farm groups have been supportive of resolutions in favor of lifting the trade ban with Cuba, business groups such as USA Engage were actively involved in lobbying against state trade sanction legislation in the 1990s, and the Armenian National Institute has lobbied nationwide in support of state resolutions condemning Armenian genocide in the early 20th century. Formal and informal groups and networks of legislators also assist members seeking to engage in international policy-making. National and regional organizations of state government and state legislators, such as the Midwestern Legislative Conference and the National Conference of State Legislatures, are important vehicles for disseminating international policy ideas as well as domestic ones. Moreover, informal political networks, such as the Midwest Progressive Elected Officials Network and the Center for Policy Alternatives, can also be helpful to members. Sen. Pappas credited the latter with assistance in developing her resolution opposing a national missile defense system, for example.

Federal and foreign government officials can also be involved in the state legislative process on issues of international concern. Representatives of the U.S. State Department and the Office of the U.S. Trade Representative addressed a recent meeting of the Midwest-Canada Relations committee, for example, which was focused on issues of trade and border relations. Federal and provincial officials from Canada also participated, as did officials from the Canadian consulate in Minneapolis. Mexican officials have also lobbied legislators on issues of concern to Mexican citizens, such as issuing driver’s licenses to undocumented immigrants and considering making undocumented high school graduates eligible for in-state college tuition. However, the staff and legislators interviewed deemed both foreign and federal involvement in the legislative process to be modest.

*Written by Timothy Conlan in support of the 2002 CSG/GMU study of the role of state legislatures in international affairs.*

## Appendix H: Legislative Case Study – Texas

*(This case study covers the international activities of the Texas state legislature for the 2001-2002 legislative session.)*

### Context

The size and complexity Texas' economy, combined with the state's long border with Mexico, contribute to a high degree of international activity by the state Legislature. Texas, the second largest state in the union, shares a border with Mexico that stretches over 1,200 miles from the Gulf of Mexico to El Paso.

Texas has a population of more than 21 million people, which is expected to grow at a rate of about 1 percent to 2 percent per year over the next 30 years. Over the past decade, most of the population growth has occurred in metropolitan areas including Austin, Dallas, Houston and San Antonio. Significant population increases have also occurred in border towns throughout the Rio Grande Valley.

Texas is the second leading exporter in the United States, behind California. The Port of Houston is one of the largest in the continental United States in terms of yearly tonnage. Approximately 55 percent of all state exports are destined for just two markets: Mexico and Canada.

### International Legislative Activities

In 2001, 93 bills with significant international focus were introduced, and 45 bills passed in either one or both chambers of the Legislature. A wide variety of committees consider international legislation, with primary authority residing with the House Committee on State, Federal and International Relations and the Senate Committee on Business and Commerce.

The most dynamic field of foreign activity by the Legislature is legislation related to border affairs. Forty-two of the 93 bills introduced were related directly to Texas-Mexico affairs, with 11 bills passed. These bills varied widely in their topical focus including SB 1826/HB 2498 pertaining to the study of binational health care for Texans and Mexicans along the border, SB 195 creating the Border Trade Advisory Committee, for “addressing the highest priority border trade transportation challenges,” and SB 326 calling for the development of a “Texas-Mexico Commerce and International Relations Coordinated Plan.”

Several bills focused on the development of infrastructure and expedited procedures at points of entry along the border, including SCR 9/HCR 79 memorializing Congress to create more ports of entry to help with the increased flow of traffic related to NAFTA. HCR 85/SCR 10 asked Congress to allocate funds to help local communities deal with the degradation of infrastructure from the increased commercial traffic over the border. SCR 8/HCR 10 directed the Texas Department of Transportation to engage the federal government in helping establish commuter lanes designed for non-commercial traffic across the border.

Health care issues also form a major subject of border affairs legislation. Three bills were introduced in 2001 dealing with health care initiatives on both sides of the bor-



der. SCR 21 endorsed a treaty on health issues with Mexico, and was approved by the governor. HB 26, which was referred to the Public Health Committee, endeavored to create a study on the barriers to “binational exchange of health information.” HB 1101/SB 424 directed the state to develop a “strategic health plan” for Texas-Mexico health. There is also SB 1826/HB 2498, which was the subject of a Senate hearing in the Business and Commerce Committee. This bill would have created a study on binational healthcare plan coverage, but it was unsuccessful.

Beyond border affairs, trade issues, terrorism and country-specific bills were the next largest categories of legislative attention. Country specific bills included bills to welcome students from Argentina (SR 201), a resolution citing the importance of a foreign exchange program at a Texas university (SR 663), and a bill welcoming Japanese participants in a marathon. Also introduced during the 2001 session were two bills asking the president to lift trade restrictions on Cuba (HCR 274/SCR 54).

### Legislative Visitors

The Texas Legislature is actively engaged in the international arena, playing host to more than 150 international delegations during the past year. Most of these delegations meet with the Legislature as well as with executive agencies. The primary purpose of these visits is to provide an opportunity for international visitors to examine firsthand the structure and operation of state government, as well as to study the relationship between the government and private sectors. Roughly half of the visits are sponsored by the U.S. State Department, and many delegations are comprised of representatives from more than one nation.

In the Texas House of Representatives, these visits are coordinated through the combined efforts of the speaker’s office, the House sergeant-at-arms and the Committee on House Administration. In the Senate, the secretary of the Senate fulfills this responsibility.

International delegations in 2001 included citizens and government officials from Australia, Bolivia, Brazil, Canada, Chile, China, France, Greece, Italy, Japan, Mexico, Nepal, Nigeria, Norway, Portugal, South Africa, Spain, the United Kingdom, Vietnam and many others.

### Motivations for International Involvement

Constituency demands, personal preferences, and influence from businesses all appear to play significant roles in the introduction of internationally focused legislation. Legislators with districts along the border are some of the primary sponsors of such bills. In 2001, the vast majority of groups providing testimony on international legislation were local businesses, community organizations, local governments and state agencies. There does not appear to be significant federal involvement in the legislation introduced by the Texas Legislature.

*Written by Suzanne Blagg in support of the 2002 CSG/GMU study of the role of state legislatures in international affairs.*

## Appendix I: Legislative Case Study – Virginia

*(This case study covers the international activities of the Virginia state legislature for the 2001-2002 legislative session. Please also see Chapter One for a discussion of the controversy over the legislature's recent consideration of a bill concerning the Vietnamese national flag.)*

### Context

Virginia's population of more than 7 million people makes it the 12th most populous state. Primary economic sectors in Virginia include chemical manufacturing, agricultural processing, shipbuilding, and the tobacco and cigarette industries. Government employment (both civilian and military) in the Washington, D.C., and Norfolk metropolitan areas is another significant economic sector.

### Institutional Structures Engaged in International Activities

No committees in either house of the General Assembly have primary responsibilities for international issues. The following committees are involved in issues with an international character:

- The Senate Agriculture, Conservation and Natural Resources Committee has primary responsibility for overseeing the state's export promotion program on the Senate side.
- The House Agriculture, Chesapeake and Natural Resources Committee has primary responsibility for overseeing the state's export promotion program on the House side.
- The Senate Rules Committee handles all joint resolutions without the force of law, including resolutions condemning international terrorism. According to the Office of the Clerk of the Senate, however, there were very few international resolutions before the Senate in the last few years.
- The House Rules Committee may handle joint resolutions without the force of law, but actual committee jurisdiction depends on the subject of legislation.
- The House General Laws Committee has worked on trade issues, including a 1998 bill restricting procurement of goods manufactured in the People's Republic of China, and an earlier bill prohibiting state investments in businesses in Northern Ireland.
- The Militia, Police and Public Safety Committee and the Courts of Justice Committee in the House of Delegates have recently handled bills and resolutions involving national defense and international terrorism.
- The clerks of the Senate and House of Delegates have protocol responsibilities for visiting foreign leaders and dignitaries, although the Office of Clerk of the Senate indicates there have been no formal delegations visiting the Virginia Legislature in recent years.

### International Activities

There were 81 total bills and resolutions involving international affairs introduced to one or both houses of the General Assembly in the 2001-2002 period, with 25 of those passing in one or both houses where they were introduced. Several examples provide an overview of recent legislative activity.



**Trade:** A total of nine bills or resolutions were introduced to one or both houses, with eight passing. These included resolutions memorializing Congress to increase the amount of time individuals can collect benefits under the NAFTA retraining program, and a House resolution urging the U.S. Congress to strengthen U.S. trade laws and agreements to provide redress for Virginia shipbuilders experiencing unfair international trading practices.

**International Terrorism:** A total of 45 bills or resolutions involved terrorism, with 14 passing one or both houses of the General Assembly where they were introduced. Bills included actions to create new felony penalties for various terrorist crimes. Resolutions included those urging the Congress to require additional proof of identification for applicants to U.S. flight schools.

**Country-Specific Bills and Resolutions:** There were six country-specific bills and resolutions introduced, with two passing one or both houses where they were introduced. These include a successful bill creating a Virginia-Israel Advisory board to advise the governor on ways to improve trade relations between Israel and the commonwealth.

**Environment:** A successful House resolution urged Congress to prevent ratification of the Kyoto Protocol.

**Human Rights:** An unsuccessful resolution proposed to express the General Assembly's endorsement of the Global Sullivan Principles of corporate citizenship, universal human rights, and respect for employees' freedom of association.

## Other Activities and Motivations

Except when promoting state exports or responding to serious challenges such as international terrorism, there appear to be few motivations for state legislators to concern themselves with international issues. This is reflected in the relatively few bills and resolutions involving human rights, the environment, borders or country-specific issues.

While the clerks of the Senate and House of Delegates are officially responsible for protocol on foreign visits to the General Assembly, no official delegations were received by the Legislature in the last two years. The Senate Clerk's office indicated that foreign delegations have occasionally visited the General Assembly unofficially on side trips from their official visits to Washington, D.C., and Margaret Thatcher visited in 1995, although she was not head of state at the time.

There have been no official legislative delegations to other countries in the last few years, although there may be instances where individual legislators accompanied the governor on trade visits in an unofficial capacity.

Individual legislators do sometimes hear from constituents who are concerned about international issues involving immigration, cultural exchanges, unfair trade or historical events (e.g., Armenian genocide), but they usually don't respond to those concerns by introducing bills or resolutions. Occasionally legislators will invite federal officials to testify at hearings or attend a legislative retreat. Examples include inviting a representative of the U.S. Department of Agriculture to talk about the Farm Bill, or an EPA official to discuss environmental regulations. But in general, contacts between state legislative and federal officials are considered rare.

*Written by Joel Clark in support of the 2002 CSG/GMU study of the role of state legislatures in international affairs.*









The Council of State Governments