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Author
Duchacek, Ivo D.

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TOWARD A TYPOLOGY OF NEW SUBNATIONAL GOVERNMENTAL
ACTORS IN INTERNATIONAL RELATIONS

Ivo D. Duchacek
Professor of Political Science (Em.)
City University of New York

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Institute of Governmental Studies
University of California
Berkeley, CA 94720

Questions regarding issues raised by this paper should be directed to the author.

Ivo D. Duchacek
Box 634 Maple Ave. Ext.
Kent, CT 06757
ABSTRACT

The imperatives of interdependence have forced or lured subnational governments in federal and decentralized systems to seek access to the international scene for the purpose of reverse-investment and trade and so ensure their welfare and developmental commitments. Three major forms of trans-sovereign relations conducted by noncentral governments are explored: (1) Influencing external relations from within; (2) Transborder regionalism; and (3) Direct contacts with foreign centers of powers. To avoid chaotic fragmentation of foreign policy in the era of perforated sovereignties, federal segmentation of the conduct of international relations in non-security issues (including appropriate institutional adaptations) is called for.

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TOWARD A TYPOLOGY OF NEW SUBNATIONAL GOVERNMENTAL ACTORS IN INTERNATIONAL RELATIONS

As managers of economic, social, cultural, and environmental affairs, noncentral governments in North America and Western Europe, especially in federal, decentralized or regionalized systems, have been increasingly induced to react to international events and respond to or initiate various contacts with external centers of power. Among those are not only transnational corporations, banks, and industries located abroad but also, and in some cases primarily, foreign provincial or national governments in charge of provincial and national economy.

In 1987, for example, twenty-nine U.S. states had fifty-five permanent representatives in seventeen foreign countries, mostly in Tokyo, Brussels, London, and Frankfurt. Eighteen U.S. port authorities have their permanent representatives in Europe and the Pacific Rim. Six Canadian provinces have established forty-six permanent offices in eleven foreign countries. In North America the transfrontier cooperation between Eastern Canada and New England states has been institutionalized under the leadership of five provincial premiers and six New England governors. In

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1 This working paper represents the basis for a future chapter to be included in a symposium on Federalism and International Relations: The role of Subnational Units, edited by Hans J. Michelman, University of Saskatchewan, and P. Soldatos, University of Montreal, for Oxford University Press.
Western Europe there are now 25 transfrontier regional frameworks, the two most advanced of them being the Regio Basiliensis, combining the northern Swiss cantons, with the West German Land of Baden-Württemberg, and French Alsace, and the Dutch-German transfrontier inter-communal cooperative arrangements.

Trans-sovereign activities of noncentral governments obviously presuppose that the locally elected officials and their staffs possess a considerable degree of jurisdictional autonomy and skill. Discussing the global crisis of authority and the explosion of subgroupism, James N. Rosenau pointed to a "substantial enlargement of the analytic aptitude of citizens throughout the world" and, I would add, the resulting capacity to relate domestic problems to international events and take local initiatives with the hope to affect national foreign policy or to promote and protect their regionally delineated "pursuits of happiness" against adverse international developments (oil crisis, foreign imports, etc).

The awareness of the imperatives of complex interdependence—global and regional—has now, as it were, trickled down to provincial and local elites. These are now forced to act to veer off threats or lured to exploit new opportunities as they appear on the international scene.

International activities of noncentral governments rarely make the first page of national dailies. They are neither dramatic nor alarming—they can hardly compete for public attention with wars, arms talks, international terror, espionage, and other forms of conflict and cooperation among sovereign nations. Their impact on the national security and diplomatic

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status concerns in their traditional sense has remained modest. Primarily, they deal with the territorial daily bread, basically an internal concern which has only gradually but perceptibly been acquiring an external dimension which now affects the political perspective, action, and careers of local or provincial leaders. In 1983 subnational government's vulnerability to distant events was well expressed by the then premier of the Canadian province of Alberta, Peter Lougheed: "We remain directly affected in Alberta and in Canada by decisions that are made in Riyadh, Geneva, Tokyo, Beijing, Hong Kong, London, or you name it."

Trade, reverse-investment, technology and energy transfers, environmental issues, cultural exchanges, migrating or transborder commuting labor (20,000 skilled workers commute daily between France and Switzerland, for example), epidemics, drug-traffic, and cultural exchanges have begun to force their way onto international agendas since World War I, often in conjunction with, or as an inevitable consequence of, the emerging social and economic roles of all governments. In contrast to the previous eras, the expanded scope of national foreign policy today includes issue-areas which, in the past, belonged either to private initiative or to a jurisdictional realm of subnational governments. For this reason, external activities and concerns of subnational governments are most conspicuous and politically significant primarily in industrially advanced federal or regionalized systems. Nevertheless, even in unitary and authoritarian systems some signs of similar percolation of sovereign boundaries may be noticed.

While this paper plans to concentrate on democratic federations and decentralized systems in which the domestic-diplomatic mix appears the most accessible to observation and exploration, it is hoped that also some
light may be shed on the authoritarian (imitative?) uses or misuses of their subnational governments (created and managed by the one-party center) for the purposes of national policy. China offers several good examples of such a manipulation of territorial "autonomies": Beijing promotes, for example, particular provinces and municipalities as new "open doors" for foreign investment and trade, thus creating an image abroad of a greater regional autonomy and flexibility than, in fact, is permitted to exist under a single-party system.

Even more importantly, China's new motto "One Country, Two Systems" introduces an interesting formula into the study of federalism which has always assumed that, on the whole, a federal union should share the same commitment to a form of government and economic system at both the center and in the federal components ("republican" in the case of the United States). Although China insists on being a unitary, nonfederal state, its leaders have proclaimed the possibility of allowing some of its provinces to have a capitalist system and some degree of free contacts with the external world. The Chinese concept of such economic and diplomatic pluralism was expressed by the now popular slogan "One Country, Two Systems" which is supposed to make the return of Hong Kong and Macao more palatable to England and Portugal but also, and perhaps primarily, to facilitate the "repatriation" of Taiwan. As Deng Xiaoping observed in 1984, "The concept of 'one country, two systems,' under which Hong Kong is allowed to continue practising capitalism... did not begin with Hong Kong..."

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3 Beijing Review (July 1, 1985): "Following the 14 coastal cities that opened their doors to outside world, China's inland provinces also began welcoming trade, investment, and advanced technology from overseas." Another issue of the Beijing Review (January 14, 1985) called the open city of Shanghai a "Big Apple... for prospective investors."
but with the issue of Taiwan.\textsuperscript{4} The 1987 Chinese-Portuguese Agreement concerning the return of Macao to China on December 19, 1999 of the Agreement states, for example, in the Provision No. 7:

\textit{Using the name, "Macao, China," the Macao Special Administrative Region may on its own maintain and develop economic and cultural relations and in this context conclude agreements with states, regions, and relevant international organizations.}

The agreement further provides for a regional flag and emblem of Macao besides those of China proper, independent finances, free flow of capital, and the maintenance of the Macao pataca, as the legal tender.

\textit{To sum up:} the appearance of subnational territorial units on the international scene is mostly the result of pressures from below, as is conspicuously so in the case in federations and democratic decentralized systems; but there are also some cases of an intentional use of the provinces on account of their international significance by highly centralized systems such as China. A manipulative,propaganda use of subnational territorial identities has also characterized both the Stalin 1936 and Brezhnev 1977 constitutions and their grants of a fake international status to their 15 Union Republics, including the U.N. membership for two of them (Ukraine and Byelorussia).

\textsuperscript{4} \textbf{Beijing Review}, April 6, 1987 published the full text of the "Sino-Portuguese Joint Declaration on the Question of Macao," (Initialed Text).
Subnational Governments and Federal Foreign Policy

In democratic federal or regionalized systems it is analytically useful to distinguish three intertwined channels of subnational governmental influence upon the content and conduct of foreign policy:

(1) Influencing external relations from within

(2) Transborder regional cooperation between peripheral governments

(3) Establishing and maintaining direct contacts with external centers of power

Influencing External Relations From Within

Efforts on the part of subnational officials to co-shape all national policy, including its actions toward foreign nations (inputs from the subnational bottom to the central top) has always been part of any political scene.

In federal democracies, the imperatives of interdependence have significantly increased the need for and frequency as well as contents of communications between noncentral elected officials and the central, national agencies whose primary task it is to deal with threats and opportunities on the international scene. In the United States, due to its presidential system and political parties' structure, in particular the lack of party discipline (in the Western European sense), increases the weight of various regional or state-based issues, as promoted by state representatives in both Houses of Congress. In addition, the National Governors' Association represents a constant flow of subnational territorial pressures, often formulated at the...
annual meetings of the fifty governors as well as by their permanent research staff (Committee on International Trade and Foreign Relations, in particular). A systematic evaluation of the intensity and effectiveness of this flow is not presently available.

While these streams of inputs emerging from below—from states, provinces, cantons, or regions—do affect national foreign policy making in pluralistic democracies, have they really transformed subnational governments from domestic "pressure groups" sui generis into international actors? Though targeted on international issues, such intra-federal activities have certainly not placed subnational authorities directly and physically onto the international scene.

True enough. Yet three points merit our attention:

(1) However intra-federal or intra-legislative the various subnational initiatives may be, foreign nations and their consulates as well as transnational corporations naturally observe, monitor, and try to influence these pressures, reaching the center from below, or, in federations, as we like to think in terms of federal division of powers, laterally. Ill-advised would be a foreign diplomat, for example in the United States, Canada, Australia and other federalized or decentralized democracies if s/he failed carefully to observe, report, and possibly influence (or corrupt) such territorially circumscribed concerns which may or may not become part of national policy vis-à-vis foreign nations.

(2) As a direct consequence of the above processes, noncentral governments, especially their legislative branches, have necessarily become targets for foreign inspired lobbying efforts on the part of both corporations and foreign governments. In 1986, for example, several Japanese corporations in California combined to influence public opinion and
Sacramento in favor of the abolition of the state "unitary tax" imposed on transnational corporations—a state tax based on an estimate of the local branch’s share of its parent company’s worldwide profit rather than on the profit earned within the state boundaries. When rendering a visit to the central headquarters of the governing Japanese Liberal Democratic Party, California’s governor George Deukmejian took part of the credit for repelling the unitary tax.5

(3) The more spectacular subnational incursions into the field of foreign policy receive external attention, positive or negative, by means of coverage by foreign and domestic media in search of a story. This is particularly so when the issue pursued locally or regionally is in the domain of the so called “high politics” rather than economic or social “low politics.” This was the case, for example, of the numerous antiapartheid measures (state and municipal divestments preceding national sanctions against South Africa), antinuclear, nuclear free zones, or freeze resolutions or ordinances adopted by subnational bodies. Besides the arms issues and South Africa, in the United States, states, cities and towns have taken symbolic actions in such international issue-areas areas as acid rain, Central America, the use of the state militia (National Guard) in training missions in Honduras, and asylum for political refugees (often, in defiance of federal immigration laws or procedures). In the 1980s New York State enacted a law that aimed at preventing state pension funds from investing in companies in Protestant

5 Liberal Star, a Liberal Democratic Party monthly published in Tokyo in English (February 10, 1987, p.16), quoted Deukmejian as telling the LDP Party leadership: “I supported the effort to remove California’s unitary tax, and this was accomplished last year... This was a good faith move and we hope Japanese business will further expand in the state because of that.” (Italics added)
Northern Ireland, if such companies practiced discrimination toward the Catholic minority in Belfast. Some states and municipalities banned sales of Russian vodka following the Soviet downing of a Korean transport plane. In March 1987, in its divesting plan directed against firms producing parts of nuclear weapons, the Marin County in California even pondered divestment of the U.S. T-Bonds since the U.S. Government is "the largest producer of nuclear weapons of all" (San Francisco Chronicle, April 6, 1987). Many of these steps had, of course, a symbolic value rather than practical consequences.

To sum up: All these initiatives, protests, and resolutions are primarily addressed to the national decision makers and as such, they represent part of domestic pressure politics. Nevertheless, since the contents of these messages from below are often concerned with foreign policy and security matters, they elicit attention of, and possibly support by, foreign observers, media and diplomats. Thus, the initiators and supporters of local and regional pressures in matters of foreign policy, are, as it were, catapulted onto the international scene--without physically ever leaving the domestic one.

Subnational inputs,--demands and challenges,--into national foreign policy decision making (outputs) may be visually illustrated by an adaptation of David Easton's simplified model of a political system (Fig.1).
FIG. 1 INTRA-FEDERAL PROCESSES

Provincial/State/Cantonal Influence on International Relations

In line with our present focus on subnational governments, Easton’s model has been modified by limiting the input (demands and challenges) side of the model to autonomous territorial units such as cantons, states, or provinces.

The first dotted line, emanating from the input side, indicates provincial/state demands in the field of foreign trade and policy, channeled to the federal legislature and executive departments.

The second dotted line depicts subnationally inspired and based challenges to national foreign policy (such as the "unitary tax," or "buy American" state laws).

Easton’s feedback loop (from the center to subnational units) illustrates the influence of policy outputs on the intensity, contents, or repetition of future subnational flows of demands and challenges.

**Transborder Regionalism**

By transborder regionalism, I mean informal, formal, or fully institutionalized cooperative contacts linking up subnational governments on both sides of national sovereign boundaries. It refers to networks of physical contacts and communication channels, implicit and explicit rules, and informal and formal procedures—within which provincial, state, or cantonal governments, private enterprises, and individual citizens interact. My definition has been inspired by the study of international regimes.6

Transborder cooperation between neighboring authorities, parts of two contiguous national systems, is not a truly novel development; it has

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probably begun to evolve since the Peace of Westphalia in 1648 and the resulting fragmentation of Europe into territorial states. Even then, sovereign neighbors were not, could not be, hermetically closed to each other, especially in the border regions. Matters of common and local concern had to be solved locally. Here again, however, the impact of interdependence tends to percolate national boundaries more significantly than ever before, permitting as well as regulating the ever-increasing movement of persons, products, pollutants, and power-transfers.

Good examples are:

- cooperative formal and informal arrangements along the U.S.-Mexico, 2,013 long border, between local and state officials, especially in the various twin cities from San Diego-Tijuana to Matamoros-Brownsville;

- seven hundred sixty-six "compacts" as listed in 1983 as dealing with minor and major problems along the 5,255 miles of the U.S.-Canadian borders;7

- the formal institutionalized cooperative framework linking up the five East Canadian provinces (Québec, New Brunswick, Nova Scotia, New Foundland, and Prince Edward Island) with the six New England states (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut). By 1987 the six governors and five premiers have held fifteen annual summit-workshops;

- informal summits between the Québec premiers and New York Governors, especially in the matter of clean energy transfers (Québec's James Bay hydroelectric project);

7Roger Frank Swanson, Intergovernmental Perspectives on the Canada-U.S. Relationship (New York: New York University Press, 1978). The number of these compacts, listed by the outdated study, has by now probably increased by 40-50%.
water development linking up Saskatchewan, Manitoba, and North Dakota;

twenty-five cooperative Western European regions, especially along the River Rhine.

While it is true that a close neighborhood can and often does create a high degree of intimacy on account of common problems and common approaches to their bilateral solutions, one should not assume that geographic contiguity semi-automatically guarantees friendship and cooperation. Neighbors may also hate each other not because they do not know each other but because they know each other too well. Furthermore, trade interests of both sides of the border may be only partly in harmony and partly in direct conflict. Some states or provinces may have more than one neighbor and these may be in competition with each other as well as with their transborder neighbor. A good example is Ontario with its eight neighbors, from Minnesota to New York, representing a mosaic of various often conflicting interests.

Moreover, differences between the internal and intra-federal working of neighboring systems must be also taken into consideration:

The Canadian federalism (combined with the Westminster cabinet system as well as provincial control over natural resources) operates in many aspects quite differently from the U.S. federalism; this difference is bound to have an effect on the way in which border problems are approached and solved. This caution is even more valid when we consider the cooperation between the truly federal system of Switzerland, on the one side of the border, and the only partly regionalized system of unitary and centralized France, on the other.
As to the U.S. Southwest, the working of the U.S. federal system, allowing a considerable elbowroom to local and state governments, must be differentiated from the centrally oriented and dependent party personnel governing the six North Mexican states from Baja California to Tamaulipas.

A final word of caution concerning transborder “chumminess” is appropriate: a particular vicinity on land, however intimate it may be, cannot be, of course, isolated from the larger neighborhood framework, that is, the national-center-to-national-center relations. These may envenom a good neighborhood (but, of course, local irritants can affect the center-to-center relationship too). Expressing his distrust of central governments in Washington D.C. and Mexico City F.D., Ellwyn Stoddard described the U.S.-Mexico intimately interdependent borderlands as follows: “We depend one on one another. To try [Washington and Mexico City] to separate us will kill both of the Siamese twins.”

Subnational Governments Go Abroad

Since the 1970s the subnational governments have made their appearance on the international scene also, as it were, physically. This is a relatively new phenomenon whose scope and speed initially reflected the global jolt, administered to all and sundry by the oil embargo as well as the astronomic arms spending and the resulting budgetary deficits.

“The national government will no longer bail us out,” noted Governor Bruce Babbitt of Arizona in the fall of 1983, then serving as chairman of the

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Advisory Commission on Intergovernmental Relations. He added: "States will probably have to assert themselves as never before in modern times."

They did—especially in their extra-national contacts, as our research seems to confirm.

The physical presence of state and provincial governments abroad has taken three major forms:

(1) The well-promoted and well-publicized trips abroad undertaken by the leaders of noncentral governments: states, provinces, and larger cities. In 1984 British Columbia's Premier William Bennett, for example, in order to help his province's then ailing economy, went to California to meet government and business leaders in Sacramento, San Francisco, and Los Angeles (but not to Seattle or Olympia), while his minister of forests went to Germany, France, England, and Holland, and his minister of industry went to Hong Kong, Malaysia, and Singapore. The premier then made also an official visit to China. In turn, California's governor George Deukmejian went on two trade-promoting trips abroad in the first three months of 1987, to Tokyo first, and to London second where his first contact was with the Prime Minister Margaret Thatcher. True, the trip also reflected California's governor's vice-presidential ambitions, but personal ambitions of political leaders usually are an integral part of each subnational entry onto the international scene. Another good example in 1985 was the well-publicized trip by Bavaria's minister-president Franz Joseph Strauss, promoting his Land's trade in China; he requested to be received by and photographed with Deng Xiaoping—which indicated both Strauss' awareness of the realities in centralized China as well as his search for personal promotion at home. The same observation about the mix of personal with trade and reverse-investment ambitions applies to Mayor Edward Koch when he promotes
New York City, and Dianne Feinstein when she travels on behalf of San Francisco.

(2) Trade and investment shows at home and abroad that promote provincial or state manufacturing and technological know-how, absence or weakness of labor unions, central location, climate, tax or educational advantages (a Japanese school in Kentucky, for example)—whatever may lure foreign investor into a particular state or province and so create there jobs and income. Over thirty U.S. states have established foreign trade zones. Since 1981 the U.S. Conference of Mayors has begun to organize annual shows in Zurich and Hong Kong under the slogan "Invest in U.S. Cities". The invitation of the National League of Cities to a workshop conference in San Antonio in 1983 admonished the mayors of both major and small cities as follows: "Can your city afford to continue ignoring the rest of the world? Not if your local economy is going to grow."

Tourism is another area which often requires state or cities' direct or indirect presence abroad. In 1986, California raised its tourist promotion budget from $470,000 to $5.9 million.

(3) A truly innovative feature in international relations is the sudden increase of state and provincial permanent missions abroad (as mentioned in the introductory portion of this paper), especially in Tokyo, Brussels, London, and Frankfurt. In those and other cities (besides the U.S. or Canadian embassies and consulates general) today we find also the missions of U.S. states or Canadian Provinces such as Illinois, Arkansas, Ontario, Québec, Georgia, Florida, Connecticut, Alberta, Ontario, and Québec, displaying their provincial or state flags and emblems—mini-consulates of sorts. California established such permanent representations in Tokyo and London in 1987.
The primary purpose of these missions is promotion of foreign investment, trade, and tourism. In the 1960s and 1970s the Québec missions abroad promoted the then ruling Parti Québécois political goal of independence, thus transforming the trade mission into proto-embassies of sorts. No such goals have ever been promoted by the other Canadian provinces and U.S. states abroad.

The second purpose of subnational permanent missions abroad, only occasionally stressed, is simply to provide provincial and state political leaders with independent information on the risks and opportunities abroad so as to base its intra-federal, "lobbying" activities on both timely and accurate data, perceived through a particular regional lense.

**Federal Segmentation or Chaotic Fragmentation of Diplomacy**

The question may be asked whether the sum total of these various projections of subnational interests beyond national borders has already affected or is bound to affect the former seemingly neat division between intra-federal and domestic politics, on the one hand, and the national center's near-monopoly in the conduct of foreign policy on the other, in the areas of national security and foreign trade. The question is justified on three accounts:

1) International relations today are concerned with much more than military security and diplomatic concerns in their narrow 18th and 19th century sense. As emphasized previously, agendas among sovereign nations today include negotiations, compromises, and conflicts in the various fields of economic, social, environmental, technological, cultural and educational developments, most of which in the previous centuries were often either
outside any governmental regulation or, in federations, under the jurisdiction of local and provincial governments rather than the center.

(2) The second factor to be considered is either the passivity or accommodative attitude on the part of central governments toward the subnational activities abroad—these activities are often rightly being viewed as complementary and supportive of broad national goals (for example in the foreign trade and investment promotion efforts) or so technical or local that national agencies, their hands more than full, have simply no time or patience to deal with what I had called elsewhere "subnational paradiplomacy" (or microdiplomacy).9

The above statement about either relative passivity or lack of interest on the part of central governments should be qualified by the Canadian experience during the 1970s. At that time, the Canadian government in Ottawa opposed various provincial initiatives abroad primarily in order to curb the then ruling Parti Québécois which promoted not only provincial trade and culture abroad but also its separatist political program of sovereignty and independence.

(3) Whatever the constitutional theory may suggest as an answer or advice, the current practices of the federal components have become simply facts of life in the era of interdependence, which has not transformed the globe into one global village but into hundreds if not thousands of national and subnational "villages" with perforated walls. And we have to deal with their international interests and initiatives whatever our conceptual preferences may be.

In federal systems, it seems, in order to avoid potential chaos and fragmentation in the conduct of foreign policy, federal segmentation or "marbled diplomacy" may be the desirable and attainable outcome, rather than tight recentralization. Achieving such a segmentation of foreign policy, consonant with but not destructive of the federal principle, will clearly require new, imaginative appropriate channels of mutual information and coordination, which may include consultation with the federal components before a decision is reached on the national level (a new provision in the Austrian federal constitution), and perhaps occasional inclusion of state or provincial representatives in diplomatic delegations. Other institutional or informal measures in the legislative and executive branches of government (including the diplomatic personnel) can certainly be envisioned. Further research may suggest other novel approaches to the problem of an appropriate federal division of diplomatic labor that both the opportunities and dangers of complex interdependence seem to require today.

Or, as the Ohio governor, Richard F. Celeste, expressed it in 1986:

"Most of our tools of government do not fit problems we have today."10

10 Typically this statement was made on February 11, 1986 when six U.S. states signed an agreement with two Canadian provinces, Ontario and Québec, to preserve Great Lakes water resources.