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Bridging Boundaries: Creating Linkages. Non-Central Governments and Multilayered Policy Environments

Seit mehr als zwei Jahrzehnten beobachten wir eine wachsende Präsenz von substaatlichen Akteuren, speziell von Provinz-, Bundesstaat- und Länderregierungen (Non-Central Governments, NCGs) in den internationalen Beziehungen. Das gilt sowohl für föderale Systeme wie die USA, Kanada und Deutschland als auch für quasiföderale und für unitarische Staaten wie Spanien oder Großbritannien. Der Artikel stellt unterschiedliche Interpretationen dieser Erscheinung vor und diskutiert den Charakter von NCGs als internationale Akteure. Im Mittelpunkt steht die Frage, wie diese Entwicklung mit der laufenden Debatte in der Disziplin der internationalen Beziehungen verbunden werden kann. Einige Autoren nehmen dieses Phänomen als Beweis für das Verschwinden des allein auf Staaten basierenden Systems. Jedoch hat diese Auffassung eher zu Mißverständnissen und Fehlinterpretationen geführt als zur Erklärung und zum Verständnis der internationalen Beziehungen von heute beigetragen. Gegenwärtig läßt sich immer weniger zwischen subnationalen, nationalen und internationalen Politikfeldern unterscheiden und weniger die Kontrolle als der Zugang zu diesen Netzwerken steht im Mittelpunkt politischen Handelns. Der Autor sieht die Notwendigkeit, die verschiedenen Ebenen von Akteuren zu verbinden. Er plädiert für ein Überwinden der Grenzen zwischen ihnen und stellt Beispiele solcher kooperativer Verknüpfungen vor. Ergebnis eines solchen Prozesses ist eine "katalytische Diplomatie", die unterschiedliche Akteure in einer komplexer werdenden internationalen Umwelt befähigt, ihre politischen Ziele optimaler zu erreichen.

That we live in a world of increasing complexity is a truism. But making sense of this complexity continues to pose problems for analysts of interlinked domestic and foreign policy environments. Polyarchy¹, polyocracy², multilevel governance³,

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¹ S. Brown, *New Forces, Old Forces, and the Future of World Politics*, (post-Cold War edition), New York, Harper Collins, 1995; chapter 8.

multilayered diplomacy⁴, each in their own way convey images of a growing phenomenon: the intersection between subnational, national and international political arenas. In part, the problems are of an empirical nature since the issues under examination are complex, embrace a wide variety of actors and interests in disparate geographical settings. Beyond this, however, there are analytical problems. As is often noted, understanding phenomena that span the domestic-international divide poses challenges to our traditional disciplinary boundaries which, in an era of boundary erosion, have demonstrated a surprising capacity for survival.⁵ However, the desire to defend the old or herald the dawn of the new brings with it its own problems as observers seek to cite developments such as the internationalisation of subnational actors as evidence in support of their particular persuasions. This can be seen clearly in the case of non-central governments (NCGs).⁶

Over the last twenty years, the attention paid to the international interests of NCGs has increased dramatically, resulting in a proliferation of information which has added immeasurably to our knowledge. Yet, at the same time, it remains shrouded in a degree of ambiguity. To a considerable extent, this reflects the very character of the issue under investigation. The factors underpinning the growing internationalisation of, for example, such diverse entities as Catalonia in Spain⁷, Brandenburg in Germany⁸ or Quebec in the case of Canada⁹ are the result of a complex web of social, economic and political forces spanning the local, national and international arenas. Consequently, analysis of the internationalisation of NCGs, in offering insights into the nature of both domestic and international politics, has advanced our knowledge whilst still leaving some basic matters undecided.

² S. B. Cohen, 'Geopolitics in the new world era: a new perspective on an old discipline', in G. J. Demko and W. B. Wood (eds.), *Reordering the World: Geopolitical Perspectives on the Twenty-first Century*, Boulder, Col., Westview, 1994; p. 23.

³ G. Marks, L. Hooghe, and K. Blank, 'European integration since the 1980s. State-centric versus multi-level governance', paper presented at the Annual Meeting of the American Political Science Association, Chicago, 31 August - 3 September 1995.

⁴ B. Hocking, *Localizing Foreign Policy: Non-Central Governments and Multilayered Diplomacy*, London, Macmillan, 1993.

⁵ A. Linklater and J. MacMillan, 'Introduction: boundaries in question', in J. Macmillan and A. Linklater (eds.), *Boundaries in Question: New Directions in International Relations*, London, Pinter, 1995.

⁶ The term 'non-central-government' is used here in recognition of the fact that the term 'subnational' does not accurately reflect the status of entities such as Quebec and Catalonia.

⁷ M. Keating, '*Le monde pour horizon: Quebec, Catalonia, Scotland and international affairs*', paper presented at the International Congress of Political Science, Berlin, August 1994.

⁸ R. Kramer, 'Catching up or setting a new agenda? East German *Länder* international involvement: the case of Brandenburg', paper presented at the Second Pan-European Conference on International Relations, Paris, 13-16 September 1995.

⁹ L. Balthazar, 'Quebec's international relations: a response to needs and necessities', in B. Hocking (ed.), *Foreign Relations and Federal States*, London, Leicester University Press, 1993.

The purpose of this article is to suggest that what is occurring is a process of redefining relationships in response to two basic concerns that have long motivated the conduct of domestic and international policy: the desire to gain access to the international environment whilst retaining control over others' capacity to do likewise. This, it will be suggested, is resulting in internal and external restructuring - or 'relocating' - of economic and political relationships on the part of territorial entities. Rather than heralding the demise of the territorial state, these processes are producing new forms of multilayered diplomacy marked by the need - felt by each level of government - for establishing modes of linkage with the other. This form of adaptive behaviour reflects the problems that internationalisation presents to policy makers at all levels of political authority as they seek to respond to externally and internally generated social, economic and political pressures.

Significance and interpretations

Interpretations of the significance of NCG internationalisation have varied depending on the assumptions on which they have been based. At one extreme, those approaching the issue from a state-centric, realist perspective have tended to regard this development as either irrelevant to the conduct of foreign policy, a potentially dangerous intrusion on the prerogatives of the national government - or, somewhat paradoxically, both. Of course, a view of international relations emphasising the essential homogeneity and unity of nation-states as international actors, assuming that domestic and foreign policy are discrete areas with their own characteristic processes, asserting the essential inter-governmental character of international politics, and portraying its agenda in terms of an issue-hierarchy dominated by military-security concerns, will clearly assign a low level of importance to the international activities of sub-national actors. Not surprisingly given their vested interest in asserting control over foreign policy, policy-makers at the centre have tended to share this view.

Whereas this might be seen as an extreme version of what is, in fact, a far more subtle set of attitudes, nevertheless it represents a point from which the diverse range of writings encompassed by the terms 'transnationalism' and 'interdependence' could proceed to offer a rather different context for the evaluation of NCG international activity. And it is writings such as those of Keohane and Nye which were to offer a point of reference to the growing literature on federalism and foreign policy of the 1970s and 1980s.¹⁰ With its emphasis on the impact of international economic linkages, the diversification of channels of interaction between national communities, and an expanding international agenda in which the traditional foreign-domestic distinction looked increasingly tenuous, such approaches explained both the opportunity and desire of cities, localities and regions to focus on the international arena.

¹⁰ R O. Keohane and J S. Nye, *Power and Interdependence: World Politics in Transition* (2nd edition), Boston, Little, Brown, 1988.

In an attempt to portray the international involvement of states and provinces as further proof that the state-centric image of the international system was flawed, there was a notable tendency in some of the literature to see this as indicative of a major restructuring of international politics. Hence Chadwick Alger, in his various writings on the 'think globally and act locally' theme, has viewed this as one dimension whereby the 'ideology' of the nation-state might be weakened, offering new analytical perspectives and opening up the prospect for more participative patterns of international relations.¹¹ On one side is to be found the belief that national foreign policies can be affected by action at the local level; on another, the advocacy of direct international action utilising resources under the control of a local or regional authority. Particular attention has been paid to the case of transborder links where the prospect of the re-ordering of the international system around regions detached from their national settings presented itself. New terms - such as 'micro-diplomacy' and 'paradiplomacy' were coined to celebrate the phenomenon and to underscore an image of conflict between centre and region over the conduct of foreign policy.

Several problems presented themselves here. On the one hand, there seemed to be an inherent tension in the analysis. Whilst NCG international activity was argued to be a symbol of the decline of the state, the language of the state system - terms such as diplomacy and foreign policy - were used to describe it. Indeed, the neologisms coined to describe such activity - 'paradiplomacy' and 'microdiplomacy' implied some second-order level of activity, the parent concept - diplomacy - being the rightful preserve of national governments. This posed a number of issues regarding the character of what was being described and its precise significance in terms of the re-ordering of domestic and international politics. For example, was the term 'foreign policy', with all its connotations, an appropriate one to apply to the international activities of NCGs?

Furthermore, a distinct impression was created that central and non-central authorities were locked into a zero-sum struggle regarding access to the international system with the former seeking to deny the latter a role in the shaping of national foreign policy and to limit any independent international initiatives on their part. Such conceptual uncertainties were reinforced as some of the empirical evidence failed to sustain the arguments built upon it, particularly with regard to the significance of transboundary linkages.

What kind of international actor?

At the root of such ambiguities lies the problem of evaluating the character of NCGs as international actors. On the one hand, there has been a tendency to assume that

¹¹ See, for example, C. F. Alger, 'Perceiving, analysing and coping with the local-global nexus', *International Social Science Journal*, 117, 1988.

this resides in their uniqueness and the degree to which they could be differentiated from nation states. But, quite clearly, there are difficulties in categorising this particular type of actor within the accepted patterns of a more complex 'mixed-actor' international system. The terms 'transnationalism' and 'transgovernmentalism' as they have come to be defined in the interdependence literature do not do justice to the distinctive qualities of a category of actor which combine, in the case of federal systems, some of the features of the state - territory and a degree of residual sovereignty - with those of distinct 'polities' within their political settings.¹²

Their unique status is reinforced by the fact that they can capitalise on what Rosenau has described as the advantages enjoyed by 'sovereignty-free' actors, not constrained by the trappings of statehood. Indeed, it has become clear that one of the most interesting dimensions of NCGs as international actors is the fact that they are 'hybrid' actors transcending Rosenau's 'two worlds of world politics', the 'state-centric world' of the nation-state and the 'multicentric world' of non-state actors. By exploring the boundaries between the conventional but often misleading distinctions between state and non-state actors, they have been able to play a variety of roles in several political arenas.¹³

Furthermore, we have learned that NCGs are no more a homogeneous category of international actor than are, for example, multinational corporations. Their particular characteristics depend on a complex mix of factors such as their geographical location, their economic profile and their resources. Whilst there may be broad similarities in terms of the factors underpinning the international involvement of, say, Alberta, Ontario and Quebec, there are also significant variations in terms of geographical focus, internal organisation and the means employed within the international arena to achieve policy goals. Hence the differences in international orientation between the Eastern Länder in Germany compared with their western counterparts.¹⁴ Equally, it is clear that explanations of such differences, are to be found in the interaction of domestic and international factors such as the degree of asymmetry between core and periphery regions and the presence or absence of contiguous boundaries between the regions of neighbouring states.

However, territorial contiguity is not of itself an adequate condition for the development of interaction which might condition the diplomatic environment of a federal state. Despite the transborder concerns of certain Austrian and [West] German Länder bordering on states of the former Soviet bloc, such matters as environmental pollution had necessarily to be pursued through traditional diplomatic channels because of the unwillingness of the authorities in these states to allow issues to be managed at a lower level.¹⁵ In other contexts economic linkages between border

¹² D J. Elazar, 'States as polities in the federal system', *National Civic Review*, 70(2), 1981.

¹³ J. N. Rosenau, 'Patterned chaos in global life: structure and process in the two worlds of world politics', *International Political Science Review*, 9(4) 1988.

¹⁴ Kramer, op. cit..

¹⁵ H. Michelmann, 'Conclusion', in H. J. Michelmann and P. Soldatos (eds.), *Federalism*

regions are a major feature of developing patterns of relationships. Hence the image conjured by the prime minister of Baden-Württemberg of a 'Europe of Regions' as represented by the relationships between his own region and those of Rhones-Alpes, Lombardy, and Catalonia, the so-called 'four motors of Europe'.¹⁶ Another example is to be found in the Regio Basiliensis where Basle, isolated from the rest of Switzerland by the Jura mountains, shares boundaries in the Rhine valley with Germany and France creating particular concerns regarding Swiss policy towards European integration.¹⁷

Against this background, much of the discussion concerning subnational involvement in international politics generally - and that of NCGs more specifically - has been coloured by varying assumptions - such as its implications for the coherence of external policy on the one hand, and the belief that it portends a further nail in the coffin of the states system on the other. That its significance lies in the emergence of new modes of complex diplomacy has received less attention. But it is clear that what confronts us here is one manifestation of a more general trend in which distinctions between actors and modes of activity is being challenged by points of linkage between them, producing what might be termed 'catalytic' diplomacy.

This usage is derived from Lind's suggestion that the integral state, the product of an evolutionary period lasting several centuries, is being replaced by the 'catalytic' state which is better able to cope with new challenges by entering into coalitions comprising other states, private sector interests and transnational organisations.¹⁸ Diplomacy thus becomes not a segmented process presided over by undisputed gatekeepers but a web of interactions with a changing cast of players interacting in a variety of contexts depending on policy issues, interests and the capacity of actors to operate in a multilevel political milieu that transcends conventional distinctions between subnational, national and international arenas.

These developments are associated with a change in the balance between two fundamental concerns characteristic of international politics and which are of particular relevance to the economic agenda: on the one hand, the desire to gain access to actors and theatres of activity perceived as crucial to the achievement of interests; on the other, the desire to control the ability of others to do likewise. Writing in the 1970s, Hanrieder was conscious of the shift towards access and away from control as a major feature of the changing character of international politics:

Access rather than acquisition, presence rather than rule, penetration rather than possession have become the important issues. Often one gains the impression that negotiations over such technical questions as arms control, trade agreements, technology transfers and monetary reform are not only attempts at problem-solving

and International Relations, Clarendon Press, Oxford, 1990; p. 307.

¹⁶ David Goodheart, 'For Lander, Brussels poses both threat and opportunity', *Financial Times*, 30 May 1992.

¹⁷ 'Basle and the Upper Rhine', *Financial Times Survey*, 21 November 1991.

¹⁸ M. Lind, 'The catalytic state', *The National Interest*, 27, Spring 1992.

*but also re-examinations of the meaning and sources of power in the last third of this century.*¹⁹

Whilst it would be over-simplistic and misleading to suggest that growing concerns with access are replacing totally older preoccupations with control, they are certainly modifying the latter, especially where they focus on territorial separateness. Rather than exclusivity epitomised by the capacity to assert sovereign control over territory, an increasing number of problems - tackling ozone depletion and global warming, battling against terrorism and drugs cartels, searching for answers to the spread of AIDS - imply the need for access to a range of resources beyond the reach of any single actor. Thus each problem demands the increased sharing of scientific knowledge, technical expertise and money if any progress is to be made in managing it. Furthermore, the desire to gain access to actors, markets, investment and theatres of activity perceived as crucial to the achievement of policy objectives have greatly modified the imperatives of control. Indeed, the realities of geoeconomics stress conflicts over differing forms of political and economic access for a range of purposes.

Developments such as these mean that relations with the international arena can no longer stand as a test of the respective roles of central and non-central governments. The old geopolitics, rooted in the concerns with military security, accorded with the control image and helped to legitimise the centre's traditional aspiration to act as gatekeeper between regional interests and the international system. The new geopolitics, being more concerned as it is with access to that system, makes those aspirations seem both unachievable and increasingly irrelevant to the nature of political environments and the objectives of the actors operating within them. In turn, this establishes an added complexity to the relations between central and non-central authorities in which we are witnessing what might be termed processes of 'relocation' of economic and political relationships as, firstly, governments at all levels adjust to changing perceptions of their place within their international and domestic environments. Second, and as a consequence of the first development, policy processes and power relationships are redefined in the light of changed policy goals.

These processes of relocation assume three dimensions : firstly, the relationship between NCGs and international actors; second, the relationships between the component NCGs in a given political system and, third, the relationship between NCGs and central government. Against this background, internationalisation produces a range of responses amongst NCGs ranging from detachment from their territorial setting to reinforcing their attachment to it.

¹⁹ W. F. Hanrieder, 'Dissolving international politics: reflections on the nation-state', *American Political Science Review*, 72(4) 1978.

Regions as 'bridges' and 'gateways' in a 'borderless world'

The phenomenon of relocation is clearly demonstrated as international regionalism and coincides with internal regionalism to produce increasingly complex patterns of relationships and activity. The new geopolitics with its emphasis on access, has come to focus on this in terms of the creation of what Cohen terms 'gateway states' and Ohmae 'region-states'. In fact, these are not necessarily territorial entities with separatist ambitions, but may be regions within nation-states whose characteristics equip them particularly well for, in Cohen's words, 'specialised manufacturing, trade, tourism and financial services functions'.²⁰

Similarly, in noting the relationship between developments in the global and national economies, Ohmae sees the essential characteristic of 'region-states' as deriving from the fact that their 'primary linkages...tend to be with the global economy and not with their host nations'.²¹ Thus region-states are seen as 'natural economic zones' which may be located within national borders (Catalonia or Northern Italy) or cross national boundaries, for example Hong Kong and southern China or the 'growth triangle' comprising Singapore and adjacent Indonesian islands. But they perform a particular function which is of growing significance in the post-Cold War world of international regionalisation, namely points of access to centres of economic activity.

The significance of this role reflects the changing strategies of international business faced with the challenge of operating in the global economy. Increasingly, it is recognised that the logic of access to the global marketplace requires the integration of global and local perspectives. Thus Kapstein argues that rather than 'establishing transnational structures with global ownership, global employment and global products', large corporations are becoming increasingly sensitive to their home bases.²² The argument is sustained by Michael Porter's thesis that leading firms have stable ties with specific regions which offer them an environment from which they can develop global strategies.²³ Thus the challenge is to be at once global, regional and local.

In terms of gaining market access, Ohmae has pointed to the advantages experienced by Nestle and Proctor and Gamble in penetrating the Japanese market through the Kansai region rather than Tokyo where competition is far more intense. And, of course, the growth of economic groupings such as NAFTA or their strengthening, as in the case of the Single European Market, is likely to enhance the

²⁰ Cohen, op. cit., p. 39.

²¹ K. Ohmae, 'The rise of the region-state' *Foreign Affairs* Spring 1993; p. 80.; K. Ohmae, *The End of the Nation State: the Rise of Regional Economies*, London, Harper Collins, 1995.

²² E. B. Kapstein, 'We are us: the myth of the multinational', *The National Interest*, Winter 1991/92; p. 56.

²³ M. E. Porter, *The Competitive Advantage of Nations*, New York, 1990; p. 622.

significance of such access regions or cities. In the case of the latter, for example, Kresl has noted the effects of the lowering of national borders in Europe on the role of cities and regions and the growth of competitiveness between them as they redefine their relationships in the European and global, rather than the national, economic space.²⁴ Hence cities such as Amsterdam and Lyon become important 'gateway' cities within the global economy and develop appropriate strategies in pursuit of such roles. A redefinition of roles, of course, may also come about through developments within the framework of the 'traditional' military-security agenda. The Greek government, for example, has identified a potentially significant role for Thessaloniki in Northern Greece as a hub for trade and communications as the war in the former Yugoslavia deprived Serbia of its Adriatic ports.²⁵

Such developments help us to understand how and why regions and the authorities that govern them are motivated to re-focus their approaches to the international economic environment which affects their well-being and to gain access to centres of economic and political power. In the case of Canada, a provincial presence in Washington DC has traditionally been vetoed by Ottawa given its sensitivity to the Canada-US relationship. For not dissimilar reasons, the German Länder have sought to strengthen their voice in Brussels whilst Bonn has been concerned to ensure that this does not assume a form which is detrimental to its own interests.²⁶ At the more general level, conscious of the need to attract foreign investment, regional investment offices have sprung up around the world.

The consequences of this external relocation on the two dimensions of internal relocation - focusing on relationships between NCGs and between NCGs and central government - are likely to be unpredictable and complex. One possibility is the creation of new political entities as NCGs detach themselves from national jurisdictions. Whilst there is some evidence to sustain this image, it is by no means clear - as noted above - that detachment is an inevitable, or even the most likely, result. One study of the linkages between British Columbia and Washington State concludes that the picture they present is 'not exciting nor even terribly interesting'.²⁷ Similarly, an examination of Quebec-New York and Quebec-New England relations argues that neither has entailed even the hint of the development of supranational loyalties to the transborder region.²⁸ Looking further south, Brock and Albert have noted the

²⁴ P. K. Kresl, 'The response of European cities to EC 1992', *Journal of European Integration*, 15 (2-3), 1992.

²⁵ K. Hope, 'Farther to go, more to pay', Northern Greece: *Financial Times Survey*, 4 November 1992; p. 3.

²⁶ K. H. Goetz, 'National governance and European integration: intergovernmental relations in Germany', *Journal of Common Market Studies*, 33(1), 1995

²⁷ G. F. Rutan, 'Micro-diplomatic relations in the Pacific Northwest: Washington State-British Columbia interactions, in Ivo D. Duchacek, Daniel Latouche, and Garth Stevenson (eds.), *Perforated Sovereignties and International Relations*, New York, Greenwood Press, 1988, p. 187.

²⁸ M. Lubin, 'New England, New York and their Francophone neighbourhood', in Duchacek

uneven responses on the US-Mexican border that have accompanied the creation of the North American Free Trade Area (NAFTA) as any tendencies towards 'de-bordering' coexist with attitudes reinforcing territorial distinctions.²⁹

Rather than detachment from the national setting, the impact of global economic forces is more likely to involve the relocation of a region within its national, as within its international, space. Again, this can be seen in the North American context following the Canada-US Free Trade Agreement and the North American Free Trade Agreement (NAFTA). The gradual integration of the Canadian regions into the global and North American economy, suggests Simeon, has both redefined the relations between the regions and between region and centre.³⁰ The result is that east-west linkages are weaker; Ontario auto workers have less interest in the welfare of British Columbia forestry workers because their primary markets lie elsewhere. Moreover, the economic underpinnings of the 'federal bargain' look less relevant than once they did.

Whatever the precise relationship between the region and the central government, the impact of relocation is likely to create tensions, partly due to national policy makers' fears that they are losing control, partly because local economic policies may no longer fit with the economic frame of reference of the centre or its political concerns. This is reinforced by changes in the trade environment brought about by developments resulting from the Uruguay Round agreement and regional agreements such as NAFTA and the Single European Market. The increasing focus on non-tariff barriers to trade has led inexorably to a growing concern with policies at subnational level in such areas as public procurement and subsidies forming part of local and regional economic development programmes. Thus in the US, one of the most telling impacts of the SMP has been, firstly, to alert the states and federal government alike to the dangers of a fragmented market in a globalised economy whilst, at the same time, creating fears on the part of the states that dispute settlement measures administered by the World Trade Organisation represent a serious potential challenge to the balance of powers between them and the federal government.³¹

et al., op. cit., p. 158.

²⁹ L. Brock and M. Albert, 'De-bordering the state: new spaces in international relations', paper presented at the Second Pan-European Conference on International Relations, Paris, 13-16 September 1995.

³⁰ R. Simeon, 'Concluding comments' in D. M. Brown and M. G. Smith (eds.), *Canadian Federalism: Meeting Global Economic Challenges?*, Kingston, Ont., Institute of Inter-governmental Relations/Halifax, NS, Institute for Research on Public Policy, 1991; pp. 286-7.

³¹ C. Weiler, 'Free trade agreements: a new federal partner?' *Publius*, 24(3), 1994; M. Schaefer and T. Singer, 'Multilateral trade agreements and US states: an analysis of potential GATT Uruguay Round agreements', *Journal of World Trade Law*, 26(6), 1992. On the responses of the states and localities to the Single European Market see B. Hocking and M. Smith, *Beyond Foreign Economic Policy: the United States and the Single European Market*, London, Cassell/Pinter, forthcoming, 1996; chapter 5.

This potential for relocation in terms of the power relationships between the states and the federal government is likely to grow as the international trade agenda focuses increasingly on subnational policies. Faced with pressures from governments and private actors to take responsibility for the trade policies of the states and local government, Washington is confronted by a challenging political task. What is occurring is nothing less than the adaptation of the federal system to an environment in which its boundaries are no longer purely national but have become international in scope. Against this background, as the states have become concerned with influencing trade policy and not simply with trade promotion, there has emerged a growing interest in formal mechanisms through which this might be achieved.

In a working paper commissioned by the National Governors' Association's Committee on International Trade and Foreign Relations, it was argued that the existing arrangements:

*cannot serve the nation in the future. The central element of a new partnership must be increased capacity for communications and coordination between state governments and the federal trade policy system centered in the Office of the United States Trade Representative.*³²

The paper argued for the continuation of existing consultative arrangements but suggested that the valuable work performed by USTR in liaising with state and local governments should be strengthened by the creation of a new section dedicated to this function. Subsequently, an Intergovernmental Affairs section was established in late 1992 providing a central point of contact with USTR for states and local authorities. In short, the changing trade agenda, reinforced by the internationalisation of many aspects of the policy agenda, have created a need for the establishment of 'linkage mechanisms' between NCGs and central government to manage the pressures of relocation.

The need for linkages

Managing these pressures and tensions requires the establishment of linkage mechanisms capable of providing for each level of government access to resources over which the other has a relative, if not absolute, advantage. In other words, whilst conflictual relations between national and subnational governments are by no means absent, they are but one point on a spectrum of relationships equally characterised by the need for cooperation.

One area in which these reciprocal needs is evident is that of bureaucratic expertise. In specific functional areas with a growing international dimension such as education, human rights and the environmental agenda, key repositories of policy-making skills essential to the conduct of diplomacy, both in terms of policy formulation and

³² C. S. Colgan, *Forging a New Partnership in Trade Policy Between the Federal and State Governments*, Washington, DC, National Governors' Association 1992; p. 2.

implementation, reside at the level of subnational government. In part, this is the reason that NCG specialists are included in international delegations relating to issues within their areas of competence. At the same time, policy-making structures at the centre will be able to command resources which lower levels of government will find it difficult to match. In terms of access to information, for example, the National Governors' Association in the USA, along with individual states including California, have consistently pressed the Department of Commerce to produce more accurate and comprehensive international trade statistics for the states.³³

Most obviously, of course, in spite of the growth of their overseas offices, NCGs lack the international information and communications networks that diplomatic services afford national policy-makers. This mutuality of interest in maintaining good and effective working relationships has been stressed by the Director General of the United States and Foreign Commercial Service. On the one hand, she argues, by 'working together with the "wholesalers" or "multipliers" of our information and services, we increase our export development outreach to regions and companies that might not know about or have ready access to US&FCS's valuable information'. On the other, local 'partners' in the export development drive supplement rather than replace US&FCS services.³⁴

A second motivation for the creation of linkage mechanisms lies in the demands that contemporary diplomacy places on access to the different levels of political activity. One of the features of catalytic diplomacy is the interaction between interests located in a number of arenas, successful outcomes depending on the establishment of adequate communications between them. Moreover, this is likely to be necessary for the duration of negotiations, not simply the initial or concluding phases. Complex trade negotiations such as the Canada-US Free Trade Negotiations, NAFTA and the Uruguay Round demonstrate how significant the role of NCGs can be as transmitters of information between localities and the centre. Thus the advantage that local bureaucracies can offer to central foreign policy managers is the formers' access to local interests. On the other hand, national governments offer NCGs access to the international system and its networks in pursuit of their regional interests.

This is not to say that non-central governments are entirely dependent on central government for their overseas activities; international offices are usually set up without formal permission from the centre. However, the successful operation of these and other international activities rest most frequently on the cooperation of the federal government and its agencies. Furthermore, international legal norms, the operating principles of international organisations and the attitudes of foreign governments,

³³ National Governors' Association, *Infoletter*, 1 May 1989.

³⁴ S. C. Schwab, 'Building a national export development alliance', *Intergovernmental Perspective*, 16(2), Spring 1990, p. 19. See also D. E. Burke, 'Export promotion partnerships: working together to help exporters', *Business America*, 113(23), 16 November 1992.

which may see little advantage and some dangers in dealing with a proliferation of subnational entities, all present obstacles to NCGs wishing to develop their international presence. Instances of foreign governments actively courting NCGs (as in the case of France and Quebec) in the face of opposition from the federal authorities appear to be rare.

The creation of cooperative mechanisms is also prompted by the opportunities that the existence of differing levels of political authority offer for the diversion of pressures that flow from the international system. Central policy-makers can make effective use of NCGs as part of their overall diplomatic strategies as sensitive political issues are redefined in lower-level, quasi-administrative terms by engaging the services of subnational agencies. Not only will this tend to reduce external pressures on central government, but also lessen the strains that the conduct of complex policy processes impose on national administrations. Looked at from the perspective of non-central governments, developing close working relationships with central government can be valuable in coping with growing international forces.

The coordination problem

This mutuality of interest between central and subnational policy-makers which balances conflicts of interest arising in specific policy sectors, creates at both levels the need for modes of cooperation and communication. This is, of course, one dimension of the frequently-debated problem of coordination in the foreign policy processes necessitated by their growing bureaucratisation.³⁵ The negative consequences of this trend are seen as growing incoherence in policy as a result of increasing diffusion of information amongst government departments and agencies, the danger of a reduced capacity to respond rapidly to changing events, and the greater opportunities provided for external actors to further their objectives by building alliances with actors in other bureaucratic structures. In turn, these developments reduce the capabilities of governments in their operations within their international environments.

But patterns of intergovernmental relations, particularly in federal systems, create an additional dimension to these problems. Usually, foreign policy coordination is seen as an issue for central governmental management, depicted by Underdal, for example, in terms of 'vertical disintegration' as the number of departments in the national bureaucracy possessing external policy interests increases.³⁶ Here, the role of the foreign ministry, and its capacity to act as a coordinating agency in an in-

³⁵ For a summary of the arguments relating to bureaucratization of the foreign policy process see: L. Jensen, *Explaining Foreign Policy*, Englewood Cliffs, N. J., Prentice-Hall, 1982; pp. 121-9.

³⁶ A. Underdal, 'What's left for the MFA? Foreign policy and the management of external relations in Norway.' *Cooperation and Conflict*, 22(3), 1987; p. 188.

creasingly fragmented bureaucratic environment may be significant. It is more useful to view this phenomenon in terms of a process of 'horizontal' fragmentation between departments at one level of the bureaucratic structure, reserving the term 'vertical disintegration' to refer to the possible consequences of the involvement of subnational levels of bureaucracy in multilayered policy processes.

In this situation, fragmentation produced by bureaucratic specialisation is likely to be reinforced by locally-based domestic interests which are clients of NCG bureaucratic and political structures. The danger is that policies intended to achieve quite general external policy goals can become re-defined, not simply in terms of the perspectives and concerns brought to them by domestic agencies of central government, but also through the emergence of regionally-based bureaucratic politics.

As the interaction between domestic and international diplomacy has become more pronounced, and as regional and local authorities' international interests have grown, so have the problems associated with coordination. Matching the complexity of catalytic diplomacy, the coordination of interests on which it rests extends across the totality of political systems and is no longer simply an issue concerning the relative status of foreign ministries and domestic departments at the level of central government. Moreover, given the mutuality of interests noted above, each level of government has a vested interest in ensuring, to the extent that it can, that the necessary work of coordination is carried out at other levels. In other words, the coordination issue is present both across levels of political authority and within each of those levels.

In one sense, then the coordination problem, long regarded as an issue for national policy-makers, has expanded as the international involvement of subnational agencies and interests has grown. Coordination of external policy becomes increasingly essential, yet harder to achieve as policy-makers seek to (a) balance domestic and international factors impinging on a decision; (b) link issues which may cut across the responsibilities of several horizontal and vertical layers of bureaucracy; (c) weigh the respective priorities of bilateral relationships and those imposed by membership of international organisations and (d) relate short-term aims to long-term goals.

To a degree, a distinction can be made here in terms of *sectoral* coordination, where the focus is on relatively discrete policy issues, as contrasted to the much broader goal of *strategic* coordination, where the aim is to relate the demands which flow from specific policy sectors within the overall fabric of external policy. Whereas it would be convenient to argue that these two areas remained separate, both in the sense that they involve distinct tasks and that one is the peculiar problem of a particular level of government, it would also be misleading. Firstly, sectoral policy issues can rapidly assume the proportions of a strategic coordination problem for the reasons cited earlier; namely, pressures exerted by external interests and domestic constituencies combined with inter-bureaucratic conflicts: secondly, both central and non-central governments confront each type of problem, but to different degrees

since the tasks of strategic coordination presented to national policy-makers are likely to be broader in scope and more intense reflecting the extent of their responsibilities for the general management of external relations.

Linkage mechanisms

Given this situation, it is not surprising that federal systems are witnessing the emergence of a variety of 'linkage mechanisms' intended to overcome these policy-fragmentation problems. Despite the mutual interests that have led to the creation of such mechanisms, it should be stressed that the objectives of each level of government in developing them is likely to be different. They may well be regarded by foreign ministries as a means of containing subnational international activity, whereas NCGs will be inclined to see them as a route to an enhanced role and influence. As a result, the character and operation of the linkage mechanisms themselves can become a source of contention between the levels of government. For the centre, a major goal in including NCG representatives in international delegations is to ensure the acquiescence of affected domestic constituencies in any international agreement by establishing immediate channels of contact with their representatives.

One form of response to the particular issues posed by growing international activity on the part of subnational authorities is to create units in key departments, such as the foreign ministry, specifically charged with the task of developing linkages between the levels of political authority. This applies to unitary as well as federal states. In the case of France, for example, Meny has noted the growing international interests of regions and local government which 'contradicts the central and exclusive function of the Ministry of External Relations, already deeply affected by the intervention of specialized ministries in the international sphere'.³⁷ This concern led, in 1983, to the appointment of a 'delegate', directly responsible to the secretary-general of the Ministry, charged with the task of ensuring that, 'the initiatives of the communes, departments and regions respect the rules of the constitution and the law and do not interfere unfavourably with the foreign policy of France'.³⁸

But, of course, the more marked this tendency, the more developed is likely to be the response on the part of a foreign ministry. Taking Belgium as another example, Lejeune has described in some detail the mechanisms of coordination intended by the Ministry of External Relations to 'protect its traditional powers and to provide pragmatic responses to the requests of communities and regions'.³⁹ Amongst these processes of 'concertation' are the Ministerial Co-ordinating Committee External Relations/Communities/Regions attended by the Minister of Foreign Affairs and his

³⁷ Y. Meny, 'French regions in the European Community', in M. Keating and B. Jones (eds.), *Regions in the European Community*, Oxford, Clarendon Press, 1985; p. 202.

³⁸ loc. cit.

³⁹ Y. Lejeune, 'Belgium', in Michelmann and Soldatos (eds.), op. cit.; pp. 148 and 162-7.

opposite numbers in the communities and regions, and a section within the Ministry of External Relations to oversee relationships between the latter and the ministry. In the case of the well-established federal systems, the Canadian Department of Foreign Affairs and International Trade appears to have devoted considerable effort to establishing a strategic coordination mechanism in the shape of the Federal Provincial Coordination Division.

Conclusion

The modest aim of this discussion has been to suggest, firstly, that one of the challenges of interpreting the significance of subnational actors in international relations lies in the frequently complex patterns of relationships that links them to other actors in both the public and private spheres. This challenge is very clear when seeking to make sense of the growing international involvement of NCGs which rests on the very ambiguity of their status incorporating as it does features of sovereignty-bound and sovereignty-free actors. Second, it has been argued that the nature of much NCG international activity can be located in the changing diplomatic milieu brought about by a shift in fundamental policy objectives towards a concern with gaining access to arenas of political, social and economic activity. This is associated with the development of what has been termed catalytic diplomacy whose objectives are to build relationships between different types of actors in pursuit of parallel, if not common, goals. Furthermore, and this is the third point, these developments are not so much encouraging detachment from national settings as processes of relocation as subnational, national and international actors redefine their relationships in the context of an increasingly complex policy milieu. This is not to suggest that such processes are undemanding for they are. However, they encourage a shared interest at local, regional and national levels in developing linkage mechanisms which enable each level of political authority to achieve its policy goals in a policy environment marked by an increasing degree of boundary erosion.