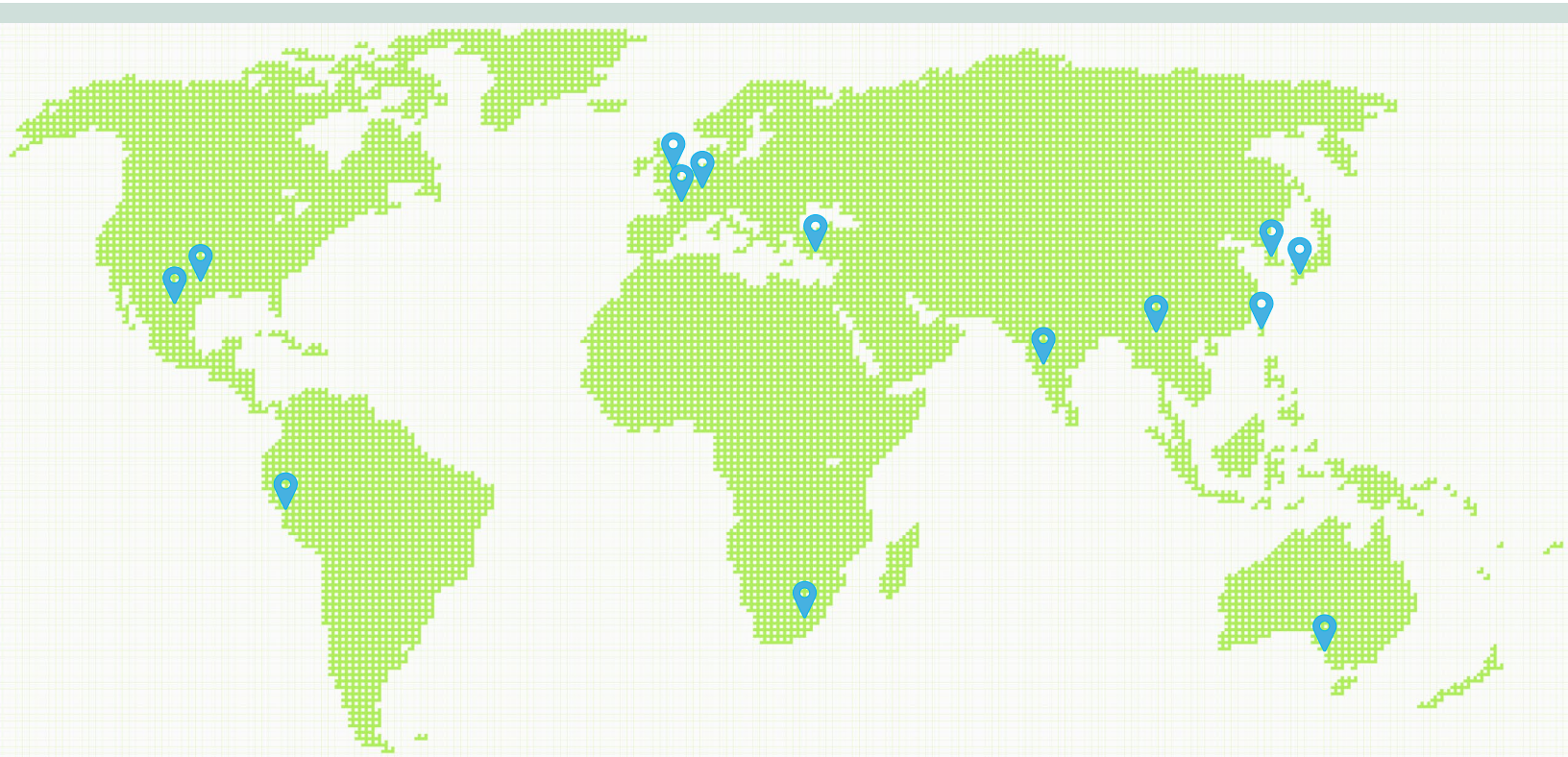


Special Report

International Relations

November 2024



Local communities rely on international outreach to thrive in today's interconnected world. These efforts can result in many benefits such as new ideas for city leaders, and new cultural opportunities and improved city services for residents. These efforts may also help develop new industries and job growth. The City of Austin's international diplomacy and protocol work is mostly done by one employee. The City also has employees who help manage its international business incentives and international programs as part of their other responsibilities. Several external partners also help advance the City's international relations efforts. Still, Austin appears to put fewer resources to these efforts than leading cities.

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Cover: City of Austin, Office of the City Auditor, September 2024

Objective

The objective of this special request was to answer the following questions provided by the City Council:

1. How much staff and other resources does the City of Austin devote to international diplomacy and protocol and to international business development? How does the City of Austin compare to leading cities both nationally and internationally?
2. How does the City of Austin vet international requests and prepare City leaders to interact with foreign dignitaries?
3. For leading national and international cities with dedicated staff or other resources for international diplomacy, protocol, or business development, what are their stated goals and how do they measure their success?
4. Summarize any noteworthy programs or initiatives run by leading national and international cities related to international diplomacy, protocol, or business development.
5. Summarize information from studies and other research that address the potential benefits of dedicating resources to international diplomacy, protocol, or business development.

Background

Cities around the world engage in diplomatic activities. These activities help build relationships, share information and culture, and grow businesses. Most cities have dedicated offices, departments, or divisions to do this work. The City of Austin is no exception. Several City departments work with other countries and international cities. However, the Economic Development Department (EDD) leads most of the City's international efforts. As a part of their work, EDD helps the City host foreign delegations. They also promote the City abroad and work with external organizations to develop economic ties with other cities.

What We Learned

Summary

Local communities rely on international outreach to thrive in today's interconnected world. These efforts can result in many benefits such as new ideas for city leaders, and new cultural opportunities and improved city services for residents. These efforts may also help develop new industries and job growth. The City of Austin's international diplomacy and protocol work is mostly done by one employee. Another employee handles the City's international business development, but this work is only a small part of their responsibilities. The City has several external partners that help advance its international relations efforts. Still, Austin appears to put fewer resources to these efforts than leading cities.

Question 1

How much staff and other resources does the City of Austin devote to international diplomacy and protocol and to international business development? How does the City of Austin compare to leading cities both nationally and internationally?

Before 2019, the City had two full-time employees and one temporary worker to handle international relations. One of the full-time employees was the International Program Manager who helped with diplomacy, welcomed visitors from other countries, organized trips for City officials, and promoted a good image of the City overseas. The other full-time employee was the International Program Coordinator who helped the City take part in international programs and worked with the International Program Manager.

The City has since changed its international relations program structure. Currently, Austin's Economic Development Department's (EDD's) Global Business Expansion Division leads the City's international relations work. However, even though the division's name suggests otherwise, most of their work seems focused on helping local and U.S. businesses. One employee, a Program Manager II, is responsible for most of the City's international diplomacy and protocol work. This employee helps coordinate international relations activities between City departments and the Mayor's Office. Although this employee is a part of EDD, since July 2024 he has been serving on a special assignment in the Mayor's Office.



UNESCO's mission is to "contribute to the building of a culture of peace, the eradication of poverty, sustainable development and intercultural dialogue through education, the sciences, culture, communication and information."

The Global Business Expansion Division also handles international business development for the City. One employee, a Business Process Consultant, is the main contact for international businesses seeking development incentives to expand into Austin. However, we found that this employee's responsibilities have them spending only a small part of their time working with international businesses or helping local businesses grow in other countries. Rather, they spend most of their time helping local and U.S. businesses grow within Austin.

EDD also oversees international efforts in other divisions. For example, EDD has a program manager in their Cultural Arts Division who manages the City's United Nations Educational, Scientific, and Cultural Organization (UNESCO) Creative Cities of Media Arts classification. Additionally, EDD's Music and Entertainment Division manages the City's Austin-Toronto Music Cities Alliance. Still, these efforts are only a small part of these employees' responsibilities.

The City of Austin currently has 13 Sister Cities:



Adelaide, Australia



Angers, France



Antalya, Turkey



Gwangmyeong, South Korea



Koblenz, Germany



London Borough of Hackney, U.K.



Lima, Peru



Maseru, Lesotho



Oita, Japan



Pune, India



Saltillo, Mexico



Taichung, Taiwan



Xishuangbanna, China

The City of Austin also currently has 3 Friendship Cities:



Chiang-Mai, Thailand



Florence, Italy



Limerick, Ireland

Outside of City staff, Austin has several partners who help with international relations. For example, Austin currently has 13 sister cities and 3 friendship cities. City staff used to manage these relationships, but now the City relies on an outside group, Austin Sister Cities International (ASCI), to handle its sister city connections. Austin also works with its chambers of commerce to support its business goals, along with other outside groups like Rally Austin and the World Affairs Council of Austin. Additionally, the City often teams up with the University of Texas at Austin and other state and federal agencies to organize speakers and visitors to meet with international delegations coming to the City.

Exhibit 1: Austin has the fewest number of dedicated staff among the cities we analyzed.

| Municipality | # of Dedicated Staff |
|-------------------------|----------------------|
| Austin, Texas | 1 |
| Florence, Italy | 3 |
| Wellington, New Zealand | 3 |
| Houston, Texas | 4 |
| Berlin, Germany | 7 |
| New York City, New York | 8 |
| San Antonio, Texas* | 8 |
| Brussels, Belgium | 70 |
| Singapore | 100+ |

*San Antonio's staff includes two employees stationed in Japan.

Source: OCA Analysis of municipal websites and staff testimony from Spring and Summer, 2024.

Comparison to Other Leading Cities

We compared the City's international relations staff and resources to other leading cities in the U.S. and around the world. We found that cities use different models and have different numbers of staff. How much a city focuses on international relations depends on its political circumstances and needs.

For example, Brussels, Belgium, and Singapore had the most resources for international relations. Brussels manages their activities through Brussels International, which handles all "international and European relations of the Brussels Capital Region and its worldwide representation." It has 70 employees split into 5 departments, including one for External Relations and another for Communication and Protocol. Their setup reflects Brussels' role as the capital of Belgium and the headquarters of the European Union. Similarly, Singapore manages its international relations through its Ministry of Foreign Affairs, which has 11 teams for political and economic issues, and 7 for protocol and consular matters. As a "city-state," Singapore also sends ambassadors to other nations.

The other cities we looked at had between 3 and 8 staff members focused on international relations, as shown in Exhibit 1. During our work, we found that San Antonio is often seen as a city with a strong international relations program. Their Global Engagement Office (GEO), which is part of their Economic and Development Department, leads these efforts.

GEO has 6 full-time employees, including a Chief Diplomacy and Protocol Officer, an International Relations Manager, and an International Economic Development Manager. Unlike Austin, San Antonio manages its sister cities program in-house and doesn't rely on an outside group. In Houston, the Mayor's Office of Trade and International Affairs has 5 full-time staff with titles like Director of Trade and International Affairs, Chief of Protocol, and International Affairs Manager.

The only city we looked at that didn't have its own international relations department was Chicago, Illinois. World Business Chicago, a nonprofit organization that focuses on economic growth, appears to handle Chicago's international relations. World Business Chicago has a 6-person Global Strategic Initiatives team that leads the international strategy for both the organization and the City of Chicago Mayor's Office. This team helps manage Chicago's connections with over 90 consulates, 100 chambers of commerce, and 28 sister cities.

Question 2

How does the City of Austin vet international requests and prepare City leaders to interact with foreign dignitaries?

Each year, the City of Austin receives dozens of international requests from countries, cities, and businesses. Between October 2022 and July 2024, the City held 206 virtual and in-person meetings with foreign representatives and dignitaries. For example, in March 2024, the City held meetings with representatives from Australia; the Belgian Trade Commission; Quebec, Canada; Nuevo León, Mexico; Enterprise Singapore; Seognam-si, South Korea; and Barcelona, Spain, among others. These requests and meetings involve welcoming foreign government officials, celebrating important events with Austin's international partners, and working with non-governmental organizations. The goals are to share new ideas, build global relationships, and promote trade and investment.

The Office of Foreign Missions Houston Regional Office is responsible for "regulating the activities of foreign missions" and "providing reciprocal services to and liais[ing] with foreign consulates located in Texas, Louisiana, Arkansas, Oklahoma, New Mexico, Colorado, Kansas and Nebraska" in "accordance with both the foreign policy and national security interests of the United States."

– U.S. Department of State

Months of planning happens before a foreign delegation visits the City. However, the City doesn't have an official policy or process to handle international requests. Instead, the staff member primarily in charge of international diplomacy and protocol has created his own informal system. If he changes jobs or leaves the City, there's no guarantee that the person who replaces him will follow the same steps.

Currently, when a foreign delegation wishes to meet with City staff or leadership, the first step is to request a meeting. EDD has an online form that foreign delegations can fill out to request a meeting. These requests get routed to EDD staff who handle the logistics. In practice, EDD tells us that many delegations do not use the online form and instead directly contact City staffers and officials. It does not matter who first receives the request as it should always return back to EDD. Department staff then vets the request and handles its logistics if approved.

When deciding whether to approve a request, EDD staff must check who is making the request and figure out if the meeting is good for the City. They usually accept requests from U.S. allies and partners. For requests from other countries, they need to consider other political factors and, sometimes, they even seek advice from the United States Department of State before saying yes to the meeting. If needed, staff will contact the Department of State's office in Houston for guidance.

After approving a meeting, EDD staff are in charge of organizing it and making sure the right City staff and leaders can attend. For example, they might invite the Mayor or a Council Member to meet with a head of state, while a meeting to start a music exchange program would likely include people from EDD's Music & Entertainment Division. In other cases, staff might decide that a local partner, like the Austin Chamber of Commerce, would be a better host. In those situations, staff usually work with both groups to make sure they connect.

Question 3

For leading national and international cities with dedicated staff or other resources for international diplomacy, protocol, or business development, what are their stated goals and how do they measure their success?

The City doesn't have an official policy or approved process to prepare City leaders for meetings with foreign dignitaries. Instead, EDD staff made an unofficial document that explains proper behavior such as when to show flags at City Hall and other details. EDD has a procedure for when and how to accept ceremonial gifts.

We grouped the goals for the cities we looked at into three categories: international diplomacy, international self-promotion, and economic improvement.

International Diplomacy

Many cities use diplomacy to build relationships with other cities and promote peace. For example, Berlin, Germany, aims to promote "international understanding" through diplomacy. Berlin focuses their efforts in certain areas like culture and climate action. Berlin further aims to be a "leading force" in multilateral networks and to "represent Berlin's interests" in these contexts.

Florence, Italy, has similar ambitions. One of their goals is to "promote and organize international events to encourage peace and mutual understanding." These values are an extension of Florence's guiding philosophy. Their city administration aims to promote "freedom, peace and encounters between peoples," and "is committed to respect the dignity of every human being, to active forms of cooperation." These goals are highlighted in the Protocol of Collaboration between the cities of Florence and Austin signed in September 2023.

Wellington, New Zealand, also has stated goals seeking international cooperation. One of their goals is to "share resources, knowledge, expertise and best practice approaches." They also work to build "cultural exchanges and projects between partner cities." Wellington values engagement with other cities and, like Florence, they organize events in collaboration with their international partners. These partners include their sister cities, foreign embassies, and local community associations.

Domestically, the City of San Antonio uses its international designations to grow their cultural events and exchanges. San Antonio is also trying to attract more international students to its universities. San Antonio views education as a key export, as well as a form of business development.

Placement of Municipal International Relations Efforts



Berlin, Germany: The Governing Mayor of Berlin Senate Chancellery, Directorate II, Divisions II A (Protocol) & II B (International Relations)



Chicago, Illinois: World Business Chicago



Florence, Italy: International Relations and Cooperation Office



Houston, Texas: The Mayor's Office of Trade and International Affairs



London, U.K.: The Mayor's Office, International Relations Team



Montevideo, Uruguay: The International Relations and Cooperation Division of Montevideo



New York City, New York: The Mayor's Office for International Affairs



Wellington, New Zealand: The International Relations Team at Wellington City Council

International Self-Promotion

Another common goal for cities is to promote their brand on the international stage. For example, Montevideo, Uruguay, promotes their leadership regionally and abroad. They seek to “ensure that [they are] recognized by the main networks of cities in the world and the region.”

Many of the other cities we looked at also practice self-promotion. For example, one of Berlin's international relations divisions aims to “enhanc[e] Berlin's position worldwide.” Berlin focuses on their areas of strength, such as tourism and climate efforts. They state that Berlin wants to highlight those strengths and take a “proactive approach to marketing them.” Likewise, the City of Florence aims to “promote the city at international and European levels.” They do this by hosting many European and international events. They also do this by promoting “Florence as the seat of an international network of mayors.” Similarly, one of Wellington's goals is to “raise Wellington's profile internationally.” Wellington aims to do this by “improving [its] reputation and enhancing [its] competitiveness on the global stage.”

Economic Improvement

Lastly, many cities we looked at included goals related to their economy. Most wanted to help their local businesses expand and to attract international investment. For example, Chicago, Illinois, conducts their international relations efforts through an external organization called World Business Chicago (WBC). WBC's vision is to “make Chicago the most business-friendly city in the world by becoming a role model for truly inclusive economic growth.” WBC's mission is to “drive inclusive economic growth and job creation, support businesses, promote Chicago as a leading global city to help [their] existing companies expand as well as attract new companies.”

Wellington's international relations strategy also includes international business development. One of their goals is to “encourage business [and] trade” with their partner cities. To do this, Wellington uses their partners to help their local businesses get a “foot in the door” to new markets. Wellington also seeks to attract international investment, skilled migrants, and international students.

Berlin and London also have economic goals. For example, Berlin has a broad goal of business development with a specific focus on tourism. Likewise, the Mayor's Office in London is committed to “championing London industry at home and abroad.” They further aim to make sure “London's businesses retain privileged access to the single market and international talent after Brexit, as well as protecting London's status as the financial capital of the world.”

Measures of Success

Overall, cities do not appear to have a consistent measure for the success of their international efforts. While some cities have defined metrics, many did not. For cities with defined metrics, we often heard concerns that

San Antonio's long-standing relationship with Kumamoto, Japan, helped lay the groundwork for Texas Governor Gregg Abbott to visit Japan in July 2024. While in Tokyo, Governor Abbott and the Governor of Aichi Prefecture, Hideaki Ohmura, signed a **Statement of Mutual Cooperation** encouraging trade and new business investments in Texas.

these measures were limited. We also heard concern that the success of international efforts is hard to quantify.

For example, the city of Wellington publishes reports on their international initiatives. However, their staff said these reports don't capture the true impact of their work. For instance, they report on how many in-bound delegations and meetings they host each year, but these numbers don't show the impact of these meetings. Likewise, staff in San Antonio said they measure things like "heads in bed," which is the number of visiting foreign dignitaries and tourists they host each year. They also measure things like foreign direct investment to the city and the number jobs created as a result of foreign investment each year. However, staff said much of their work results in improvements to the city that isn't captured by these measures. Staff said they are looking for new ways to measure their success. Some ideas they have include the number of cultural exchanges and international events they participate in each year.

Staff in San Antonio also stressed that international relations work takes time, citing their relationship with Kumamoto, Japan. San Antonio has been building this relationship since the 1980s. Over that time, San Antonio has seen many benefits, and in recent years, their relationship has expanded to include Tokyo and Japanese businesses outside of Kumamoto.

Lastly, some cities have created unique measures of their success. For example, World Business Chicago reports on a metric they call "pro-Chicago decisions." This metric appears to be a measure of the corporate expansions, new office locations, and regional investments made to Greater Chicago Economic Partnerships each year.

Question 4

Summarize any noteworthy initiatives run by leading national and international cities related to international diplomacy, protocol, or business development.

Every city we looked at had a variety of international programs and initiatives. As before, we found that cities tend to lean into their strengths. For example, several of Austin's efforts lean into its position as the "Live Music Capital of the World." The City of Austin entered into a unique initiative with the City of Toronto, Canada, named the "Austin-Toronto Music Alliance." The alliance seeks to "accelerate the music industry in Austin and Toronto to create more jobs, earned revenue, and business expansion." It does this by encouraging cooperation, trade partnerships, and the growth of new music ventures. In recent years, the two cities have hosted a variety of activities. These activities include industry summits and songwriting camps.

Washington, D.C., and New York City (NYC), New York, also lean into their positions on the international stage. For example, the mayor of Washington, D.C., oversees the city's public schools. D.C. Public Schools used the city's international relationships to develop an award-winning study abroad program. This program aims to make students "global citizens." Washington also has an Embassy Adoption Program. This program introduces students to international perspectives and cross-cultural lessons. Likewise, NYC has created student programs that build on its position as the United Nations' (UN) host city. One program, the NYC Junior Ambassadors initiative, empowers students to engage with the UN

“Austin works individually and in partnership with other UNESCO cities to promote creativity and cultural industries, strengthen participation in cultural life, and assure the integration of culture into urban development plans.”

– City of Austin, Economic Development Department

and its mission. Additionally, a 2016 report published by the NYC Mayor’s Office for International Affairs found “the UN Community contributed an estimated \$3.69 billion in total output to the New York City economy in 2014.” This report also found that the UN was responsible for over 25,000 full and part-time jobs in the city.

Cities also take advantage of international networks. For example, Berlin, Germany, uses city networks to “ensure that Berlin has close ties to the metropolitan regions and cities of Europe and the rest of the world.” These networks allow “for the constant exchange of ideas” and for “project-related cooperation.” Berlin participates in many networks, including Eurocities and Metropolis. Both of these networks help cities share best practices and address a variety of concerns. Other networks Berlin has joined focus on issues like climate change or human rights.

Most of the cities we looked at had some form of sister cities program. However, some cities appeared to engage more heavily with their sister cities than others. For example, San Antonio organizes visits between political and community leaders. They also coordinate exchange programs for students and professionals, and bring in art for public display. Similarly, when we reached out to the City of Wellington, New Zealand, they talked about their sister cities program. For instance, their relationship with Sakai, Japan, introduced them to new infrastructure tools that they have adopted. Wellington’s relationships with various cities in China have led to new markets for their businesses. These relationships have also led to regular sports exchanges.

Several of the cities we looked at also had United Nations Educational, Scientific and Cultural Organization (UNESCO) designations. These cities use these designations to promote their culture and image. For example, the Historic Center of Florence, Italy, is a UNESCO world heritage site. So is the Tower of London, England, the Singapore Botanic Gardens, multiple sites in Berlin, and the San Antonio Missions. Many cities, including Austin and San Antonio, are part of the UNESCO Creative Cities Network. Austin is currently the only U.S. city to receive the UNESCO “City of Media Arts” designation.

Question 5

Summarize information from studies and other research that address the potential benefits of dedicating resources to international diplomacy, protocol, or business development.

Research suggests that international outreach is as an essential tool for communities that want to thrive in today’s globalized world. These efforts offer many benefits like cultural exchanges, sharing new ideas, and business development. At a local level, international efforts may include a variety of actions that require different levels of resources and commitment. Cities must choose which efforts make the most sense for their community. Commonly cited activities include:

- Promoting the city’s brand or image abroad
- Promoting tourism
- Welcoming and supporting international refugees
- Hosting international events

- Sharing best practices
- Hosting delegations and other diplomatic efforts
- Soliciting foreign direct investment
- Helping local businesses expand abroad
- Participating in international networks

Diplomacy

According to a study published by the University of Southern California (USC) Center on Public Diplomacy, cities may see increased community engagement, civic empowerment, and social cohesion through their international efforts. Cities may also enhance their image, reputation, and prestige through these efforts. For instance, a case study comparing the cities of Toronto, Canada, and São Paulo, Brazil, published in the *Journal of Urban Affairs*, found both cities benefited through international engagement. In São Paulo, a series of recent mayors prioritized participation in city networks. Their work positioned the city to be seen as “a cradle of good practices and urban solutions among global developing country cities.” São Paulo has seen many benefits from this work. For example, they received international grants as a result of their work. They also hosted the 2004 United Nations Conference on Trade and Development.

“Subnational Diplomacy,” or “Paradiplomacy,” can be defined as the “diplomatic actions of [...] provinces or cities” outside of their normal jurisdictions.

– Stren, R., & Friendly, A. (2017). Toronto and São Paulo: Cities and International Diplomacy. *Urban Affairs Review*, 55(2), 375–404.

The USC study also found that cities have an important role to play in international relations. Traditionally, states and nations have played a larger role than cities in international relations. However, the study noted that cities often have less political gridlock than states and nations. As a result, cities can be effective on the international stage. Similarly, an analysis published by the Institute for the Study of Diplomacy at Georgetown University found that “bottom-up approaches” can be successful international tools. According to the analysis, China used “subnational diplomacy” to improve their reputation abroad. Researchers suggest that city-to-city diplomacy may also help combat various global challenges. They cite challenges like climate change and global pandemics as areas where cities can be effective. This is because cities are often facing the immediate effects of global challenges and may be able to better rally their residents to help.

International Business Expansion

Research shows that cities can use their global ties to advance economic development in a variety of ways. This includes increasing tourism, securing more foreign direct investment, and building trade relationships. According to the USC study, international business offices often create programs to connect local and global businesses. The study found that large cities like Los Angeles, California, and New York City, New York, often focus on trade expansion and increasing foreign direct investment. In contrast, many smaller cities focus on helping their local businesses expand into international markets. The study found that either strategy can be effective.

Researchers emphasize that cities can see economic benefits from relatively small acts. Some acts can be as simple as making an official visit to another city. For example, the Journal of Urban Affairs' case study noted that the mayor of Toronto, Canada, successfully advanced Toronto's film industry by engaging with film executives at various award-show events in Los Angeles. One of Toronto's goals was to develop their film industry. The mayor's presence helped build relationships and show their commitment to the industry.

Best Practices

Research indicates that cities should adopt several international relations best practices. The most common recommendation is to participate in city networks. These networks allow local governments to build relationships and collaborate with other cities. Researchers also recommend using staff from different disciplines in their efforts. This may include staff with experience in trade and investment, diplomacy, and communication. Lastly, researchers recommend cities clearly define their international relations function. This includes establishing their roles and responsibilities. It also includes defining their placement within the city's organization.

Why We Did This Report

This report responds to a request from Council Members Alison Alter and Paige Ellis regarding the City of Austin's international relations efforts.

Scope

The audit scope included the Economic Development Department's current policies, procedures, and resources for the City of Austin's international diplomacy, protocol, and business expansion functions, as well as those for leading cities.

Methodology

To complete this special request, we performed the following steps:

- Interviewed staff from the Economic Development Department and the City Manager's Office
- Reviewed EDD policies, procedures, and other documentation related to international diplomacy and protocol, and international business development
- Reviewed job listings and SSPRS to determine the City's dedicated staff
- Identified and selected leading cities
- Conducted interviews, held email exchanges, and gathered data from leading cities and their official municipal websites
- Identified and summarized information from studies and research from reputable sources

Project Type

This project is not considered an audit. However, this project was conducted in accordance with the ethics, independence, competency, and quality provisions of the Government Auditing Standards.

The Office of the City Auditor was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. Special requests are designed to answer specific questions to assist Council in decision-making. We do not draw conclusions or make recommendations in these reports.

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