

TOWARD A

California-Brazil Partnership

A STRATEGIC ACTION PLAN



Parceria Brasil-California ~ Plano de Ação

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California State Senate, November 2004

**Toward a
California-Brazil Partnership:
A Strategic Action Plan**

Parceria Brasil-California – Plano Estratégico de Ação

**Senator John Vasconcellos--California State Senate
Assemblyman Tim Leslie--California State Assembly
November 2004**

Prepared by the Senate Select Committee on Economic Development in conjunction with the Senate Office of
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INTRODUCTION

November 2004

FRIENDS –

Subsequent to my 1993 trip to Japan, I published a strategic action plan entitled – “Toward a California-Japan Partnership” – which set forth a series of recommendations for State of California actions that would lead us to a much more vital and sustaining relationship with our Pacific Rim neighbor. Even though it has yet to be fully implemented, for the following decade it served to guide our relations with Japan.

Returning from my Easter 2004 trip to Brazil, I found myself recognizing similar opportunities and challenges and wanting to propose an analogous California relationship with our largest neighbor to our south – Brazil.

Accompanied by Assemblyman Tim Leslie and members from our public and private sectors, I led the official California State Senate Delegation to Brazil in April 2004. Our visit to Rio de Janeiro, Curitiba, and Salvador left me (especially being of Portuguese ancestry) with touching and lasting impressions of the vibrant people, the diverse culture, and the expanding economy that constitute altogether, Brazil.

We found Brazil (a nation slightly larger than the entire United States) much like our own California – to be a wondrous land of many contrasts – old and new, urban and undeveloped, rich and poor. Brazil dramatically varies across its vast expanse – with its luscious beaches, tropical rain forests, and fertile flatlands being merely a sampling of its topography. And of course, Brazilians, themselves are – again, much like Californians – a unique blend of European, Latin, African, Asian, and indigenous peoples and cultures.

I was struck in particular by the palpable energy and optimism of the Brazilian people. They are amiable, cheerful, sophisticated, and they are fun. In addition, we thoroughly appreciated and enjoyed their energetic and engaging, eclectic and exciting music. It is possessed by a beat and rhythm that seep into nearly every cell of your body, that without fail moves you. And Brazilians, like their music, are spirited, and full of life and love for their fellow human beings, equally moving.

Nevertheless, despite Brazil’s dynamic composition, despite its having become the economic powerhouse of South America, it faces major challenges for its underprivileged children and adults, environmentalists, urban developers, and educators, again, not unlike California. All this creates enormous and promising opportunities for vision, insight, innovation, development, leadership and collaboration – opportunities to make a difference in this world, many times over.

I hope herein to translate the inspiration of my precious experiences in Brazil, to offer both a strategy and much motivation for a much stronger relationship, even a partnership, between California and Brazil, our respective governments and our people.

I submit this proposal for consideration and action to leaders of both our public and private sectors, especially our Governor, our Legislature and leaders in our California business community – as well as to all their counterparts in Brazil

Both socially and economically, we owe this relationship to each other, and ourselves as well as to our common future well being. We owe this to our colleagues in Brazil who recognize the multilateral benefits of a partnership with California. California and Brazil are each and both rapidly moving into a world without boundaries. We owe it to ourselves to act boldly, now to become partners in leading the way into this new world.

I submit this proposal for your consideration, critique, and involvement – in its refinement, adoption, and implementation – by the State of California and Brazil as well. My hope is that you will find yourself immediately moved into thought and into action – toward realizing the promise of a CALIFORNIA-BRAZIL PARTNERSHIP.

I thank you, and I wish you and all of our fellow Californians well,

JOHN VASCONCELLOS
Dean of the California Legislature
Senator Representing the Heart of the Silicon Valley

SUMMARY

This document serves to inform the public and private sectors, in both California and Brazil, about the benefits of forming a stronger relationship between our two governments and peoples. It strives to be a catalyst for stimulating growth, competition, and collaboration, while expanding cultural awareness and global perspectives.

This document stems from the California State Senate's vision and commitment to strengthen the position of California as a major leader in the global economy. Acting to expand on this vision, the Senate established a sister state relationship with the Brazilian State of Paraná. After several official visits to and from Brazil, it is time for substantive action. This proposal provides all Californians an opportunity to explore how the knowledge gained from our Brazilian exchanges can contribute to a stronger partnership.

Strategic Recommendations & Critical Observations

TRADE & INVESTMENT

1. Encourage California businesses to invest in or trade with Brazil
2. Create a forum between our public and private sectors to brainstorm and coordinate trade and investment with Brazil
3. Organize a trade mission to Brazil comprised of California state and local officials and private sector leaders to explore partnerships especially in the areas of agriculture, technology, auto manufacturing, and energy, as well as export opportunities
4. Create an exchange program that would study, expand and develop more renewable energy technologies and opportunities in California and Brazil
5. Create an office in the state executive branch that will become the primary representative of California's interests in international affairs and the focal point for foreign interest in California trade and investment

- Similarities between California and Brazil make us natural trading partners.
- Sharing unique and diverse characteristics, California and Brazil have analogous histories, which have led both of us to experience similar opportunities and challenges.
- California and Brazil have opportunities for finding alternatives to the dependency on oil.
- California and Brazil's unique economies and positions make them perfect leaders in the challenge of bridging the gap between the Global North and the Global South.
- Designation of an individual in the Executive branch who represents our State's interests in international affairs and who serves as a focal point for foreign interests could enhance the development of more Brazil-California trade and investment.

CULTURE

6. Stage an exhibit in the California State Capitol Building depicting the culture and people of Brazil
7. Invite prominent Brazilian writers, artists, city planners and architects to develop projects in California and to present their works in California venues
8. Develop programs in cooperation with Brazil's federal and state governments that provide opportunities for Californian artists, architects, and writers to present their works in Brazil
9. Create an exchange program between youth soccer teams
10. Convene a forum for the exchange of ideas between the cinema industries in each country

- There is an opportunity to use the common interest in soccer in Brazil and California as a means of increasing international awareness and understanding among young people.

- Both Brazil and California have sophisticated audiences and many venues for the presentation and appreciation of the performing arts.
- Brazil offers a new visual and cultural frontier for California film-makers.
- California and Brazil could collaborate to enhance film distribution in both locations, which could potentially influence further expressions in cinema by Brazilian artists and provide more exposure for California-based productions.

EDUCATION

11. Create a California-Brazil Student Exchange Program based on the successful California-Japan Scholars Program
12. Establish a California-Brazil K-12 Teacher and Administrator Exchange Program
13. Encourage more Internet utilization for professional training between California and Brazil teachers in K-12
14. Create an exchange program for faculty and students in Californian and Brazilian institutions of public higher education, a program that includes joint research projects, exchanges of graduate and undergraduate students, and visiting-faculty arrangements
15. Convene one or more policy-oriented conferences, involving legislators, academics, representatives of community-based organizations, and business leaders, to explore critical common issues such as educational access, innovation, and funding. Explore the creation of a non-profit foundation to sponsor these events

- Both California and Brazil face shortages of skilled and educated labor due to gaps in students' educational attainment and achievement at the K-12 levels. The capacity and resources of public schools are at the center of these systemic crises in both cases.
- One shared challenge is to make the teaching profession a more desirable long-term career option for outstanding college graduates.
- Both California and Brazil face particular challenges of improving the educational capacity of schools serving impoverished areas in cities and in rural areas. Another common challenge for both systems is to successfully incorporate new entrants--migrant and immigrant students.
- Creating exchanges between Brazilian and Californian scholars, researchers, and universities can be facilitated by utilizing existing programs and learning from relevant parallel experiences.

ENVIRONMENT

16. Implement a professional exchange between urban and transportation planners in Paraná and California local governments
17. Create an exchange program that explores the conservation and sustainability of natural resources based on the experiences of both California and Brazil
18. Promote and learn from Brazil's experiences with renewable energy

- California and Brazil have the opportunity to encourage the preservation of their natural environments and the development of sustainable conservation practices regarding water and agriculture.
- California and Brazil can practice smart growth principles to maximize the utility of space and resources.
- The city of Curitiba, in our sister state of Paraná, offers an urban development model for California planners.
- California and Brazil should encourage the creation of regional collaboration for all facets of development.

SOCIAL PROGRAMS

19. Urge and develop incentives for businesses in California and Brazil to observe socially responsible business and investment practices
20. Create a resource guide to inform Californians and California businesses about opportunities to participate in not-for-profit, faith-based and corporate social programs in Brazil

- State governments have played a special role in attacking the sources of poverty via unique, state-led initiatives, both in Brazil and in the U.S.

- Brazil’s unique history of public-private partnerships for addressing social needs—government, the private sector, and non-governmental and faith-based organizations--may provide a model for California.

GENERAL

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| <ol style="list-style-type: none">21. Organize a Strategic Action Team of advisors consisting of Californian and Brazilian government officials, private sector and not-for-profit executives, as well as artists, educators and community leaders from both countries, which would plan valuable collaborative activities resulting from the recommendations of this Strategic Action Plan22. Form more sister city relationships between California and Brazil cities23. Create a reciprocal internship program between the Legislatures of California and the State of Paraná |
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- There is an opportunity to establish an entity that can foster the development of stronger mutual relationship between people in California and Brazil.
- Sister city relationships between California and Brazil have strong value.
- The United States and Brazil have similar forms of federal governments, but at the state level, differences exist. These differences offer an opportunity to form exchanges between state officials and policy experts from both California and Brazilian states.

PREFACE: Purpose

California and Brazil – each and both large and vibrant, cutting edge entities – are entrepreneurs in the economy, pioneers of innovation, stewards for our environment, and advocates of more universal inspiring education. Individually, each champions sustainability and growth, but through partnership and collaboration, California and Brazil can better define a path to prosperity and realize the promise of our multi-cultural democracies in the global economy in the world of technology.

This document seeks to stimulate discussion among the public and private sectors, in both California and Brazil, regarding the benefits of forming a stronger relationship between our two governments and between our peoples.

The partnership between California and Brazil emanates from: 1) the Senate Concurrent Resolution that establishes a sister state relationship with the State of Paraná, and 2) our common economic and social characteristics which produce comparable opportunities and challenges.

Any sister state relationship between two regions, states, or nations provides for mutual encouragement for economic, social, and cultural development. Currently, California has 22 sister state relationships in 18 countries around the world including India, Egypt, and China. Yet, California has only one sister state in South America, the Brazilian state of Paraná. In addition, Los Angeles has a sister city relationship with Salvador de Bahia, a major Brazilian city. California and Los Angeles can use these existing initial political relationships to enhance the development of a broader California friendship with all parts of Brazil.

There are many similarities between California and Brazil largely stemming from the opportunities provided by each of our diversities. From an economic standpoint, we share analogous free-market economies, dynamic modern agriculture, and diverse natural resources. In addition, California and Brazil also face social issues such as the quality of education, the social inequity between classes, and especially challenges with racism.

This document builds upon these potentials and parallels. It gives California's citizens and their legislative representatives a tangible, practical means by which we can extend and deepen our relationship with this one other country, to go far beyond sweet talk and/or face value. The discussion prompted herein can become a catalyst for Californians to recognize and address numerous critical observations and policy questions, with special emphasis on California's role in international affairs as the most populous state in the United States and the fifth largest economy in the world. It is long past time for us to ask and ponder, "What is California's role in the Western Hemisphere?" "How will California continue to position itself as a leader in the emerging global community?"

We hope hereby to lay the foundation for a dynamic California-Brazil partnership to expand trade and investment, exchange educational methodologies, address environmental concerns, create social programs, and communicate cultural practices. We must promote a free-flowing exchange of ideas, and through this global market place of thought and action, stimulate growth, competition, innovation, global citizenship and above all the improvement of all our human condition. Through cooperation, we can organize. Through collaboration, we can learn. Through coordination, we can deepen our sense of caring.

BACKGROUND

Timeline of Activities Leading up to this Document

This document stems from the vision of the State Senate to move California towards becoming a more prominent partner in our global community. Over the course of the last decade and a half, there have been several exchange visits between state and federal officials in both California and Brazil, exploring opportunities for such partnerships.

- 1) *Senate Trade Delegation*: (March-April 1988): Senators Barry Keene, Robert Presley, and Diane Watson visited Rio de Janeiro, São Paulo, and Brasília. The Senators met with federal government officials regarding trade.
- 2) *California Foundation on the Environment and Economy*: (November 1998) Senators Jim Costa, Jim Brulte, Betty Karnette and Ken Maddy visited Brazil to learn about Brazilian environment and economics.
- 3) *Senate Concurrent Resolution No. 8*: (January 1999) Authored by Senators Jim Costa, Liz Figueroa, Betty Karnette and John Vasconcellos. The legislature passed a resolution that established a sister state relationship between California and the Brazilian state of Paraná. A sister state relationship encourages global perspective and facilitates economic, social and cultural exchange.
- 4) *Senators John Lewis and Richard Rainey trip to Brazil*: (1999) The Senators traveled to Rio de Janeiro, Curitiba, and Iguazu Falls. In Rio de Janeiro they met with state officials regarding social issues, law enforcement, crime reduction and environmental policies. In Curitiba, the senators discussed urban planning, transportation, trade and commerce. In Iguazu Falls, the senators studied environment and energy issues such as hydroelectric power.
- 5) *Visitors from State of Paraná meet with other State Officials*: (March 7-9, 2000) Mr. Edward L.P. Guimaraes, Chief of Protocol to the Governor of Paraná; Mr. Ramiro Wahrhaftig, Secretary of Sciences, Technology, and Higher Education of the State of Paraná; and, Mr. Ataíde Ferraza, Director, Virtual University of Paraná, Brazil.
- 6) *Delegation from Brazil meets Senators and Discusses Trade*: (July 19, 2001) Five members of the National Congress of Brazil met with Senators regarding trade policy and state legislation. They discussed role of California in NAFTA, WTO, and FTAA.¹
- 7) *Visitors meet regarding Technology and Energy*: (March 19, 2002) Mr. Jose Carlos Gomes Costa, Chief Coordinator of Sectoral Policies at Ministry of Science and Technology in Brasília, Mr. Fabio Luis de Oliveria Rosa, Founder and President of Institute for the Development of Alternative Energy and Sustainability, Porto Alegre, Rio Grande de Sul, Brazil.
- 8) *Brazilian Judicial Dignitaries Visit the Capitol*: (March 4, 2004) Mr. Alexandre Espinosa Bravo Barbosa, Chief Federal Prosecutor, and Ms. Elisandra de Oliveria Olimpio, Regional

Electoral Prosecutor, Federal Public Ministry, State of Espirito Santo, Brazil visited with Senators, the Deputy Attorney General, and other judicial officials. They discussed laws in California and the development of ethics in government and business.

- 9) *Senate Delegation Travels to Brazil:* (April 1-11, 2004) Senator John Vasconcellos and Assemblyman Tim Leslie traveled to the Brazilian cities of Rio de Janeiro, Curitiba and Salvador. They met with a variety of dignitaries, including individuals from the public and private sectors, and discussed important issues such as corporate social responsibility, alternative energy, urban development and cultural diversity.
- 10) *Brazilian Congressional Delegation to the U.S.:* (May 19, 2004) Congressmen and officials from the Brazilian national government met with California officials regarding clean energy and technology.
- 11) *Brazilian Dignitaries Visit California:* (May 27, 2004) Ms. Sandra Cristina Figueiras de Almeida, Legislative Consultant, Chamber of Deputies, and Mr. Rene de Oliveira Garcia Junior, President, Brazilian Regulatory Agency for Insurance and Pension Funds. They met with California officials regarding retirement and social security.
- 12) *Brazilian Press Secretary Visits California:* (June 7, 2004) Mr. David Campos, Press Secretary for the Legislative Assembly of the State of Paraná visited California. Mr. Campos met with Senator Vasconcellos and other legislative officials regarding California political processes.

TRADE & INVESTMENT

Strategic Recommendations

1. Encourage California businesses to invest in or trade with Brazil
2. Create a forum between public and private sectors in order to brainstorm and coordinate trade and investment with Brazil
3. Organize a trade mission to Brazil comprised of California state and local officials and private sector leaders in order to explore partnerships in the areas of agriculture, technology, auto manufacturing and energy, as well as export opportunities
4. Create an exchange program that would study, expand and develop more renewable energy technologies and opportunities in California and Brazil
5. Create an office in our state Executive branch that will become the primary representative of California's interests in international affairs and the focal point for foreign interest in California trade and investment

Background

Brazil, with its population, size (larger than the United States) and economy offers tremendous economic potential for its own future and that of the entire Western Hemisphere, including the United States. Brazil is the fifth most populous nation in the world, and geographically, Brazil is the fifth largest country in the world. Strong and promising economic developments position Brazil in the forefront of the global community. Brazil is the largest economy in South America and one of the leading economies in the world with a Gross Domestic Product of approximately US\$1.375 trillion.² A diversified economy, large consumer base, economic stability, and attractive investment opportunities highlight Brazil's economic strength and success altogether. These characteristics demonstrate to traders and investors Brazil's immense potential for growth and development.

A Diversified Economy

Agriculture and Agribusiness

Considered one of the world's primary agricultural nations, Brazil is the world leader in growing many commodities, including coffee, soybeans, oranges, and sugar cane.³ Like California whose numerous and unique ecosystems nurture many diverse crops, Brazil has a wide spectrum of geographical regions which foster its bio-diversity. In the north, tropical climates ensure the production of tropical fruits such as guaraná and açai, and in Brazil's temperate south, vast plantations of coffee, soybeans, rice, oats, and tobacco cover the landscape. Although these are the extremes of Brazil's climate spectrum, they show the diversity and versatility of Brazilian agriculture.

In addition to cultivated crops, Brazil is the leader of beef production in the world. A country that covers approximately 8.5 million square kilometers, Brazil has an enormous expanse of land for cattle ranges. With an estimated 170 million head of cattle and such large ranges, Brazil has much potential to develop and expand its cattle industry. Moreover, almost

100 percent of Brazil's cattle graze in fields and are not confined to tight quarters. Consequently, this free-ranging of cattle reduces the risk of possible disease such as "mad cow disease," of which the country has no recorded cases.^{4 5}

Agriculture output has been increasing steadily. Exports by the agriculture sectors reached US \$30.6 billion in 2003, more than 23 percent from 2002. Most exports went to the European Union (36.4 percent), NAFTA and Asia (18.1 percent each), Middle East (6.8 percent), Eastern Europe (6.8 percent), and MERCOSUR (3.1 percent).⁶ Much of the steady increase in agriculture is the result of research into seeds, fertilizers and farming techniques, new farming machinery, help for family farms, and the clearing of new agricultural areas. Thirty-one international farming technology research partnerships work to continue the constant process of modernizing and revolutionizing Brazilian agriculture.⁷

Manufacturing

Brazil also boasts of an impressive industrial sector. A majority of Fortune 500 companies have operational units in Brazil. Much like its agriculture sector, Brazilian industries are diverse and strong. Brazil ranks among the upper echelon of producers in automobiles (1.8 million vehicles produced per year)⁸, commercial jets, iron ore, soft drinks, shoes, and refrigerator compressors. Steel, computers, cement, television sets, domestic appliances, furniture, and cell phones provide more examples of the manufacturing industry in Brazil.

Service Sector

Brazil's service sector consists of many different service industries, especially tourism, health, education, finance and telecommunications. Generating 55 percent of Brazil's Gross Domestic Product and employing 57 percent of its labor force (43 million people), the service sector has been growing rapidly in recent years. In 1998, the number of service-providing businesses was 1.5 million. In 2000, it was 1.9 million. Of these companies, 87.2 percent were small family firms, 10.3 percent were small firms, and 2.5 percent were large corporations.^{9 10}

Part of the Brazil's service sector success can be attributed to its cutting edge banking systems and fast-growing telecommunications industry. As a result of privatization, banking and telecommunications brings much investment into this sector. In 2002, telecommunications and banking received the biggest proportion of Brazil's 56.4 percent of direct investment into the service sector.¹¹

Technology Sector

The electronics sector adds another important facet to Brazil's diverse economy. While Brazil has accelerated in certain markets, its potential for growth continues to be abundant. Brazil is a world leader in refrigerator components, small motors, and enormous turbo-generators, specifically, those used in the world's biggest hydro-powered dams.¹² In addition, Brazil manufactures a variety of electrical components including wiring, fiber optic cables, and monitors.¹³

Two fields in which Brazil has room to develop and expand its technology sector are in computer chips and large generators for thermal power stations. Robotics, although prevalent in

its automobile manufacturing plants, has remained idle since its initial stages of development. President Luiz Inácio Lula da Silva recognizes that Brazil has trade deficits in technology sectors such as microelectronics, software, and capital goods. He has been promoting laws to help the country develop a stronger information-based economy. Even the National Development Bank (the executive entity of the Brazilian Privatization Program) is creating incentives to help foster investment in new technologies.¹⁴

Consumer Market

Among the many attractive characteristics of Brazil's free-market economy, the large and concentrated consumer population makes Brazil an especially enticing market. Of 180 million Brazilians, 80 percent live in cities or towns. About 30 percent of its population is under 17, and more than 50 percent of its population is between 18 and 59.¹⁵ Such a young population demonstrates Brazil's consumer potential. Its consumer market is estimated to range between 15 million and 140 million. Consumer products range from T-shirts, soap, and food, to DVDs, Internet services, and foreign travel.¹⁶ However, Brazil still has a large gap in income distribution. Consequently, Brazil's consumer population has a strong market for top-end products, and a developing market for middle-class goods. Narrowing this income division can only improve its consumer markets.

Another attractive facet of Brazil's markets is its connection to MERCOSUL. The acronym in Portuguese for the "Southern Common Market," MERCOSUL unites Brazil, Argentina, Paraguay, and Uruguay in a customs union with a combined GDP of approximately \$1 trillion, about 50 percent of Latin America's total GDP. The MERCOSUL population is estimated to be about 200 million people. The most significant evidence of MERCOSUL's success is the impressive increase in trade among its member states. For example, Brazil's trade with its MERCOSUL partners has tripled since 1991.¹⁷

In addition to the consumer market and MERCOSUL, Brazil's continued growth and development begins with its economic diversity. Agriculture, mining, manufacturing, electronics, and service sectors drive this Latin American powerhouse. Each facet of the Brazilian economy has certain strengths that draw traders and investors to its markets.

Economic Stability and Fiscal Policy

In the early 1990's economic stability centered on the Real Plan (a currency conversion plan), which set rigorous targets to reduce both its public deficit and inflation, while establishing healthy practices in managing government spending. Tightening of financial policies through the control of current expenditures, including budget cuts, increases in revenue, and the introduction of financial taxes, have all helped in the stabilization of the Brazilian economy. One of the most noteworthy steps taken to stabilize the economy was the privatization of certain parts of the public sector.

Privatization

One of the cornerstones of Brazil's developing economy is the privatization of certain federal and state entities. Launched in 1990, the National Privatization Program (PND)

transferred many government entities to the private sector. An ambitious project like the PND allows the government more funds and resources in needed areas such as social programs.

In addition, the privatization process created investment opportunities for foreign investors in areas including steel, petrochemical, fertilizers, railroads, public transportation, banking, telecommunications, energy, and gas industries. According to the Brazilian Development Bank, the privatization process generated an estimated \$105.3 billion from the sale of Federal and State assets. Of this revenue, 32 percent came from telecommunications and 30 percent came from electricity companies.

Undoubtedly, this industrious privatization process has led to much foreign investment. From 1992 to 2002, the United States contributed 16.5 percent of the total foreign investment entering Brazil, Spain 14.9 percent, and in a distant third, Portugal with 5.7 percent.

Critical Observations

Similarities between California and Brazil make us natural trading partners.

By reviewing California's and Brazil's shared attributes, one can establish a stronger basis for the strengthening of a California-Brazil partnership. To begin, California has the largest population of any state in the United States, and Brazil has the largest population in Latin America. Large populations allow for large consumer markets and a stable workforce. In the case of California and Brazil, the people, like the land, are distinct and contrasting, yet at the same time, mesh together to form one entity. Like the population, the economies of these political entities are also diverse. Agriculture, tourism, and technology are all components of these great multifaceted economies. Such diversity in the people, land, and economies make California and Brazil incredibly similar and also unique.

Sharing unique and diverse characteristics, California and Brazil have analogous histories which have led both of us to experience similar opportunities and challenges.

Although present day similarities make California and Brazil promising partners, their histories foster an understanding of the past and recognition of their future opportunities. An analogy can be drawn between the circumstances of California and Brazil in the past and present global political economy. Over the past half-century, Brazil has experienced a sustained period of growth and infrastructure building, followed by a period of sustained stagnation. Emerging from this stagnation is another period of growth. A number of Latin American nations have gone through similar growth and stagnation cycles. However, Brazil's experience is unique. As the most diversified, innovative, and robust economy in the region, with the largest population and the largest business community in Latin America, Brazil stands apart from fellow South American countries. Such unique qualities of a developing country make Brazil a leader among its peers and competitors.

Similarly, California underwent a period of sustained growth and infrastructure building just after World War II only to experience some subsequent periods of stagnation. Recently, especially during the "dot.com" boom, California ventured into a phase of renewed growth. California is not the only state that has pronounced boom-bust cycles, but it too is a unique case.

The most diversified, innovative and dynamic among the 50 states of the union, California's economy ranks fifth in the world. The Golden State's uniquely large and culturally diverse populations of residents and businesses are the roots of California's comparative advantages. As a successful economy, California strives to maintain its leadership role in the global markets.

California and Brazil have opportunities for finding alternatives to the dependency on oil.

California can serve its own interests and help Brazil reach its potential through joint ventures in alternative energy development. Advancing technology in Flexible Fuel Vehicles may be one way to reach this potential. Flexible Fuel Vehicles (FFVs) are vehicles with engines that operate using combinations of gasoline, ethanol, and methanol. Ethanol and methanol are renewable, clean burning fuels created from grain and sugar. Improvements on FFVs would aim at making these fuels more efficient, affordable, and available while simultaneously creating new skilled and unskilled jobs.

Private enterprises in California could form joint ventures with Brazil in order to advance Flexible Fuel Vehicle (FFV) technology. According to a survey conducted by the Public Policy Institute of California on the environment in 2004, air pollution is the number one concern of citizens in the state.¹⁸ Combustion engine vehicles are a major producer of air pollution, more specifically, excessive greenhouse gases. There may be market potential for FFVs in California since they produce significantly less "greenhouse" gases. By using cleaner and renewable fuels in vehicles, Californians can undoubtedly reduce air pollution and dependence on a dwindling supply of fossil fuels.

By forming a joint venture in FFV with Brazil, the challenges of this new fuel can be overcome. Brazil's advancements in FFV technology make it a potential partner for such a venture. More than 60 percent of the world's supply of ethanol is estimated to be from sugar cane. Brazil, the leading producer of sugar cane in the world, recognizes the power of this renewable fuel source. By 2007, bi-fuel engines that run on gasoline and alcohol will power an estimated 70 percent of vehicles in Brazil.¹⁹

Californians might follow the example set by Brazilian companies who are working toward a sustainable future in ethanol and methanol. Hazel Henderson, futurist, evolutionary economist, and author contends that the Brazilian companies "will take advantage of the more efficient, cleaner, greener technologies and investments that will provide Brazilians jobs and prosperity over the next 20 years."²⁰ Ultimately, California and Brazil recognize their positions in the global community, and through their research in FFV technology, other countries will follow in their footsteps towards a prosperous and environmentally sustainable future.

California's and Brazil's unique economies and positions make them perfect leaders in the challenge of bridging the gap between the Global North and the Global South.

The "Global North" consists of the developed nations of the world – broadly this category includes the United States, Europe, and Japan. The "Global South" consists of the developing nations of the world – this category includes most of Asia, Oceania, Africa, and Latin America. Brazil occupies a unique position as an economic powerhouse in the midst of the Global South. Consequently, Brazil has begun to emerge as a leader in the nations of the Global South and is attempting to carve out its own path on the worldwide stage.

California's and Brazil's interactions offer a basis for more cooperation in the Western Hemisphere. California and Brazil could act as the two anchors for promoting stronger company-to-company and community-to-community links between the Global North and Global South. The public and private sectors, through a California-Brazil partnership, can provide an example for more robust trade, investment, and joint ventures.

Designation of an individual in the Executive branch who represents our State's interests in international affairs and who serves as a focal point for foreign interests could enhance the development of more Brazil-California trade and investment.

At the time of the construction of the California Constitution, no one imagined that the state would emerge as a critical actor in world trade and international affairs. Few anticipated that major countries would find California to be so important that they would dispatch envoys not only to Washington D.C., but to our state as well. As California has grown, the attraction of the state has not been limited to foreign governments. California has become the temporary home for thousands of foreign nationals representing overseas businesses, foreign business associations, foreign marketing arms, and foreign media outlets.

Various branches of government and state agencies have articulated important reasons for dealing with international matters. For example, the well-being of California farmers depends on state involvement in export markets and federal trade policy. The University of California's reputation as a world-class institution of learning and research depends on having a competitive presence in foreign countries. In addition, the state has a strong interest in promoting the export of environmental technology because pollution knows no bounds. Both the Executive and Legislative branches have an important interest in understanding how international factors affect state policy concerns, and how state policies may impact neighboring countries.

The above factors provide a basis for the state to develop a clear, comprehensive policy governing California's involvement in international activities. How do the Executive and Legislative branches focus on the state's role in the global economy? How do they plan strategic governmental policies and expenditures appropriate to further the state's interest?

California needs to designate an officer in the Executive branch who will be the primary representative of the state's interest in international affairs and a focal point for foreign trade and investment. Courtesy, cultural understanding, consistency, long-term stability and important non-monetary relations are all pillars of economic success in the international arena. This officer could coordinate all foreign relation activities so as to reflect California's leadership role in the global economy.

CULTURE

Strategic Recommendations

6. Stage an exhibit in the California State Capitol Building depicting the culture and people of Brazil
7. Invite prominent Brazilian writers, artists, city planners and architects to develop projects in California and to present their works in California venues
8. Develop programs in cooperation with Brazil's federal and state governments that provide opportunities for California artists, architects, and writers to present their works in Brazil
9. Create an exchange program between youth soccer teams
10. Convene a forum for the exchange of ideas between the cinema industries in each country

Background

Culture in Brazil, as in California, derives a special richness from the vast and diverse origins of Brazilians themselves. Portugal colonized Brazil and its native peoples in the 16th Century, bringing Africans as slaves to work in the sugar cane industry. For the past two centuries, settlers have arrived from many nations, especially Portugal, Italy, Spain, and Japan. This amalgam of people has resulted in a diversity of cultural expressions – many of which at the same time are unmistakably Brazilian.

Soccer is a national passion for Brazilians of all ages. This sport's popularity stems in part from the remarkable success of teams representing Brazil in global contests. Brazil has won five World Cups, most recently in 2002. In the U.S., too, soccer has grown rapidly in popularity. As in Brazil, success in global competition – the 1996 and 2004 gold medals won by the U.S. in women's soccer – has fueled interest at all levels. Nowhere is this popularity stronger than in the Golden State where an estimated two million K-12 students participate in organized soccer annually.

Both Brazil and California are globally renowned for creativity in the performing arts. Brazil's musicians have in the past century created distinctive musical forms – such as chorinho, samba, and bossa nova – whose sensual beauty is unparalleled. California, too, has been a hotbed of musical creation (for example, West Coast “cool” jazz in the 1950s and many currents in the rock-n-roll revolution of the 1960s and 1970s). Cinema constitutes California's indisputable claim to fame – Hollywood for certain, but many innovations in independent film-making as well. Brazil's film industry has recently come into the international spotlight thanks to a flurry of exceptional movies, including “City of God” and “The Motorcycle Diaries.”

Capoeira, a blend of martial arts, dance, and self-defense, combines many circular moves and motions and acrobatics with percussion and song. The speed and intensity of the participants' movements corresponds to the pace of the accompanying music. Capoeira has its roots in an African courtship dance, in which men would engage in a mock fight for the right to marry. It was outlawed in Brazil until 1890, two years after the official abolition of slavery. Today, capoeira is practiced throughout the Americas and in Europe and Asia. It has become especially popular in California.

Critical Observations

There is an opportunity to use the common interest in soccer in Brazil and California as a means of increasing international awareness and understanding among young people.

Renowned soccer stars in both locations, such as Rai de Oliveira, Pele, and Brandi Chastain (from San Jose, CA) and other members of the U.S. Women's Soccer Team, can make great ambassadors both for their sport and for their notable charitable activities.

Both Brazil and California have sophisticated audiences and many venues for the presentation and appreciation of the performing arts.

However, California might look to Brazil for ideas about varied ways to present cultural events, especially using public-private partnerships. Exchanges of musicians and other performing artists (including practitioners of capoeira) will broaden musical horizons for participants and listeners alike.

Brazil offers a new visual and cultural frontier for California film-makers.

By the same token, Brazilian cinematographers and movie-makers can learn from exposure to (and training in) the evolving institutional framework of the California film industry, including the film studies departments at California universities.

California and Brazil could collaborate to enhance film distribution in both locations, which could potentially influence further expressions in cinema by Brazilian artists and provide more exposure for California-based productions.

There are only around 1,700 movie screens in Brazil and only seven percent of Brazilian cities even have a movie theater. This is in sharp contrast to California, where movie theaters are ubiquitous. Seemingly, this observation is an opportunity for California and Brazil to work together in order to invest in the construction of more movie theaters in Brazil and the distribution of Brazilian films throughout California.

EDUCATION

Strategic Recommendations

11. Create a California-Brazil Student Exchange Program based on the successful California-Japan Scholars Program
12. Establish a California-Brazil K-12 Teacher and Administrator Exchange Program
13. Encourage more Internet utilization for professional training between California and Brazil teachers in K-12
14. Create an exchange program for faculty and students in Californian and Brazilian institutions of public higher education, a program that includes joint research projects, exchanges of graduate and undergraduate students, and visiting-faculty arrangements
15. Convene one or more policy-oriented conferences, involving legislators, academics, representatives of community-based organizations, and business leaders, to explore critical common issues such as educational access, innovation, and funding. Explore the creation of a non-profit foundation to sponsor these events

Background

California and Brazil have remarkable parallels between their educational systems. Both systems are predominately public but include numerous private institutions. In addition, both face challenges of educational participation and attainment, especially in impoverished and less-wealthy areas and regions. A skilled, educated labor force is fundamentally important both in California and Brazil; consequently, explicit public commitments to education have been made in both locales.

In California, the state constitution mandates minimal spending levels for K-12 schools and community colleges. Fees for post-secondary coursework are relatively low, especially for community-college classes. California's state government has embodied the state's commitment in a legislatively-approved California Master Plan for Education (September 2002). This Master Plan focuses on four goals: (1) insuring the access of all Californians to quality education; (2) student achievement – encompassing minimal levels of competence, on the one hand, and the attainment of global levels of excellence, on the other; (3) the accountability of schools at all levels for learner outcomes; and, (4) affordability together with excellence.²¹ Meeting these lofty goals means taking on a variety of problems, especially adequate compensation for faculty and staff, the availability of appropriate facilities and educational materials in all schools, and the training of well-prepared teachers.

In Brazil, the constitution requires that at least 25 percent of state and local tax revenues be used for education expenditures. Public education is free at all levels, including undergraduate and graduate study. Equitable access to quality education is a concern in Brazil, as in California. Each Brazilian state contains at least one federal university, and competition for places in university programs occurs through an entrance exam called the vestibular. Despite substantial progress in recent years, less than 40 percent of the high-school-aged population is

enrolled in school.²² Many schools are plagued by poor working conditions and lack of resources; retaining a sufficient number of qualified teachers is problematic, due to low academic salaries. Safety in schools is a concern, as in California. Continuing experiments are underway with a variety of approaches to ensuring that all segments of society have access to the excellent system of post-secondary public institutions.

Critical Observations

Both California and Brazil face shortages of skilled and educated labor due to gaps in students' educational attainment in the K-12 levels. The capacity and resources of public schools are at the center of these systemic crises in both cases.

California's continued economic growth requires a workforce with appropriate skills and credentials. The information technology (IT) industry found a global home in California because of the cohorts of IT professionals trained in the state's public and private schools and universities. The IT boom was sustained for years because of the capacity of California's educational system to retrain displaced workers, to create innovative new technology and scientific programs, and to build bridges to its dynamic industrial sectors. The same challenge beckons now in the emerging areas of biotechnology and nanotechnology. Taking full advantage of the funds provided under the voter-approved stem-cell research initiative will require a resilient, adaptive, and adequately funded, educational system. Brazil faces the same types of issues; its emerging high-technology and agribusiness sectors, among others, require appropriately trained graduates at all levels.

One shared challenge is to make the teaching profession a more desirable long-term career option for outstanding college graduates.

The state government of California and the federal and state governments of Brazil face ongoing fiscal challenges. Chronic budget shortfalls have forced deferrals in teacher and staff salary increases in Brazil's public schools and universities. Low pay is the central reason for the shortage of skilled teachers. For example, in California, because the price of living in the Bay Area is so high, young teachers, fresh out of college, may be discouraged by the inadequacies of an educational salary. Similarly, in Brazil, low pay discourages well-qualified teachers who can use their skills in other, higher paying jobs. Thus, attracting teachers to both Californian and Brazilian educational systems will rely on developing workable financial incentives.

Both California and Brazil face particular challenges of improving the educational capacity of schools serving impoverished areas in cities and in rural areas. Another common challenge for both systems is to successfully incorporate new entrants--migrant and immigrant students.

A fundamental need for schools to ensure the achievement of students is an environment which fosters learning and success. Books and teaching materials are necessary for any student's education. These materials are not in plentiful supply, and they are especially scarce in schools of impoverished areas. Students have a right to adequate books, which facilitate their learning, and teachers should not have to use their own income as a supplement to paying for their

teaching supplies. In Brazil, many of the students in lower-income areas are members of migrant families that have come from rural areas or less prosperous regions. These students often have special needs and heavy family responsibilities. Schools need extra capacity to handle these students. Similarly, California's schools have a large number of students whose families have migrated to the state from elsewhere in the United States or from other countries.

Creating exchanges between Brazilian and Californian scholars, researchers, and universities can be facilitated by utilizing existing programs and learning from relevant parallel experiences.

The most prominent U.S. program for international scholarly exchange is the Fulbright Scholar Program of the Council for International Exchange of Scholars. California itself created the University of California (UC) Pacific Rim Research Program, which since 1986 has undertaken research and scholarly exchanges by UC faculty and students with those in Pacific Rim nations. The UC-MEXUS Program links UC researchers and students with collaborators in Mexico. These programs provide blueprints for exchange programs targeting specific regions. Both the UC system and the California State University (CSU) system have existing exchange programs with Brazilian universities (especially Catholic University (PUC) in Rio de Janeiro) – UC through its Education Abroad Program, and CSU through San Jose State University.

Brazil, for its part, has many institutional options for conducting exchanges with other nations and states, including California. CAPES (Coordenação de Aperfeiçoamento de Pessoal de Nível Superior) is responsible for evaluating graduate programs in all fields of knowledge, and for administering scholarships and arrangements for international cooperation.²³ CNPq (Conselho Nacional de Desenvolvimento Científico e Tecnológico), in turn, supports scholarships for undergraduates (in scientific research) and graduate students and faculty (in all areas of research, in Brazil and abroad).²⁴ There are other Brazilian programs at the state level, and also involving non-governmental organizations (NGOs) in various areas of specialization.

ENVIRONMENT

Strategic Recommendations

16. Implement a professional exchange between urban and transportation planners in Paraná and California local governments
17. Create an exchange program that explores the conservation and sustainability of natural resources based on the experiences of both California and Brazil
18. Promote and learn from Brazil's experiences with renewable energy

Background

About the size of the continental United States, Brazil covers a wide spectrum of environments ranging from the tropical rain forests of the Amazon to the temperate forests in the southeast. Characterized by its biological diversity, Brazil's environments encompass various ecosystems and animals so unique that they can be found nowhere else on the planet. In addition, these ecosystems provide for many natural resources, which range from hydroelectricity to rare plants that have the potential of saving human lives. Similar to Brazil, diverse ecosystems and beautiful forests characterize California. There is an extensive range of ecosystems from the Pacific Coast to the forests of the Sierra Nevada.

Great challenges, however, follow in the midst of California's and Brazil's inherent characteristics. On the one hand, Californians and Brazilians have the ability to utilize their various natural resources as a means to gain economic prosperity. Yet, on the other hand, the preservation of a sustainable environment is a popular goal. To be global entrepreneurs or to be environmental stewards – Californians and Brazilians have a great challenge of weaving these two threads together in such a way that the economy can be developed and the environment can be preserved.

A Nation of Environmental Diversity

Although Brazil has a wide spectrum of environments, the tropical rainforests of the Amazon are the most recognized. The Amazon is approximately half the size of the entire United States, and two-thirds of the Amazon is located in Brazil. Tropical rainforests, in general, cover only seven percent of the earth's surface, and of this seven percent, one can find half the total number of species on the planet. Brazil's ecosystems contain more than ten percent of the 1.4 million live species so far known to man. This figure does not include the continual discovery of new species in the Amazon. In Amazônia alone, there are 55,000 species of plants, 428 mammals, 1,622 birds, 467 reptiles, and 516 amphibians.^{25 26}

Issues and Challenges

Urban Infrastructure

Brazil, like California, has experienced phenomenal growth in recent decades. For example, the city of Altamira in Pará has experienced growth of 1103 percent in the last 23 years.²⁷ The shortage of sanitary services, housing and basic services is a direct impact of the massive population increase in the urban environment. This increases vulnerability to natural accidents and disasters. According to the National Front of Mayors, the most difficult problems in Brazil's cities are linked to irregular land occupation, alarming levels of violence and inadequate funding for urban infrastructure.²⁸ Brazil is providing leadership to assist in the creation of mechanisms to assist in addressing the needs of the growing population in the urban areas. Brazil recently launched a Good Urban Governance campaign that includes the cooperation of participants in the public sector, private business and representatives of the urban communities. California and Brazil must address the needs of the growing cities and through collaborative efforts both could benefit from a partnership focusing on the difficulties facing the urban environment.

Urban Sprawl

With the increase in specialized industrial factories and a boom in agriculture, some Brazilians are leaving the large densely urbanized areas, with high unemployment rates, to live in smaller medium-sized towns and cities. Brazil's six largest cities have an average unemployment rate of 11.2 percent. The sparsely populated interior of Brazil has been generating jobs faster than the metropolitan cities. Consequently, these small towns have drawn Brazilians away from large cities such as São Paulo and Rio de Janeiro to smaller cities such as Birigui, a city with almost no unemployment.²⁹

As Brazilians continue to migrate out of the large metropolitan cities, the smaller cities of Brazil's interior will need to adjust to the growing population. Whether Brazilians arrive to these interior cities through a steady pace or large surges, the respective governments will need to plan their developing cities in such a way as to avoid an urban sprawl. California faces a similar challenge with the growth of cities in the Central Valley.

Energy

Energy use can often be a source of "greenhouse" gas emissions, gases that contribute to global warming. Brazil has comparatively low and projected "greenhouse" gas emission from energy use. This low emission comes from a diverse energy matrix. Boasting of an energy mix composed of renewable and nonrenewable sources, Brazil relies heavily on renewable energy sources including biomass fuels, solar energy, wind, and small and large-scale hydropower plants. "About 38 percent of Brazil's energy comes from fossil fuel sources, 33 percent from hydropower, and 23 percent from biomass (sugar/ethanol production, charcoal, and other industrial processes). The U.S. emits almost 66 percent more carbon dioxide per unit of energy supplied, and U.S. total emissions are more than 13 times greater than Brazil."³⁰

Critical Observations

California and Brazil have the opportunity to encourage the preservation of their natural environments and the development of sustainable conservation practices regarding water and agriculture.

Distinguished by their diverse ecosystems, California and Brazil must recognize their unique role as stewards for protecting the integrity of their environments. California, specifically, must face the challenges of reducing pollution in the expansive coastal shores, rivers, and lakes. In addition, conservation of freshwater is a top priority for Californians. With California's knowledge of agriculture, the state could exchange water conservation practices with Brazil's continually growing agricultural sector. While California farmers are heavily engaged in developing water conservation practices, a joint exchange program could allow both California and Brazil to develop sustainable practices of water use.

California and Brazil can practice smart growth principles to maximize the utility of space and resources.

With growing populations, California and Brazil must maximize land use, infrastructure development, and energy resources. Smart growth principles promote the convergence of public policies in housing, infrastructure, transportation, jobs, and education. In addition, smart growth has both long-term and short-term policies aimed at creating a sustainable environment and proactively preventing or mitigating problems. The absence of smart growth in these areas often leads to suburban sprawl. Suburban sprawl is the rapid growth of less dense residential communities outside major cities. This can cause problems such as congestion on roads and highways, rising expenditures in the construction of infrastructure to far outlying areas, and a great loss of agricultural land.

Smart growth advocates aim to maximize space and development by collaborating with a wide spectrum of groups, from representatives of business organizations to representatives of schools. The Smart Growth Network and International City/County Management Association (ICMA) released *Getting Smart Growth II: 100 More Policies for Implementation*³¹ and in this document, they laid out ten principles of Smart Growth:

1. Mixed land use
2. Take advantage of compact building design
3. Create a range of housing opportunities and choices
4. Create walkable communities
5. Foster distinctive attractive communities with a strong sense of place
6. Preserve open space, farmland, natural beauty, and critical environmental areas
7. Strengthen and direct development toward existing communities
8. Provide a variety of transportation choices
9. Make development decisions predictable, fair, and cost-effective
10. Encourage community stakeholder collaboration in development decisions

Ultimately, smart growth mixes the creation and expansion of work places, housing, and educational facilities in a well-planned and well-developed environment. When further

development is needed, smart growth plans ahead in order to decrease the need for new infrastructure and the amount of potential energy consumption.

The city of Curitiba, in our sister state of Paraná, offers an urban development model for California planners.

The city of Curitiba, Paraná has created a model that integrates transportation into business, community, and infrastructure development. In 1965, the city of Curitiba created a Master Plan which described the goals on how to attain a sustainable and healthy city. Limited central growth is a main goal on the Master Plan. Instead of having a highly dense centralized downtown, the city created five main transportation arteries which allow business and commercial service sectors to grow. These arteries radiate out of the center much like the spokes on a wheel.

Another main goal of the Master Plan was to ensure that mobility and land use were closely examined in the development of the city. At first, the five arteries of Curitiba served as means by which to develop the city in a sustainable manner, but city planners recognized that by shifting the focus of these arteries to be the major routes for public transportation, they were engaging in smart urban growth. This shift to public transportation led to the creation of an ingenious public transportation system. In this system, each artery has one two-way lane exclusively for busses. Flanking this inner lane are other lanes for both buses and cars. In addition, different types of buses were created for: express arteries, main streets, and inter-district buses for sectors lying between the arteries. By separating traffic by type of transport, the city aimed at creating an infrastructure that is safe and a public transportation system that is reliable.³²

Much of the design and the implementation of this Master Plan was under the leadership of Jaime Lerner who was both Mayor of Curitiba (three times between 1971 and 1992) and Governor of Paraná (1994-2002). Lerner, an internationally renowned architect, now directs the Jaime Lerner Institute, an urban-planning think tank that, among other mandates, brings together mayors of cities of similar sizes to work on solving common problems. His visionary thinking, as demonstrated by comments such as: “The city is not a problem, rather it contains a solution for everything” and “The best security for urban citizens is based in respect for each other”³³ could be the basis for smart planning for urban growth in California’s cities. Our state would be well served by bringing him to consult, advise and motivate city officials in all parts of California.

California and Brazil should encourage the creation of regional collaboration for all facets of development.

For both California and Brazil, the problems of one city may be the problems of another city – the globalization of our national communities is followed closely by the globalization of our local challenges. One city may be a prime example for smart growth, but it might suffer from poorly planned neighboring cities. Regional collaboration can result in smart growth and development between multiple cities and communities. Through the collaboration of many cities working towards a sustainable environment, neighboring cities can address important regional issues collectively.

In California over the past ten years, a “civic entrepreneurship” movement has sprung up around regional collaboratives. These consortia of local government, business, education and community leaders work together to support, facilitate, and promote innovative regional solutions for our major economic, environmental, and societal challenges, to help achieve a more sustainable California. They are coordinated and supported by the California Center for Regional Leadership, a statewide nonprofit organization established to encourage and enable effective regional strategies by local and state government.³⁴ These 21 regional organizations may provide a model for similar activities in Brazil.

SOCIAL PROGRAMS

Strategic Recommendations

19. Urge and develop incentives for businesses in California and Brazil to observe socially responsible business and investment practices
20. Create a resource guide to inform Californians and California businesses about opportunities to participate in not-for-profit, faith-based, and corporate social programs in Brazil

Background

From the time of the colonization of Brazil until late in the 20th Century, the relationship of the government to society in Brazil has generally been patriarchal. However, a transition is occurring. Beginning with the democratization of Brazil in 1986, continuing with the impeachment of President Collor in December of 1992, and culminating in a populist President Lula taking office in 2003, Brazilians are realizing an increased sense of representation in their government.

With a sense of empowerment, Brazilians are moving away from looking to the federal government as the primary entity to address social conditions. Using federal assistance as a supplement to current programs, many people feel Brazil is on the right path with the growing participation of the private sector, local government, and NGOs and faith-based organizations in projects addressing challenges of literacy, poverty, health, hunger and human rights.

Critical Observations

State governments have played a special role in attacking the sources of poverty via unique, state-led initiatives, both in Brazil and in the U.S.

Brazil's experience with the flexibility and localization of social-programs can be applicable to California and offer innovative designs. For example, the state government of Rio de Janeiro pioneered a state microfinance program in 1997 that became a very effective poverty-reduction tool in subsequent years. In the state of Bahia, there is a Secretary of Combating Poverty and Social Inequality who coordinates several innovative programs such as rural enterprise development in recycling, floraculture, organic farming, and water distribution systems, as well as assistance in capacity-building for local non-government organizations.

These examples show success in matching available resources to localized needs, leveraging resources when this has been feasible. This experience teaches that different things work in different places. It makes sense to permit local solutions to emerge for local problems, rather than attempting blanket programs that ignore local idiosyncrasies.

Brazil's unique history of public-private partnerships for addressing social needs—government, the private sector, and non-governmental and faith-based organizations--may provide a model for California.

Non-government organizations (NGOs), socially-responsible corporations and faith-based organizations provide a vibrant center to Brazil's non-public structure for dealing with social challenges. On the Senate Delegation trip in April 2004, we learned of examples of each that offer unique approaches that may be replicable in California:

- Brazil Foundation, Rio de Janeiro

The Brazil Foundation is an organization that works to develop strategies that address inequities in citizenship, education, health, culture, and human rights issues in Brazil. It accepts and funds proposals from local organizations throughout Brazil and then sponsors initiatives that are pioneering, strategic, sustainable, and have the potential to be replicated. This year 2,045 proposals were received by the Foundation, “demonstrating the need, but also the vitality of the local entrepreneurship,” according to Leona Forman, President and CEO. The Brazil Foundation's success has been illustrated in the projects implemented in the country and the fact that more and more young people are getting involved in local NGOs, which will potentially create a paradigm shift resulting in further self-determination. <www.brazilfoundation.org>

- Kraft Foods, Curitiba, Paraná

One of many examples of corporate social programs throughout Brazil, Kraft Foods focuses its grant making in three areas: hunger, healthy lifestyles and access to the arts. As a matter of policy, the company prefers to support local organizations that provide direct services to individuals and communities in need. Special emphasis is placed on innovative programs that demonstrate best practices and provide measurable results, as well as organizations that show a concern for diversity and are dedicated to serving the needs of minorities, women or people with disabilities.

At its Curitiba location, which the Senate Delegation visited in April 2004, the local “Kraft Cares” effort provides incentives for employee volunteers to become involved in community organizations that provide aid to the poor and child care education.

<www.kraft.com/profile/cares.html>

- Projeto Axé, Salvador, Bahia

Established in 1990, in the city of Salvador, Bahia, by the educator and attorney Cesare de Florio La Rocca, the Axé Project is a non-governmental organization with a mission to ensure basic human rights, particularly those of children and adolescents. Axé³⁵ initially intended to provide education for children making a living in the streets of Salvador, in addition to fighting for their rights. It has since extended its activities to involve the families of these children (in order to make possible their reintegration in the family sphere), children at social risk (but not yet living on the streets), and other organizations, so that experiences are shared.

Three main areas of action include:

1) "Street Education," which emphasizes the establishment of a relationship with the children in order to form a bond between them and the street educator. This bond gives children the opportunity to speak and be acknowledged as deserving of attention and trust. Through this process, street educators introduce concepts such as civil rights, duties, and citizenship. Practical actions such as the issuing of personal documents, referral to health care, etc., help insert children as members of a community regulated by rules and served by institutions.

2) "Educational Units" can be joined by children who have completed "street education." Along with creative activities, which are tools for their learning and for the building of self-awareness and self-esteem, children and adolescents take part in cultural activities--percussion, dance, circus, ballet, and capoeira. Through engaging in activities that both enhance their creativity and that are governed by rules that each child helps create, children exercise citizenship and learn to respect difference, to abolish privilege, and to trust their potential for changing their own lives.

3) Advocacy efforts with local authorities (both municipal and state governments) help establish a system of professional training to foster the development of adolescents' income-generating activities and to influence public policy.

Axe's methodology is based on nurturing and acting on the children's wishes. Children and adolescents are acknowledged as subjects of an ongoing gradual learning process that incorporates each child's story, culture, potential, and desires.³⁶ <www.projetoaxe.org.br>

- Hope Unlimited, Campinas, São Paulo

Twenty million children live at or below the poverty level in Brazil, and an estimated five to ten million live on the streets. Many youth in Brazil choose a life on the streets as an escape from the poverty of the slums and from abusive family situations. On the streets, they encounter other types of abuses and problems, such as poor health, exposure to HIV/AIDS, malnourishment, child prostitution, substance abuse, and violence.

Most tragic of all, Brazil is the only country in the world that has experienced large-scale, deliberate, systematic killing of Street Children by death squads who enjoy a high degree of impunity for their actions. According to The National Movement of Street Children (MNMMR), an average of four children is murdered each day in Brazil. Brazil's Federal Police Research Department records show that a significant number of the children have been tortured prior to being killed.

Hope Unlimited rescues and cares for children and teenagers living in the streets in situations of imminent risk. They live in rural youth centers far from the devastating influences of their past. They are provided guidance from a caring staff, education, and training in marketable job skills. The goal is for each one to become a fulfilled and contributing member of society, filled with unlimited hope for a brighter tomorrow.

Hope Unlimited's model program, The City of Youth (Cidade dos Meninos), resides on a 35-acre campus in Campinas, São Paulo. The site includes dormitories, classrooms, vocational training facilities, a farm, recreational facilities, offices, and a chapel.

Most of the street youth who come to the program have had little or no formal education. By the time they leave, they will have attained at least an 8th grade level of education and will have received extensive vocational training for a specific job placement. In their last year, young men and women participate in internships in the city, where they earn wages (part of which are put into savings accounts in their names) and learn more about working in the competitive marketplace. Several multinational companies, including United Airlines and 3M have provided internship opportunities for Hope Unlimited youth.

Upon graduation, at around age 18, each student is guaranteed a job. They receive a basic set of household furnishings, and a complete set of tools for the trade they have learned. They go to live in a "half-way" house where graduates can reside for six months. Under limited supervision, they learn various integration skills, such as budgeting, and plug in to a local support system, such as a church community, or service club, such as Rotary's Roteract.

Assemblyman Tim Leslie of the California State Legislature is Chair of the International Board of Advisors for Hope Unlimited. <www.hopeunlimited.org>

GENERAL

Strategic Recommendations

21. Organize a Strategic Action Team of advisors consisting of Californian and Brazilian government officials, private sector and not-for-profit executives, as well as artists, educators and community leaders from both countries, which would plan valuable collaborative activities resulting from the recommendations of this Strategic Action Plan
22. Form more sister city relationships between California and Brazil cities
23. Create a reciprocal internship program between the Legislatures of California and the State of Paraná

Critical Observations

There is an opportunity to establish an entity that can foster the development of stronger mutual relationships between people in California and Brazil.

In order for the recommendations of this strategic action plan to become a reality, California and Brazil can create an entity that will realize the fundamental principles in the recommendations of this Strategic Action Plan. This entity would be a suitable point of departure for future action – an anchor for the exchange of mutual knowledge and the advancement of bilateral ties. Ambassador José Vicente de Sá Pimentel, Consul General of Brazil, Los Angeles, comments on the purpose of such an entity:

In order to properly carry out [the California-Brazil partnership], it would perform four main basic tasks. First, it would collect all relevant data regarding initiatives already in course between Brazil and California in the economic, trade, cultural and educational fields. Secondly, it would promote public and private contacts between Brazil and California. Thirdly, it would publicize cooperation opportunities, and lastly, it would organize specific events.

The forum would establish a permanent database, with full access granted to the public, in selected fields. It would periodically convene Brazilian and Californian personalities, who could contribute to the success of ongoing projects and identify new segments and opportunities for mutually rewarding cooperation.³⁷

This forum between California and Brazil would be the start for fostering the understanding of common issues and the means for implementing programs beneficial to both. It might, in fact, be transformed in the future into a formal non-profit organization, such as a “California-Brazil Institute” that would sponsor many of the activities suggested in this report.

Sister city relationships between California and Brazil have strong value.

Sister city relationships allow for cultural, educational, economical, and social exchanges between cities in different countries. In 1956, President Dwight D. Eisenhower created the People-to-People Program, a sister city program which enabled people from international countries to interact. Stemming from this action, Sister Cities International was established. There are currently more than 800 communities worldwide active in the organization. These member communities are linked through their sister cities with over 2,600 partnerships in 126 countries throughout the world.³⁸

California cities with sister city relationships in Brazil include:

- Los Angeles with Salvador in the state of Bahia
- San Diego with Campinas in the state of Sao Paulo
- Cerritos with Tapetinga in the state of Acre

Sister city agreements offer interaction between public, private, and not-for-profit sectors which otherwise might not exist. They become a bond between specific people, not just a state or a national government, in which the relationship might be aimed directly at solving common complex problems and involve significant numbers of people in each community. By creating more formal sister city relationships with Brazilian cities, California's cities can create friendships and business ties while developing a greater cultural understanding.³⁹

The United States and Brazil have similar forms of federal governments, but at the state level, differences exist. These differences offer an opportunity to form exchanges between state officials and policy experts from both California and Brazilian states.

Both the United States and Brazil are federal republics. While the United States originates from a strong tradition of democracy, Brazil has struggled through numerous dictators in the past century. Today, Brazil, like the United States, has a government characterized by a separation of powers among the executive, legislative, and judicial branches. Although the United States and Brazil share a similar pillar in the foundation of their respective governments, this action plan presents an opportunity to emphasize the study of each other's governments. A powerful economy in the world, California is still one state among the union and cannot engage in foreign relations on its own. Nevertheless, study and observation of each other's governments is essential and informative.

In June 2004, the U.S. Department of State sponsored a trip to Washington D.C. and California for David Campos, the Press Secretary for the state legislature of Paraná, Brazil. During his day-long visit in California, he met with numerous officials and policy experts. By similarly sending our legislators and staff to other countries, perhaps for a longer period of time structured as internships, Californians can exchange experiences and knowledge of a powerful and complex state and economy.

CONCLUSION

California's and Brazil's very unique natures are the basis for their comparison. Leaders in innovation and leaders in action, California and Brazil are the perfect entities to foster a multifaceted partnership for developing social and cultural understanding.

California and Brazil are similar in many respects. However, California is one state among a union of fifty, and Brazil is its own sovereign nation. This very relationship offers exceptional opportunities to stimulate thought and dialogue. Moreover, California recognizes its sister state relationship with Paraná and the benefits both states can gain from public and private sector exchanges. Establishing more sister state relationships with Brazil would be even more advantageous in many regards to both California and Brazil.

Complemented by collaboration with our sister states, thought and dialogue among knowledgeable people in both California and Brazil will lead to action and achievement. The critical observations and recommendations in this proposal open doors to opportunity. Their goal is to prompt further discussion and call attention to the possibility of needed action.

Although these commentaries do not necessarily lead to the execution of specific strategies, they lay the ground work for short term goals and long term aspirations. Focusing on easily achievable goals will be the best beginning point for implementing the strategic recommendations. For example, creating a sister state legislative exchange program would enable Californians and Brazilians to not only gain knowledge of each other's governments but also each other's culture. The partnership program can then quickly expand to other areas of trade, urban planning, education, and social programs, as well as to additional critical areas such as health and public safety not specifically addressed in this proposal.

The Brazilian Consuls General in both Los Angeles and San Francisco have already expressed their interest in creating a strategic action team that would undertake the challenge of coordinating the participation of many experts and professionals from California and Brazil in an effort to realize the aims of this document. The Consuls General in California represent the very essence of what our partnership strives to attain; they have participated actively in the preparation of this document, offering their expertise and resources in anticipation of a stronger California-Brazil partnership.

We are moving into a world without borders – each country's actions affect the political, economic, and social agendas of another. What roles will California and Brazil assume in the world? As leaders, we have the ability to plan and to act. As citizens, we have the knowledge to contribute to the development of the global community. As visionaries, we have the opportunity to make a difference during our lives and for the lives of those to come. Let our abilities, our knowledge, and our opportunities be the very motivation that moves us into action.

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Friend—

You are invited join us as a partner—

- 1) in critiquing and elaborating,
- 2) in promulgating, and
- 3) in adopting an implementing—
this proposed Strategic Agenda—

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