PROMOTIONAL SERVICES FOR AMERICAN EXPORTS: ORIGINS, EVOLUTION, AND MARKETING PROBLEMS OF A GOVERNMENT AGENCY

THOMAS GREER, University of Maryland

The U.S. and Foreign Commercial Service, a government agency, promotes exports through assistance to American companies. An agency with difficult origins, it is evolving slowly and unevenly toward its statutory goals. Organizational relationships, staffing, funding, and focus of services are major problems. This article analyzes the agency's long term development as a marketing service provider and its marketing management problems and also offers constructive criticism and recommendations.

INTRODUCTION

This article examines several significant aspects of the marketing work of an important U.S. government agency, the U.S. and Foreign Commercial Service, i.e., FCS, a unit of the Commerce Department. Its origins, long term development as a marketing service provider, and marketing management problems are considered. This organization's objective is to assist the export efforts of the U.S. economy by providing services to American companies. It works in several areas, such as market research, exhibitions, and trade missions, but the dominant task and intended core competence is advising and informing American business people. Indeed, advising and informing managers is the central function of official trade promotion organizations in all developed nations (Keesing and Singer, 1992). Most research on marketing deals with the private sector, but the present article draws attention to a public sector organization and its marketing role. This article is especially informative and helpful in that there are recurring proposals to reorganize, downsize, or eliminate the Commerce Department but transfer the FCS to the Office of the U.S. Trade Representative (OUSTR) or the State Department, and reduce funding. From time to time there are also suggestions to eliminate federal export support entirely.

The Journal of Marketing Management
Volume 7, Issue 2, pages 70-79

The factors analyzed in this article include organizational relationships, staffing, funding, "multipliers," and focus of services. The article also provides constructive criticism of some of the agency's work and offers several recommendations. The research basis of this article is extensive personal interviewing, observation, participant observation, and detailed analysis of unpublished internal documents of the agency.

Although consistently one of the three largest exporters in the world, the U.S. sends abroad a smaller share of its output than other developed nations and probably exports less than its potential. Taken in conjunction with a large, persistent merchandise trade deficit, this fact has resulted in a government commitment to promote a higher level of exporting. Scholars are showing increasing interest in public sector export promotion (Gill and Brady, 1982; Cavusgil, 1983; Kedia and Chhokar, 1986; Seringhaus, 1986; Seringhaus and Rosson, 1990, 1991; Kotabe and Czinkota, 1992; Naidu and Rao, 1993; Archer and Morici, 1993; Greer, 1994).

Government officials decided in the early 1980s to move the authority for performing most foreign commercial services from the State Department to the Commerce Department. Previously, export assistance had been furnished to U.S. firms at home by the Commerce Department's U.S. Commercial Service, whereas commercial services outside the U.S. had been provided by the State Department's Foreign Commercial Service. In 1982 the two were administratively merged in the hope of producing scalar economies, better coordination and interchange of staff, and effective joint planning of priority setting and workload. The reorganization thus consolidated foreign operations with parallel domestic operations and put them in the Commerce Department. Agricultural promotion was explicitly excluded and put in the Agriculture Department. These organizational changes came in response to the worsening U.S. foreign trade balance and pressure on the dollar. However, they were specifically necessitated as a condition to acceptance by Congress of proposed GATT trade policy changes then under consideration.

The chief executive of the Foreign Commercial Service is called the Director-General. In order to enhance the prestige and recognize the job's importance, in recent years this administrator has had the additional designation of Assistant Secretary of Commerce. This person is appointed by the President and confirmed by the Senate.

Among most of the leadership in both the executive and legislative branches of government it was expected that foreign commercial officers would be much more effective in carrying out commercial duties if they were under the authority of Commerce. However, State opposed this transfer and waged a well organized, lengthy campaign to retain authority. Because State had long dealt with both commercial and diplomatic work, it believed that its people were knowledgeable about U.S. needs abroad and well placed in the total constellation of activities to give service. Although debatable, it is plausible that State sincerely believed its claims.

The prevailing reputation of State for handling matters with or on behalf of U.S. firms was not highly positive, however. Although its personnel were clearly bright and had good general educations, extremely few had significant preparation in business administration and economics. Lacking proficiency in technical matters and even the basic terminology of business managers, accountants, and economists, and deemed to be very weak in mathematics and quantitative methods, these personnel were perceived as substantively naive and unable to communicate well with clients. Moreover, they gave low priority to commercial activities. State was perceived as allocating extremely few resources, whether monetary or human, to commercial pursuits. The reorganization and transfer would unite the commercial function under Commerce but divide the tasks formerly done by State. Moving State's Foreign Commercial Service staff to Commerce meant that many embassies would contain both State and Commerce staff. This fact has contributed fundamentally to coordination problems discussed below.

USFCS FOREIGN POSTS

According to the Trade Act of 1988, the foreign offices of FCS are "established in consultation with the Secretary of State" and placed where there are "significant business opportunities for U.S. exporters." This clause is especially cogent because location of offices has been a major topic of concern since the reorganization. "The Secretary of State shall attach the Commercial Service Officers" in charge of each foreign office "to the diplomatic missions" of the foreign country in which it is located and "shall obtain for [the officers] diplomatic privileges and immunities...." State furnishes space and other necessary administrative and clerical support, for which Commerce gives reimbursement. Professional FCS staff are called commercial service officers and senior commercial service officers. According to the statute, the senior commercial service officers in only eight foreign missions are allowed to have the title of "minister counselor," a traditional, prestigious job designation that is helpful in dealing with host country citizens, firms, and government agencies and other U.S. government units.

FOREIGN SERVICE OFFICER POSITIONS

The earliest official plan, in 1981-82, required the move of commercial officer jobs in U.S. embassies in "major trading partners" to the new FCS. Commerce defined this as 70, but State said that only 20 countries qualified as major. To resolve the dispute the two turned to the Office of Management and Budget, which decided to use the criterion that all jobs classified as "commercial" by State as of a certain past date would be given up. This criterion could not be operationalized, mainly because State's Foreign Service staff had held responsibility for both commercial and economic functions at the embassies for decades. Determining how much time was spent on each type of activity was highly difficult. State also admitted that in many cases its personnel classifications were in error. Many thought that State's admissions of confusion and error were self-serving for this adjustment process.

An agreement was reached that 162 "commercial" Foreign Service positions in 65 nations would go to Commerce, and that it would be responsible for export assistance in these nations. Illogically, some important nations were excluded, such as the People's Republic of China, but some less important, such as Ghana, were included. The agreement called for Commerce to phase in the 162 jobs over a lengthy period of years in order to allow State people to finish duty tours as detailees to Commerce. It is noteworthy that there were over 70 nations in which State maintained offices but none of whose jobs was designated to be given up. Thus State, not FCS, continued to perform commercial functions in about half the world.

FOREIGN SERVICE NATIONAL POSITIONS

"Foreign Service National" (FSN) positions, which are usually underappreciated by Washington top management, were also transferred. These include full and part-time staff who are not U.S. citizens. They are usually citizens of the country in which the FCS post is located. FSNs who spent over 70 percent of their time on commercial work were transferred. This number was 477, but budget difficulties cut it to 445. The reasons for these jobs are that they save the agency considerable compensation cost in most nations, and they furnish cultural linkages between U.S. citizen FCS staff and host country business and government people. In the past a compelling justification for FSNs was that very few commercial officers had any ability in the local language. Such skills remain a problem needing attention, but today about two-thirds know the local language. It is noteworthy that about one-fourth of all overseas posts are staffed solely by FSNs.

OTHER POSITIONS TRANSFERRED

Some headquarters jobs were also moved to Commerce, but the Office of Management and Budget had to mediate as to the number. In 1982 Commerce assigned FCS 17 positions for headquarters, 14 of which were already filled by staff from the defunct Office of International Commercial Representation. OICR had furnished liaison and, on behalf of Commerce, supplied information to State concerning commercial tasks abroad. Working in an advisory capacity only, OICR had never managed or done administrative support for the agency. These people were not well prepared to administer the new FCS and were provided no additional training. They had lived with a miniscule budget but now were responsible for a greatly enlarged budget and a rather cosmopolitan global staff of over 640. Also, detailees were utilized for almost the next two years to supplement FCS headquarters staff. This fact produced more confusion as short-term appointees rejected or significantly revised previous work and sometimes repeated work already done. The small FCS headquarters staff was not well used. Results were two-fold. First, headquarters was unable to provide needed day-to-day support for newly acquired foreign posts, and second, appropriate FCS management systems were not designed in a timely manner.

FILLING POSITIONS

The first recruitment campaign to fill the 162 commercial officer jobs, which produced 1000 applications in 1981-82, tried mainly to attract State employees who were believed to have had enough commercial experience to be effective in the new agency. Among approximately 100 applicants each from State and Commerce, 39 from State and 11 from Commerce were chosen. Using conventional selection tools, all applicants were rated on experience, behavioral characteristics, and commercial, linguistic, and policy skills. There was a lengthy security investigation, with the result that many jobs were vacant for over a year. Moreover, many new appointees did not get appropriate language and other training at the Foreign Service Institute. Both State and Commerce had been faced with the difficult goal of quickly determining the precise number of commercial jobs in foreign posts and finding ways of moving the work and jobs. Yet one must wonder why such an important fact as how people spent their time had not been established earlier as a standard part of managing any entity. The hiring process by itself overwhelmed FCS headquarters in its first six years of operation under Commerce. In addition, Commerce did not give the FCS enough support. Insufficient initial planning time, inadequate benchmarking, and Commerce's failure to establish necessary administrative controls resulted in confusion and poor management.

An increasing fraction of recruits came from the private sector and had significant business experience, a trend that was philosophically in keeping with the views of the Reagan and Bush administrations then in power. The average private sector experience of foreign commercial officers today is three years, which distinguishes FCS from nearly all other government agencies. Very few federal employees have significant business experience.

ALLOCATION OF OVERSEAS STAFF

FCS started a systematic inquiry into staffing levels of commercial officers and FSNs overseas. Practices concerning staff size and mix had been passed down from State and were based on priorities appropriate to providing diplomats with economic and econopolitical data as well as to performing commercial tasks. Assuming a fixed number, too many posts were in mature markets of Europe and too few in developing nations, especially East Asia. For example, the German market, already one of the best understood and most accessible, had a large staff. Many commercial officers were in capital cities because that was where embassies were located, even if the nation had other highly important business centers. For example, there was a large staff in Paris but none in Lyon, France's second most important city.

A computer model was used to create a ranking of country market potential for U.S. exports and it in turn was used as a basis for allocating positions. Objective factors used in the model were current GNP, the import market for manufactured goods, domestic consumption, and projected growth rate. In addition, quasisubjective factors, such as economic, social, and political conditions, nature of competition, market access barriers, trade policy issues, and difficulty of carrying out day-to-day work, were used. The relevance of the factors in the model was often in dispute.

An internal document dealing with the proposed reallocation argued that the "numerous discrepancies and misallocation of resources" necessitated redeployment of staff to the "more dynamic" U.S. export markets and designated the current and proposed staffing levels by nation. Staff was to be added to the Africa/Mid-East and Far East/Pacific regions, but posts in Ghana and Zaire were to be closed. Commercial officers were to be replaced with retired U.S. business people from the International Executive Service Corps and FSNs in Honduras, Bolivia, Portugal, and several other nations. Redeployment was a complex process. Each position change had to be approved by the Commerce Department regional office, State Department regional bureau, and overseas mission involved. Moreover, FCS had to work through the MODE [Monitoring Overseas Direct Employment] system, which reported to the State Department Under-Secretary for Management. Streamlined MODE procedures provided that MODE disputes were to be referred to the Secretary of State. Finally, each ambassador could object. For example, the ambassador in Tokyo declined to accept two new commercial officer jobs even after the transfer had been approved by Commerce and State. State also complained that when a position was removed, the remaining economic staff had to perform commercial tasks recently done by the missing staff member, a questionable allegation.

The complex reallocation shifted the jobs of 24 commercial officers and 34 FSNs among 45 countries. The revised staffing reflected a pattern more similar to the overseas staffing pattern utilized by other major developed countries. This complex set of changes marked the beginning of an almost continuous process of evaluation and redeployment. FCS acknowledged that review on an annual basis was vital in order to stay in line with changing service needs and circumstances. There are 135 foreign posts in 70 nations. However, there has been no agreement as to whether State should permanently perform commercial tasks in countries in which FCS has no personnel. What is desirable is a policy based on needs and objective data, not on political expediency, recurring budget crises, and the avoidance of antagonizing State.

COMMERCIAL AND ECONOMIC STAFFS AT OVERSEAS POSTS

Thus personnel at overseas posts who had carried out both economic and commercial activities were divided into two groups: those who remained State employees for economic tasks and those who were part of the new FCS for commercial tasks. During the first decade of FCS's operation, there was much confusion among post employees concerning the relationship between State and FCS activities and lines of authority. It was worsened by slow response by FCS headquarters to posts' requests and inquiries. Foreign offices sometimes waited a year for an answer.

A memorandum-of-understanding between State and Commerce provided that the senior commercial officer in the nation would report directly to the ambassador or deputy chief of mission and have membership on the "country team," the embassy's management group. A codicil to the memorandum was added shortly afterward, however, stating that the ambassador had authority to make the most effective use of available personnel. This meant that either the senior commercial or senior economic officer or both could be assigned to coordinate functions and programs within the post's economic and commercial areas. FCS personnel filed large numbers of complaints and grievances concerning non-compliance with the memorandum.

In addition, in many cases the distinction between coordinating authority and direct management over commercial activities by economic staff was fuzzy. The economic counselor sometimes exercised control over FCS staff. Many clients and other outsiders who dealt with the posts perceived that in the typical embassy the lines of authority flowed from the ambassador through the Economic Section to FCS staff. There were also many reports that FCS staff continued to perform economic tasks years after the reorganization. Incomplete independence from the Economic Section meant that sometimes FCS staff could not respond adequately to companies' questions or take the initiative to identify sales opportunities.

For several years State employees were detailed to their FCS jobs while Commerce was recruiting permanent employees. This meant that State employees could be assigned to their jobs as FCS staff until the end of their tours of duty, yet know that they had not been selected to fill the jobs on a permanent basis. The result was split loyalty to State and FCS and problems of morale.

The essence of the work of the economic and commercial people differed. Economic functions were broad and included all economic matters affecting U.S. relations with a nation, including trade and economic policy analysis and macroeconomic reporting, but the commercial function was pursuit of trade opportunities. FCS's goal was to seek opportunities and take the initiative in exporting. The work of the two staffs now had to be coordinated. Commercial staff needed trade policy and other information from economic staff, but the flow of information and paperwork tended to be sluggish. Frequently FCS staff did not receive necessary information. Economic and commercial staffs had the same government and business contacts in most host nations. Many overseas personnel were doubtful that the two sets of activities could be coordinated.

All of the above facts resulted in commercial operations in overseas locations not improving for a lengthy period following the reorganization. FCS was also slow to gain the enhanced status envisioned in the reorganization. In more recent times it appears that commercial operations have improved, but slowly. Today State officials claim that most overseas posts enjoy good relationships between (State) Economic Section chiefs and FCS personnel. There is still a coordination problem, especially at larger posts, as personnel attempt to decide who is responsible for determining duties to be performed by FCS staff. On the other hand, the author has carefully observed relationships between State and FCS people at many overseas posts and found that frequently they establish a productive modus vivendi amidst the many problems and develop mutual respect. Occasionally they express disapproval of what they regard as pettiness and traditional bureaucratic thinking in some superiors. Oftentimes they do not inform superiors of the ways in which they accommodate to each other and each other's work goals.

FINANCING AND RELATIVE AGENCY SIZE

Financial support for FCS has been a continuing problem. It is noteworthy that federal allocations for foreign promotion of U.S. agricultural commodities by the Agriculture Department are larger than the budget of FCS. One has to wonder if the reason is effective lobbying by agricultural marketers and farmers' organizations. The FCS budget has risen barely enough since the mid-1980s to keep up with inflation. In addition, over the long term the value of the dollar against currencies of several key trading partners, such as Japan, Germany, Switzerland, and France, has declined. This fact has made it difficult to get and retain high quality FSNs in such places. Although not unique to FCS, it is clear that FCS suffers from a budget, including a manpower table, that has never been built logically from the ground up. The budget and staff size are merely a spinoff, made worse by the fact that this action was highly politicized. Rational calculation of need, based on clear service goals, should be the basis for requested and actual budgets.

In allocation of personnel lines and budget a prominent issue is whether to favor very large markets per se, such as Germany, Italy, Britain, France, and Japan, or to favor markets that are behaviorally, structurally, technically, or legally difficult with which to do business. Under either rationale, the Japanese market shows up as probably deserving a larger FCS staff.

Comparative data are extraordinarily scarce. The U.S. General Accounting Office (GAO) in late 1992 gathered and brought together comparative statistics on manpower aspects of five governments' overseas promotion. These data, the latest collected, appear in Table 1. The size of overseas commercial staff, including foreign nationals, was 615 for the U.S., while in other leading countries it was as follows: France 1,230; Germany 960; Italy 750; and Britain 1,484. U.S. government representation appears to be comparatively small. If one relates size of overseas staff to export size, one sees that Britain had five times as many such people per billion dollars of exports as the U.S.

TABLE 1
Overseas Export Promotion Professional Staffing, Five National Governments, Fiscal 1990

Nation	Comm. officers	FSNs	Total staff	Staff per $1 billion of exports
Britain	523	961	1484	8.05
France	100	1130	1230	5.87
Germany	NA	NA	960	2.28
Italy	170	580	750	4.14
U.S.	155	460	615	1.56

Source: U.S. General Accounting Office

TABLE 2
Non-Agricultural Export Assistance Services, Seven National Governments, Fiscal 1992

Nation	Budget ($ millions)	Budget per $1 billion of exports ($ millions)
Britain	285.7	1.504
Canada	61.2	0.455
France	239.0	1.013
Germany	83.9	0.199
Italy	71.2	0.400
Japan	94.3	0.277
U.S.	149.4	0.333

Source: U.S. Dept. of Commerce and Trade Promotion Coordination Committee

The late Commerce Secretary Ronald Brown in 1995 brought together the latest available spending data for non-agricultural export assistance rendered by seven nations. See Table 2. The U.S. was ranked third lowest, after Japan, the lowest, and Germany, the second lowest, for such expenditures per billion dollars of exports. The highest, Britain, spent about four and a half times as much as the U.S. per billion dollars of exports. The overarching interpretation of these numbers is that the U.S. government allocates comparatively fewer resources to overseas promotion than three of its main competitors, Britain, France, and Italy; and the fourth, Germany, appears to allocate its funds differently so as to emphasize payroll costs. A minority interpretation is that the U.S. effort is a great deal more productive or efficient. However, if one takes the second interpretation, the data may imply that the U.S. is doing well but could do better by spending more.

One must be cautious for several reasons in using the comparative data. First, the nations do not have completely compatible accounting systems. Second, the French manpower data in Table 1 include resources devoted to agricultural exporting. Cooperating French officials could not separate out the agricultural efforts but said that "most" of the work was non-agricultural. Third, an additional important reason for caution is that the U.S. is the only one of the five that has any significant subnational overseas promotional effort. Forty-four of the fifty U. S. states have at least one trade promotion office abroad (Archer and Morici, 1993), whereas several large and medium size states have small networks abroad. There is a growing involvement of the U.S. states and even municipal agencies in export assistance (Cavusgil, 1990). Although the data quality leaves much to be desired, the U.S. states collectively appear to have spent approximately $40 to $65 million annually in recent years to promote exports. The nature of the record keeping systems does not allow determination of the split between states' domestic and overseas spending to encourage exporting. The money spent by the U.S. states appears to be slowly growing. Fourth, one must note that in both Germany and Japan the private sector is better organized for export promotion than in the U.S. and in fact spends undetermined but apparently sizeable sums on such activities. German chambers of commerce and the Japan External Trade Organization are important in this regard. Fifth, there are probably some scalar economies in conducting export promotion. Sixth, one should note that GAO had no apparent potential conflict of interest in gathering, organizing, and analyzing the data, but there was some potential for such conflict in Commerce, a funding recipient, and the Trade Promotion Coordinating Committee.

RELATIONS WITH MULTIPLIERS

FCS work with multipliers is difficult but potentially productive. Multipliers are organizations capable of expanding and enhancing the promotional effects of the FCS and include such diverse types as educational institutions (Cordell, 1994), trade associations, chambers of commerce, municipalities, and some types of firms, such as freight forwarders, banks, and insurance companies, but the chief type is the U.S. states. As noted above, many U.S. states have promotion offices abroad and occasionally send trade missions on tour, as well as informing and advising clients at home. FCS interrelates and communicates with state offices mainly through its district offices spread across the U.S. Co-location of FCS overseas offices and selected state overseas offices has been proposed. For example, perhaps the Ohio and California foreign offices should be in the same building with the FCS office in Tokyo or Paris. It is important to note that multipliers have financial resources and highly varied capabilities. Many state offices seem well acquainted with their constituents. They are often closely attuned to the pressing assistance needs of their communities and often comprehend that clients do not need certain things. Some state offices are catalysts for change in their communities, as are a very few offices run by cities, such as Tucson and San Jose. There are opportunities for joint activities between the federal government and the multipliers and for some gaps in service coverage by the federal government to be filled by the multipliers.

However, cooperation between FCS and state agencies is in its infancy and there is noteworthy suspicion, especially by the latter. A few federal employees resent what they term the "intrusion" of some states. FCS and state agencies have barely begun to discuss such obvious areas of cooperation as sharing data, electronic databases, and software for instruction and counseling, basic informational brochures, screening of clients and inquirers, and joint public relations. More fundamental, perhaps, is the state anxiety that the more any one state does, the less the federal government will do on behalf of business in that state. There is an unresolved issue in the federal agency as to whether to use its resources to help jurisdictions that show positive performance or help very weak jurisdictions get export programs underway. It is one of the classic management issues, building to an organization's strengths or remedying its glaring deficiencies.

FOCUS OF SERVICES

Anecdotal evidence and discussions with business people often include comments on the fuzziness of objectives, work mission, and client target of FCS. Internal documents of FCS acknowledge that the agency is "trying to be everything to everybody, i.e., has no clear strategic focus."

There are several interesting bases for allocation and prioritization. As noted above, some staff think that resources should go mainly to help business organizations in states that lack a substantial or effective state promotion effort. Some agency staff believe that company size should be the principal criterion for assistance, but they differ on whether this means large or small clients. Some point out that the U.S. economy can benefit more from a specific number of staff days of help rendered to one large company than one small company, that the boost to the economy is apt to be faster, and that the Small Business Administration should really serve all very small firms. On the other hand, many staff note, small firms are probably not yet exporting significantly, or at all, and there is a good chance that these firms will grow. In addition, they note that much of the growth in the U.S. economy is coming from small and/or young firms. There is also the argument that if an agency is to be fair it must treat companies alike. One must also remember that, although government agencies sometimes interpret their authorizing legislation loosely, the Trade Act of 1988 says that FCS "shall place primary emphasis on the promotion of exports of goods and services from the U.S., particularly by small businesses and medium-sized businesses . . . ." (Trade Act of 1988, Section 4721). Some staff believe that the way to allocate scarce services is to use the following classification system: (1) pre-exporter; (2) new-to-export; (3) new-to-the-market; and (4) old-to-the-market. Unlike those in several European countries, small American firms are seldom in category four. Many agency staff believe that category four should be the lowest priority for services and that categories two and three should be emphasized. Other staff stress the idea of frequency of export, saying that infrequent exporters deserve the agency's services first, not those who never export or those who export frequently and consistently.

The policy option that is gaining the most support is to emphasize frequency of export as the basis. In other words, convert infrequent exporters, most of whom are small to medium sized firms, into frequent exporters. In conjunction with this policy, steer the pre-exporter to state government agencies and other multipliers for fundamental, low level information, and give multipliers most of the role of awareness-raising. Nevertheless, this policy option would allow the provision of assistance selectively to very large U.S. firms when government-to-government representation seemed vital for significant proposed transactions. There is an intriguing theoretical basis for policy consideration that the agency is not presently equipped to explore, i.e., that perhaps the higher the level of psychic commitment by the firm to export the greater the payoff from assistance by government.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

This article has considered the origins, evolution, and problems of the U.S. and Foreign Commercial Service, which provides export assistance for the private sector. Although this article is not detailed or comprehensive it points to factors needing significant attention. Number and location of posts should be reviewed, and perhaps expanded, and staff should be assigned to posts rationally with regard to number and mix of people and their credentials and skills. Language requirements should be tightened up and more training offered. The role of FSNs should be clarified. Working relationships between FCS and other parts of Commerce should be further clarified. The objectives of the relationships with multipliers should be settled and then those relationships made more productive. Target markets for rendering service should be clarified and carefully prioritized. The FCS budget should be reviewed and analyzed, and also be objectively compared to the overseas promotion budget of the Agriculture Department and those of selected foreign governments. The division between professional labor costs and other types of costs should be studied. Future budgets should be built from scratch on an objectives and tasks basis. Internal reviews should be continued and conducted frequently. Both benchmarking and internal record keeping for task accomplishment should be given more attention. In all of these recommended actions input from clients must be continuously sought.

If suggestions to move FCS back into State are rejected, organizational relationships, especially between embassy personnel who work for State and those who work for FCS, should be further clarified and carried out without the antagonistic demeanor that was usually found in the past and sometimes found today. More fundamentally, the issue of whether State should continue its commercial work in countries lacking FCS personnel should be brought to a head and resolved, not evaded. Perhaps all such work should be centralized in FCS. If suggestions to move FCS back into State are approved, which seems unlikely, then it will be vital to assure that the commercial function within State is given more importance. If State was unwilling and/or unable to carry out commercial representation well in the past it is questionable whether it would do so in the future, since an organization does not alter its basic character swiftly.

If FCS is moved into OUSTR the results are quite unclear. There would probably be the appropriate level of concern and perhaps even enthusiasm for the work mission and there would be more public visibility and coverage by news media. However, there is anxiety that top management approaches to policy making might be somewhat legalistic and possibly not commercial-minded enough, and that OUSTR might be politicized or at least perceived as politicized. All of this is very speculative, however.

There has been considerable but uneven, slow progress and there is reason for a moderate level of optimism about FCS. However, a large number of problems and issues will challenge this agency for years to come as it seeks to provide export marketing services to American companies.

REFERENCES

Archer, Kevin and Peter Morici (1993), "State Export Promotion Policies," in Brown, Douglas M. and Fry, Earl H. (Eds.), *States and Provinces in the International Economy*, University of California, Berkeley.

Cavusgil, Tamer (1983), "Public Policy Implications of Research on the Export Behavior of Firms," *Akron Business and Economic Review*, Vol. 16, Summer, pp. 16-22.

_____ (1990), "Export Development Efforts in the U.S.: Experiences and Lessons Learned," in Cavusgil, Tamer and Czinkota, Michael (Eds), *International Perspectives on Trade Promotion and Assistance*, Quorum Books, New York.

Cordell, Victor and W. J. Lundstrom, (1994), "An Exploration of the Utility of State University Provided Export Assistance Programs for Small Business," *Journal of Transnational Management Development*, Vol. 1, Fall, pp. 71-86.

Gill, R., and D. Brady, (1982), "A Comparative Study of U.S. Department of Commerce Directors' Attitudes Towards Their Ability to Provide Export Assistance to Small and Large Businesses in Selected States," *American Journal of Small Business*, Vol. 7, July-September, pp. 27-33.

Greer, Thomas V. (1994), "Activities of the U.S.F.C.S. on Behalf of American Business Abroad: Status and Directions for Change," in Mohamed, S. and Kaynak, E. (Eds), *Proceedings, International Management Development Association*, Malaysia University of Science and Technology, Penang, Malaysia, pp. 534-41.

Kedia, Ben L., and Jagdeep S. Chhokar, (1986), "An Empirical Investigation of Export Promotion Programs," *Columbia University Journal of World Business*, Vol. 21, Winter, pp. 13-20.

Keesing, D., and A. Singer,(1992), "Why Official Export Promotion Fails," *Finance and Development*, Vol. 29, March, pp. 52-3.

Kotabe, M., and M. Czinkota, (1992), "State Government Promotion of Manufacturing Exports: A Gap Analysis," *Journal of International Business Studies*, Vol. 23, Fourth Quarter, pp. 637-58.

Naidu, G. M., and T. R. Rao, (1993), "Public Sector Promotion of Exports: A Needs-Based Approach," *Journal of Business Research*, Vol. 27, pp. 85-101.

Omnibus Trade and Competitiveness Act of 1988, U.S. Government Printing Office, Washington, D.C.

Seringhaus, F. H. R. (1986), "The Impact of Government Export Marketing Assistance," *International Marketing Review*, Vol 3, Summer, pp. 55-66.

_____ and Rosson, Philip (1991), *Export Development and Promotion: The Role of Public Organizations*. Kluwer, London.

_____ (1990), *Government Export Promotion: A Global Perspective*, Routledge, London.

The cooperation of many FCS officers, managers, and support staff in Washington, D.C. and abroad is acknowledged with deep appreciation.