

"We want to push the envelope when it comes to alternative energy, and hope that Sweden can show us the way," says Jennifer Granholm, governor of Michigan (D).

Michigan to Sweden Let's Work Together



BY HANS SANDBERG

"I'M HAPPY TO TALK about my favorite country," says Michigan Governor Jennifer M. Granholm, who visited Sweden and gave a keynote speech at SACC-USA's Entrepreneurial Days in August. "It was a great trip for me personally, but also for the State of Michigan," she adds, brimming with enthusiasm.

"We went there to focus on alternative energy companies, which Michael Wood had made his major cause," she says, referring to the current U.S. ambassador to Sweden, who is a native of Flint, Michigan. "He arranged for us to meet with about 40 companies at his residence in Stockholm.

"We made many connections with companies that want a presence in the U.S., and our message was to let Michigan be

their gateway. Our state's strategic plan is to replace lost manufacturing jobs with alternative energy jobs. We did a lot of research on the places in the world that have the most companies doing this, and Sweden came out at the top of the list. One Swedish company, Chemrec AB, announced a partnership with our largest pulp and paper company, NewPage Corporation. This followed an eight-month study of Chemrec's processes for converting wood to fuel through black liquor gasification technology."

Michigan is about half the size of Sweden with a population similar in size (10 million versus 9 million). Like Sweden, it's surrounded by water on three sides, thanks to its location amid the Great Lakes. Michigan's gross state product (\$378 billion in 2005) is almost twice that of Sweden's, but its economy is in decline, mostly because of the troubles of its best-known industry—automotive. The sector's share of the state's gross product has shrunk from 25

percent in the 1960s to 6 percent today. Unemployment is high by U.S. standards, close to 7 percent, and more than twice that for African-Americans. This structural challenge places a heavy burden on the Democratic governor, but she is facing the economic crisis head-on, pushing for alternative energy, new technologies, and life sciences, as well as for higher education and improved schools.

"There are so many parallel efforts happening, so many chances to learn from each other. Our universities—Michigan State, Michigan Tech, and the University of Gothenburg—also partner in our Wood-to-Wheels initiative. There is so much commonality and a great desire to partner. I think it will result in tremendous benefits for us both," she says.

"We like to say that we put the world on wheels, and we have all of this research into the next generation of engine, one that is energy-efficient and uses biofuels, fuel cells, batteries, or hybrid. Much of that research and development is happening

Granholm on SACC's Entrepreneurial Days: "Oh, I loved it! I gave a keynote address, as did Ambassador Wood. We focused on alternative energy and automotive, and got tremendous feedback. The Swedish-American chamber here in Michigan was also very proud to have us there. I think it was the first time an American governor has delivered a keynote at the Entrepreneurial Days conference in Sweden. And I happened to be the highest elected person in the U.S. of Swedish decent. There were great synergies," Jennifer Granholm says.

A Governor Traces Her Roots

Her trip to Sweden gave the governor of Michigan a chance to trace her own roots, which, as her name suggests, are Swedish.

"I was born in Canada, but moved to the U.S. with my parents when I was 4 years old. My grandfather came from Robertsfors, a little town north of Umeå. He came over to British Columbia during the 1930s, and his father was the mayor of Robertsfors, where my second cousin still lives on the family farm. I had a brief meeting with one of my relatives in Stockholm. My visit was the first time anybody in my family visited Sweden since my grandfather left. My grandfather died when my father was 3, which meant that all our relations with Sweden were cut off.

"Lennart Johansson, Sweden's general consul in Michigan, helped me track them down through a medal given to my grandfather by the Swedish king. It wasn't until I got there that I found out about my family. It also turned out that Sweden's energy minister Maud Olofsson also has family close to Robertsfors, and that our families go back in the same family tree, so we are related. How do you like that?!

"I learned that I have relatives in Detroit, where I live, because my grandfather's sisters also emigrated, to Detroit. I had relatives here and I didn't even know it. This is totally great, and I've now met them!"

in Michigan.

"Michigan is going green, and we are going to lead the nation, not only on the vehicle side, but also when it comes to fuel. We really want to push the envelope and hope that Sweden can show us the best way to get there. We just redid our whole business-tax structure to entice companies to relocate to Michigan. We also have the 21st Century Jobs Fund, a \$2 billion, 10-year investment initiative that will fund start-up companies that come here."

Both Michigan and Sweden experience pressure from emerging markets, such as China and India.

"Yes, and both countries have seen manufacturing jobs move to low-wage countries through globalization. Both are focusing on areas where we know that we can be competitive and take advantage of our strengths, focusing on knowledge types of jobs."

Governor Granholm and her team, some of whom traveled to Sweden 10 days ahead of her to study the alternative energy sector, were extremely impressed with what they saw there. The city of Växjö receives 40 percent of its energy from waste, while Gothenburg gets 60 percent of its

energy from renewable sources. Granholm points out that Michigan has the largest number of landfills in the country, "which is not something we're proud of, but it offers us an opportunity!" She looks forward to sharing Sweden's advanced technologies for extracting energy from wind, wood, waste, or the waves on Lake Michigan.

"We are seeing tremendous partnerships evolving, and we have a shared history in the automobile industry with Volvo and Saab in Sweden, the many suppliers to those companies, and their strong links with GM and Ford. We pursued all that during our trip. We will host a Michigan-Sweden Alternative Energy Summit in early 2008, which is right around the time of [Detroit's annual] auto show. Michael Wood will be there, along with Business Region Gothenburg and Maud Olofsson, Sweden's minister of enterprise and energy."

Overall, Granholm feels that her trip was a success."We had never gone to Sweden to prime the pump before, but we came back to Michigan feeling that this had the biggest possibilities for Michigan of any of the previous trips we've made."■

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