



SISTER CITIES—AT THE CUTTING EDGE OF ECONOMIC AND COMMUNITY DEVELOPMENT

Global Trends Play to Sister Cities Strengths

The Role of Sister Cities in Economic and Community Development

Best Practices for Economic and Community Development Projects

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Global Trends Play to Sister Cities Strengths

Four major interrelated trends taking place at a rapid rate in the world today put Sister Cities International and its enormous global network of twinned communities at the forefront for facilitating economic and community development at home and abroad:

- **Increased decentralization and democratization.** In the 21st century, there is an accelerating trend toward greater decision-making at the regional, state, and local levels. In places as diverse as China, Morocco, and Brazil, the local identity of communities is being celebrated. Towns, cities, counties and states want to make their own direct links with communities in other nations for the sake of trade, tourism, friendship, and internationalization of their local communities. These efforts encourage a worldwide perspective and help secure the international contacts necessary to compete in a global economy.
- **Privatization, growth of the non-governmental (NGO) and private voluntary (PVO) sectors, and unique public-private partnerships.** At the highest levels of governmental leadership, the voices of municipalities are being heard. In the United States, governors and mayors want fewer unfunded mandates from the federal government. Local governments and community-based NGOs and PVOs worldwide are playing a greater role in international affairs. These factors support a growing trend in partnering the public and private sectors, fostering new opportunities for collaboration between local governments, community organizations and local businesses.
- **The revolution in information and communication technology (ICT) and reduced travel time.** There are scores of examples of how ICT is shrinking our world while expanding our daily access to new people and places. Through cellular phones and other personal hand-held devices linked to satellite networks, villages in developing countries without electricity can access markets and communicate with any part of the globe. Through the internet and e-mail, communities can connect with one another without the expense and the hardship of physical travel. In addition, reduced travel time and cost make possible the face-to-face meetings of thousands of people for sister city exchanges and projects focused on education, joint-business ventures, performing arts exchanges, and municipal training.
- **Globalization is having an impact on all levels of our society and economy—the nation, state, city, neighborhood, family, companies, and individual citizens.** Globalization of our communities and economy is taking place, with its inevitable positive and challenging aspects. New networks and types of interaction lead to creative business partnerships, heart-warming friendships, and meaningful exchanges of ideas that improve our quality of life. On the other hand, exposure to people from other cultures, as well as the socio-economic disparities between and within communities, can also create tensions and apprehensions about the future.

Sister Cities International, with its enormous global network of citizen groups, local and national governments, and businesses working locally and abroad, is in a unique position to facilitate contacts that make a real difference in people's lives, while also providing companies, citizens and city officials with strategies for how to survive and prosper in a sustainable way in a global economy.

The Role of Sister Cities in Economic and Community Development

The results of sister city programs provide irrefutable evidence that sister city links have both positive and long-lasting effects on international development. There are myriad examples of how sister city partnerships are playing a crucial role in economic and community development in both the local and global arena. The following provides a brief look:

- ★ **Increased tourism.** Some communities and companies depend on tourism as their primary revenue source, clearly benefiting from the increased business, jobs, and taxes that sister city exchanges and projects generate. Fort Worth, Texas, for example, estimates that its sister city programs bring in two to three million dollars in trade and tourism each year. New York City similarly relies on its sister city relationships to promote economic activity. In 2003, its city officials held a summit among the leaders of its nine sister cities to discuss how they could mutually boost international tourism and travel and specifically get New York back to its pre-September 11th levels. International members, as well, harness these benefits, as exemplified by the tourist industry in Agogo, Ghana having profited by tens of thousands of dollars from exchanges and projects since partnering with Fort Lauderdale, Florida.
- ★ **Reliable business contacts.** Long-term community partnerships have established trust, respect, and good communication – the necessary prerequisites for any business partnership to succeed, especially in an international setting. Thus, in addition to the benefit of being a part of an enormous global sister cities network, sister city affiliations at the local level get regular access to contacts for possible joint ventures and invaluable information on successful business projects in different regions of the world. Susan Herlin of Sister Cities of Louisville notes, "Sister Cities is sort of like a matchmaker network. If you maintain a relationship over many years, which is what we've done...then you actually build relationships between individuals. And just like with any other kind of relationship, it can then become the basis of things like this economic development connection."
- ★ **Cross-cultural expertise.** Perhaps you've heard this joke: "What do you call someone who can speak two languages? *Bilingual*. Three languages? *Trilingual*. What do you call someone who can't speak any foreign languages? *An American*."
This joke unfortunately has a strong element of truth to it. Nevertheless, hundreds of sister city activists nationwide are helping to break down this stereotype over time. At the local level, broad-based sister city committees include businessmen and women, teachers, city officials and professors with language and cross-cultural expertise in various regions of the world. At the national level, Sister Cities International is in touch with these experts in every state and facilitates networking among them through grant programs, publications, and high-quality conferences, including the Sister Cities International Annual Conference.
- ★ **Forums for discussing complex global trade and development issues.** Open forums like the Sister Cities International Annual Conference and smaller, local level meetings reaching across states and communities bring grassroots volunteers, citizen groups, businesses and organizations together to discuss and find solutions to many complex global issues. For example, in July 2005, the Phoenix Sister Cities Commission's annual economic forum engaged 200 local business representatives and international business leaders across its eight sister cities to discuss the economic advantages of North American Free Trade Agreement (NAFTA), expansion of the European Union, and the growth of China and how they could jointly benefit. These networking opportunities create profitable and long-lasting alliances between different groups as they tackle issues such as urban sprawl, climate change, literacy, public safety, drug and alcohol addiction, and more.

★ **Legitimacy: community-wide and city hall support.** Businesses that wish to expand the markets for their products and services, or become involved in the sponsorship of outstanding international projects, often face three problems: lack of contacts, insufficient cross-cultural expertise in the target city or region, and lack of legitimacy in the eyes of their international counterparts. Therefore, small business joint ventures, business internships, consulting work, overseas investment, micro-enterprise development, technology transfer or group tours that work through existing sister city partnerships at the local level and through the Sister Cities International office have many advantages.

The official sanction of local government and national governmental and non-governmental authorities in both countries ensures legitimacy. The contacts gained during the exchange process may prove a crucial element in getting projects off the ground, especially when having to negotiate through bureaucracies. The organization's cross-cultural expertise provides access to cutting-edge information about the culture, geography, and language of the target community. Finally, discussions and negotiations can take place in an atmosphere of mutual trust, respect, and good communication built up over the years by dedicated citizens and city officials on both sides.

Economic development projects undertaken in collaboration with sister city programs will be more likely to succeed because of the long-term support network in place. Furthermore, they will genuinely benefit both communities, because of each side's commitment - in terms of energy, interest, and resources - and involvement at every step - brainstorming, planning, execution and follow-up.

★ **Improved community and company image.** Sister city programs involve both city hall and diverse cross-sections of the community, including business people, educators, medical professionals, engineers, ethnic/cultural associations, civic clubs like the Chamber of Commerce, and private voluntary organizations like Rotary and YMCA. Cities throughout the nation like Spokane, Denver, Kansas City, Toledo, Louisville, Chicago and Baltimore have discovered that their very active, high-profile sister city programs have truly put them on the world map; their programs have helped improve their community's image and brought major conferences to their cities.

A number of sister city programs in the U.S. were founded as a direct result of economic ties that were created through international trade or the building of new factories. The sister city programs that grew up around these economic ventures made these companies their partners in community programs. As the communities grew stronger, so did the positive image of these corporations. For example, in the 1990s, the Reader's Digest Association, Inc. and the W.K. Kellogg Foundation sponsored progressive national grant programs, administered by Sister Cities International, for youth exchange. These programs combined cross-cultural learning with community service, thus promoting greater global awareness and volunteerism among youth worldwide. Moreover, programs like these or any business internship provide young people with the skills necessary to secure good jobs in a global economy.

Sister city programs, which interface with so many different sectors of the community, help bring people together within communities. This interaction not only increases business and contacts but also serves as a positive force for social change abroad. La Crosse, Wisconsin, for example, which has a very successful, broad-based affiliation with Dubna, Russia, shipped over 200 tons of food, clothing, and medicine in response to a short-term crisis in Dubna for their "Hands Across the Heartlands" campaign. This humanitarian assistance effort brought businesses, churches, citizens, and city officials together in both communities who had never worked together before, generating considerable civic pride. "We have emphasized that what we (did) is not charity, but family," reports the La Crosse-Dubna Sister City Committee.

Best Practices for Economic and Community Development Projects

- ✓ **Broad-based participation.** Broad-based participation makes project success more likely. The best sister city programs involve a wide variety of citizens and city officials, representing city hall, civic clubs, ethnic/cultural groups, the media, the non-profit sector, small and large business firms, local schools and colleges, the healthcare and engineering fields, and so on. The more democratic and open the process is with regards to discussing and implementing economic development projects, the more support there will be within a community at all levels - public and private - to see the project through to a successful completion.
- ✓ **A good balance of realistic thinking and big dreams.** Be realistic—take the time that is needed to do the project right, including adequate time for planning, fundraising, building consensus, troubleshooting, execution and follow-up. Louisville, KY and Tamale, Ghana started with person-to-person relationships and small level trade - like the Ghanaian garment maker who sold her goods through an apparel and tailoring shop in Louisville's Highlands. These relationships then spurred on the discussions for a five-year plan that would increase workforce training and economic development in both communities. Only two years after the planning, the organization had accomplished its goals and used the successful joint education initiatives as the foundation for more recent expansion into a separate, for-profit, economic-development organization known as "EconVillage." By 2005, there was a contract among EconVillage, Whayne Supply Co. (a Louisville Caterpillar dealer) and the Ghanaian government to supply used equipment and provide training for mechanics and drivers through Louisville's technical schools. It amounts to an almost \$20 million contract.
- ✓ **Sustainable development.** Sustainable development refers to a holistic approach to community development that takes into account a project's impact on the environment, the economy, and the quality of people's lives. With regards to the environment, the project should meet the test of the Native American saying: "Will it make possible the same quality of clean air, water, and landscape—to the seventh generation?" As for the economy, will the proposed project help raise the standard of living for all, or only a select few? As for people, will the proposed project help empower those who need help or make them dependent on outside aid? If new technology is used, is it 'appropriate'? Can it be replaced or serviced easily? Does it fit with the cultural traditions and skill levels of the people who will use it? Is the proposed project something people in the target community regard as a priority—or are the ideas, energy, and resources coming almost entirely from outside? The community may not have the knowledge, resources, or buy-in to maintain and sustain the project. These questions must be addressed to ensure that the positive effects of programming continue long after the donor aid and technical assistance have gone.
- ✓ **Deep cross-cultural understanding and experience.** The key people involved in promoting, planning and executing a particular project overseas must learn everything they can (and rely on experts, as well) about the target culture—history, language, geography, customs, religion, and governmental systems. Words or concepts often translate differently or awkwardly, even if your counterparts can speak English fluently or if you use high-quality translators. Words as simple as "yes" or "understand" may have very different connotations depending on the culture, speaker, and/or timing. Critical concepts such as "economic development," "privatization," or "contract" may have very different interpretations or meanings. Make sure you are talking about the same things and have the same ideas in mind.

- ✓ **Listening and two-way learning builds strong relationships.** One development expert once made the comment that Africa has received more advice per capita than any region of the world—yet so much of this advice and top-down aid has not resulted in progress at the grassroots level. Outside interventions, like new technologies, investment, or training, are often needed. However, the most critical skill when working abroad in the economic or community development field is the ability to *listen* to the “target group” about their dreams, vision, abilities, interests and know-how. Although often easier said than done, perfecting this skill will garner the full support of the community and will ensure that all these resources are well-utilized and that success is more likely. Because Sister Cities International was founded upon the idea of long-term, broad-based partnerships which directly involve citizens and communities, it is in an ideal position to reinforce this method of two-way, reciprocal learning based on mutual respect and interests.

- ✓ **Consider the winners and the losers.** Power relationships are a fact of life in all societies. Who has power? Power is not just having money but also having access to information, legal rights, and authority to make decisions that are acted upon. Even when a given project is needed and extremely popular on all sides, there will be some with misgivings or who may lose status, money, or power as a result of changes to the status quo. As much as possible, make sure that the project that is being contemplated becomes, both in terms of perception and deed, a “win-win” situation for all. For example, a cooperative pact between Kansas City, MO and the deep-water port city of Lazaro Cardenas, Mexico is dramatically increasing freight and shipping across the border, thereby putting Kansas City in a pivotal position as a NAFTA transportation and distribution center while creating jobs and growing the economies of *both* cities.

- ✓ **The devil is in the details. Troubleshoot.** The best plans and most dedicated efforts can be undone or nullified by lack of attention to critical details such as visas (which can ruin plans for the visit of an official delegation), the safety of participants, or screening of and orientations for those traveling abroad. Other cultural and socio-economic factors that may cause trouble are rules and procedures for transferring money, corruption as a daily reality, or inattention to hierarchical relationships (seniority matters). Also, what happens if the very supportive mayor is not re-elected, or the key volunteer or investor drops out? Does the project have enough support to survive changes in the political winds or a drop in the value of the major currency? Have backup plans.

- ✓ **“Economic development” is a complex web of interactions.** Successful “economic development,” if it is to truly benefit both communities over the long-term, consists of a complex web of interactions among many changing and evolving actors. For example, the balance of power between the public and private sectors, or between ministries within the government, may shift in your favor and accommodate your plans, or conversely shift away and make them virtually impossible to accomplish.

To ensure the benefits of economic development accrue to everyone, involve a cross-section of the community—city hall, private sector, non-profits (NGOs and PVOs) and non-affiliated individuals. Scholarships for low-income or minority groups should be considered, as well as working to change laws to facilitate women’s participation and the formation of NGOs. Certainly, rules and regulations ensuring transparent and accountable financial procedures should be discussed. Finally, introducing new technology or new mechanisms for doing business like public-private partnerships may require training or business internships for your foreign counterparts, so that they can gain familiarity with these new methods and approaches. Remember that economic development is a long-term goal and may require short-term incentives and change to make this investment profitable.

- ✓ **A sense of humor, patience, and determination.** There are always surprises in cross-cultural encounters—that's what makes them fun, frustrating, and very rewarding in the long run. Don't be surprised if you have to revise the original timetable, include new players after you thought you had an agreement, or encounter corrupt personnel and officials. If you don't cultivate patience and a sense of humor, the frustration when working closely with people from another culture can be great. If you are in it for the long term, however, with the right skills and resources, the rewards can be greater yet - and the process itself fun.