Oscar Tovar
June, 2016
Sister Cities Committee-

I feel that we have the potential as a Sister Cities Committee to make a positive impact on the City of Milwaukee with being able to collaborate with other International cities. We should be able to share as partners, successes that each city has to offer one another. It can make a difference in the overall culture of our Cities combined. I believe you always learn from other and are able to grow from others experiences, local or internationally, language doesn't have to be a barrier.

Milwaukee is a great diverse city and we have a lot to offer, when we can showcase the City of Milwaukee nationally and internationally, in a positive light, people see our city differently. We can be considered the "International Hub" for different initiatives. As an example, we may no longer be viewed as a "beer town", but we are currently moving towards be considered internationally known for our water initiatives. You have the west coast and the east coast, as the Mayor likes to say Milwaukee is the "Fresh Coast" for our Great Lakes region. This is bringing international attention to our city which has already and will eventually have a more positive impact and provide us with economical and educational opportunities not only for Milwaukee, but for other international cities that we can partner with on such initiatives. Providing opportunities to those in our community is what it is all about, and we are able to establish many different avenues for our youth and constituents to explore for future years to come.

We currently have some of the top International Corporate headquarters from all sectors in our city and we should take advantage of those local relationships and create partnerships with those that have international connections abroad. This will bring vast opportunities and impact the greater good in our neighborhoods as well.

I feel that if we as a committee can continue to foster relationships and are able to create partnerships, with non-profit organizations, business, the educational community and tourism, it will grow our city's economic development, educational advancement and thus providing job opportunities for our constituents. I feel we will be surprised on what we can learn and what other countries have to offer to make Milwaukee a better place to live and work, we need to continue to learn and experience from each other, it will have a positive impact for us and overall for the city we call home.

"Sister Cities International is the world's oldest and largest volunteer network of citizen diplomats. After 60 years, it represents over 550 U.S. communities with 2100 partnerships in 146 countries on 6 continents."

Sister Cities International promotes peace through mutual respect, understanding and cooperation one individual, one community at a time. It touches everyday lives of millions of people through economic development and business opportunities, education and scholarship programs, environmental projects and emergency response, arts, cultural and heritage activities as well as municipal, youth and sports exchanges.

The above is the elevator pitch that was developed by Sister Cities International to describe in a simple and succinct fashion what the organization based on thousands of volunteers is striving to accomplish.

As we venture in our efforts to open the doors to the international community, we must keep in mind the ultimate purpose of what the concept of Sister Cities is all about. While the outcome of these relationships can further the development of business opportunities, projects and other related exchanges and experiences, we must keep in mind the basic premise.

Charles Vang

June

14, 2016

Sister Cities Committee member

I want to echo both Oscar and Tiffany about the potential of Milwaukee can be a great hub for being on the radar as one of the international site for business, education, or economic development. In my opinion, I believed that the private and non-profits have done a lot to promote Milwaukee as place to do business and united their families, whether they are from refugee camps or immigrant status.

However, I have been a committee member for the sister city international for about at least five years and I have not yet see or read the mission of the Sister City Internal until now. Personally, I'm not sure about what exactly the role of city of Milwaukee want to play and how much of financial support from the city to bring this committee to the full potential capacity as it stated on the mission and goal of Sister City International wants to achieve.

Milwaukee had most valuable assets that can support and attract more international businesses, educational institutions, and macro- economic development direct to Milwaukee instead of Chicago or Minneapolis. I think that the city can be one of the special destination and a hub for increasing the opportunity to capture the international businesses, cultural, and economic development.

As such, the city will need to define the goal and mission for this committee to achieve, beside what has been done. I want conclude that if the city of Milwaukee really wants to be a hub for international destination, it needs to be more open to accept the new ideas and be open minded.

Sister Cities

Milwaukee, Wisconsin

Tiffany Barta, RN, BSN

5/22/16

Sister Cities of Milwaukee WI, in concept is great. It has so much potential and I believe that we as a committee can improve the current structure and maximize its objectives and goals to brand Milwaukee as an International "hot spot" for trade, education, and culture.

"What is a Sister City?" "What does Sister Cities do?" Is a question that I receive often for constituents and people who work in the City of Milwaukee? When I begin to engage and speak about Sister Cities in general to people in our community, professionals, nonprofessionals etc. I frequently receive responses similar to "What a waste of time and money" "The city could utilize resources in a different or better way", and "What are we getting out of these relationships"? After all, from time to time, news and travel spotlights regarding local sister city relationships are printed in local newspapers or briefly mentioned on media. Yet when we tried to find more information about what a Sister City is and what kinds of relationships it entails, helpful and upto-date information is often scarce and hard to find. In this age of ever-expanding globalization it is increasingly important that people of different nationalities understand one another. Reasons for this include trade, promotion of peace, and the understanding and validation of other cultures. Based on those responses from the constituents of this city is that there is a lack of understanding and benefits of engaging in Sister Cities relationships. My conclusion is that there is a large cohort of people that are not aware of the value of having Sister City relationships. The individuals that do, have a limited understanding of the benefits of having such an affiliations and connections. I believe that we need to do a better job communicating within our committee, so that we are on the same page regarding objectives, goals, etc. for our city with regards to Sister Cities. We also need to market Sister Cities, and showcase its positive attributes, and benefits to the city, so that we can help individuals, business, small business understand the potential of investing in such relationships... Some of the ideas that I have would be public awareness, sharing, coordinating and connecting of resources from a business, and cultural standpoint. Development of a marketing tools for local business and how they can gain from capitalizing in such experiences. I understand that to see the fruits of our labor may take time, but I believe that small changes will put us on the map and head us in the right direction in making Milwaukee internationally attractive for trade. Attached are two articles of cities maximizing and profiting from their Sister City's relationships.

As we grow we could also have a youth sister cities, looking at connecting our youth internationally, as they are our future. This would entail reaching out to our current Sister Cities and developing some youth activities.





Measures That MattersM

A study on the economic benefits of sister city relationships in the U.S. and their impact on the global economy 2014-2015

Sister cities programs contribute over *\$525 million* to the U.S. economy each year.

Our Global Presence

Most Sister City Partnerships by Region Europe 721 Asia 674 Americas 452 Sub-Saharan Africa 145 Middle East/North Africa 90 Oceania 39

Most Sister City Partnerships by Country

Mexico 202 Japan 199

China 164

Germany 119

France 102

Italy 89

Russia 77

Most Sister City Partnerships by U.S.

State

California 383

Florida 188

Texas 183

Illinois 106

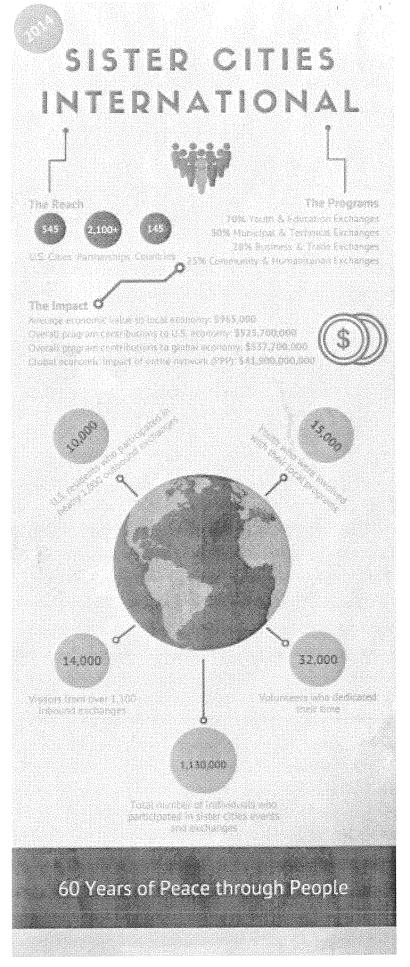
Washington 78

Ohio 76

New York 65

Sister Cities International Measures That Matter™

The Economic ImpactStudy Background



Founded by President Dwight D. Eisenhower in 1956, Sister Cities International (SCI) serves as the national membership organization for over 545 individual sister cities, counties, and states across the United States with relationships in 2,100 communities in 145 countries. The sister city network unites tens of thousands of citizen diplomats and volunteers who work tirelessly to promote peace and understanding through programs and projects focusing on arts and culture, youth and education, economic and sustainable development, and humanitarian assistance. Every U.S. President since President Eisenhower has been the Honorary Chairman of SCI.

Funding for SCI consists of membership dues, government and private foundation grants, and donations from organizations and individuals.

During the 60 years of SCI's existence, collecting information on the economic impact of sister city relationships has been difficult. It is common knowledge that it takes strong relationships to build cultural, educational, and other ties, and these deep and enduring connections have economic benefits for all parties involved. But how a sister city relationship benefits the economy of a city, county, state, or a country has been a lingering question for the organization.

Over the years, individual communities have sought to measure monetary benefits, such as Seattle's relationship with Kobe, Japan where trade increased between the two cities by 300%, with \$8.3 million in trade dollars in 1957 to a 1967 value of \$27.3 million. Other countries around the world, members of town-twinning or sister city partnerships were also attempting to determine the economic benefits.

In 2003, New Zealand conducted a study of the economic impact of their sister city relationships. It was determined, after receiving an 85% response rate from 145 relationships, that although there was economic development benefiting their communities, the ability to quantify it was difficult.

In 2009, Australia Sister City Association polled their 475 members in response to a media backlash of describing government officials' sister city travel as wasteful. With limited research in the field, Australia Sister City Association determined that there was the need for measuring economic benefits of sister city relationships.

Impetus

Due to the recession of 2008, the diminishing budgets of U.S. cities, counties, and states prompted elected officials to seek economic justification for every dollar spent. Increasingly, members of the SCI network were seeking clarity about the economic impact of their sister

city relationships on their communities so that they could justify contributions and donations to their budgets and activities.

With its 60th anniversary year approaching, SCI and *valueideas*, a management consulting firm specializing in creating innovative solutions to complex challenges, teamed up to study the economic impact of sister cities using *valueideas'* Measures That MattersM methodology.

Methodology

In February 2014, the Measures That MattersM project was established to develop a way to measure the economic impact of the SCI network both locally and globally. Using *valueideas'* methodology Measures That MattersM, the following key steps were accomplished:

- Conducted Needs Assessment: Reviewed 10 years of grants, request for proposals, and internal operations of SCI to understand and collect the measures required by multiple stakeholders.
- **Developed Strategic Measures:** Developed measures to support SCI's strategies and the overall strategic direction over the next 3-5 years.
- Classified Measures: Collected measures were classified into primary, secondary, and tertiary levels based on their source and use of information.
- **Created Data Collection Instrument:** Developed a membership survey to collect information for primary measures.
- Customized Design of Measures That Matter™ Model: Fine-tuned model for SCI's needs.
- **Planned and Launched Data Collection:** Developed approach, process, launch plan, and timeline for data collection.
- Analyzed Data: Analyzed survey data and developed insights.
- Generated Report: Developed management presentation on initial results.
- Presented to SCI Management: Shared initial results with the SCI Board of Directors.
- Updated Data, Analyses, and Results: Generated updated information and results.

Member Survey Process

In December 2014 and May 2015, current SCI members were sent membership renewal notices. After cities renewed their membership, they were asked to complete an online questionnaire on their activities during last 12 months. Members were prompted on a biweekly basis to participate. The surveys were completed by the primary contact for each city, and to date, SCI has received responses from approximately 30% of members.

Results

Survey Result Highlights

- The SCI network consists of 545 U.S. communities with 2,121 sister cities partnerships in 145 countries.
- Approximately 50% of the cities within the SCI network have populations under 50,000.
- Approximately 42% of sister city programs operate with a budget of less than \$5,000 and 79% have a budget under \$25,000.
- Over 1/3 of the respondents received no financial support from city government outside of membership dues.
- Based on the averages from the survey, over the past year, SCI network activities included:
- 14,153 visitors from 1,123 inbound exchanges
- 9,889 U.S. residents participating in 944 outbound exchanges
- 32,876 volunteers involved throughout the U.S.
- 15,288 youth involved
- 2,316 total sister city events in the U.S. with participation from 1.13 million people

The economic impact of the SCI network: U.S. economy

- Travel related spending by inbound exchanges is \$63.7 million, events hosted by sister cities around the U.S. contributed \$56.5 million, and foreign host students added another \$70.1 million, totaling \$190.4 million in direct contributions to the U.S. economy.
- While applying the multiplier effect of travel related contributions of indirect and induced spending, the economic impact on the U.S. economy is \$430.8 million.
- The cumulative in-kind contribution of SCI network volunteers to their communities is \$94.8 million, making the total economic impact on the U.S. economy \$525.7 million (USD).
- The SCI network supports **1,641 direct jobs and a total of 3,715 jobs** when indirect contributions are added.
- The SCI network helps contribute \$45.5 million towards payroll and about \$29 million in federal, state, and local taxes.

The economic impact of SCI network exchanges: Non-U.S. and global economies

- Travel related spending by outbound exchanges is \$29.7 million, while host students add another \$17.5 million, totaling \$47.2 million (USD) in direct contribution by U.S. SCI members to the economies of international communities.
- While applying a multipilier effect, similar to the U.S., of travel related contributions of indirect and induced spending, the total economic impact on non-U.S. economies is \$106.8 million (USD).
- Using the average value of the global Purchase Price Parity (PPP) Index, the SCI Network's direct contribution to non-U.S. economies is \$18.3 billion and the total contribution is \$41.5 billion.

- The global direct impact of the SCI network is \$237.6 million (USD) and the total impact is \$537.7 million (USD).
- When adjusted to the average value of the global PPP index, the direct SCI contribution to the global economy is \$18.5 billion and total contribution is \$41.9 billion.

SCI's U.S. Government Funding

The results of this study show that the Public-Private Partnership grant provided to SCI by the U.S. Department of State's Bureau of Educational and Cultural Affairs is incredibly efficient. In 2015 the grant was \$400,285.

SCI is perhaps one of the most effective organizations in establishing people-to-people diplomacy both in the U.S. and globally. The following tables summarize the average cost of engagement and the return on the Department of State grant dollar.

People-to-People Diplomacy Cost Table: U.S. Department of State Grant Money

People-to-people diplomacy participants	U.S. Department of State Grant cost per participant
Volunteer	\$12.20
Youth/student	\$26.20
U.S. participant in local programs	\$0.35
Global participant in sister city programs	\$0.18

Economic Impact Table: Return on U.S. Department of State Grant Money

Return per Department of State Grant Dollar	Value
U.S. Ecomony: Direct	\$476
U.S. Economy: Total	\$1,077
Non-U.S. Economies: Direct (USD)	\$118
Non-U.S. Economies: Direct (PPP)	\$45,791
Non-U.S. Economies: Total (USD)	\$267
Non-U.S. Economies: Total (PPP)	\$103,634
Global Economy: Direct (USD)	\$594

Global Economy: Direct (PPP)	\$46,267
Global Economy: Total (USD)	\$1,344

This study, however, does not take into consideration other <u>direct services</u> provided to the Department of State by SCI, such as assistance for Foreign Service Officers in establishing sister city partnerships, connecting its employees with municipal officials and volunteers, briefing International Visitors Leadership Program participants and other delegations, and promoting its programs and initiatives.

Conclusion

The economic impact of sister cities on a community has been difficult to measure due to an inability to quantify the various forms of economic activities that take place between partnership communities including student exchanges, tourism, municipal exchanges, and traditional business development and trade. This study focuses on measuring the economic impact of direct activities such as delegation exchanges, exchange students, community events, and volunteering. The economic impact numbers are conservative, yet extraordinarily impressive given the limited investment by local, state, and federal governments in the SCI network.

What was not measured is the induced effect of sister city relationships, such as business investments and contracts, increased tourism outside of official international exchanges, etc. into secondary and tertiary economic benefits. That remains a significant challenge and as such would be the focus of our future enhancements to the *valueideas* Measures That MatterSM model for SCI.

As this study demonstrates, the value of strong sister city programs is not just to serve as an engine for diplomacy and peace building, but also economic development and investment. Because of the deep and enduring relationships built due to sister city partnerships, it is safe to assume that trade and business do not only happen in New York City or Los Angeles, but also in Hot Springs, Arkansas and Sausalito, California.

Increasingly, the evidence of the value of sister cities partnerships, even without hard numbers, is becoming clearer to communities as shown by the recent press reports found in Appendix C. This is why A.T. Kearney, the leading organization that publishes the Global Cities Index and Emerging Cities Outlook, uses the number of sister city agreements that a city has as an indicator of potential growth and economic success.¹

SCI intends to use the *valueideas* Measures That MattersM model customized for this study as a benefit for its 545 members. Now when a governor, mayor, or city council member asks volunteer committees why they should support local sister city programs, members will be

able to point to data generated by SCI and demonstrate the positive economic effects that such relationships have on their communities.

Contacts

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Enclosures

Appendix A lists sources.

Appendix B outlines selected recent examples of economic activities generated by SCI Network. Appendix C lists examples of recent articles published regarding sister cities-related economic activities.

Appendix A

Sources

- U.S. Department of Commerce
- The White House Study on National Travel and Tourism 2014
- U.S. Travel Association
- NAFSA: Association of International Educators
- The World Bank
- The Independent Sector
- Illinois Department of Commerce & Economic Opportunity
- SCI Member Survey
- 2003 Economic Study by New Zealand Sister Cities Association
- 2009 Economic Impact Study by Australia's Sister Cities Association

Appendix B

The following examples illustrate the real and potential economic impact as a result of sister cities relationships. Click on the title of each section to read articles.

Ft. Worth, Texas¹

- Annual economic impact of nearly \$2.6 million
- 500 visitors annually for cultural and educational exchanges
- 15,000 days spent in Fort Worth by visitors each year due to exchanges
- \$80,000 awarded in educational scholarships annually

Chicago, Illinois-Mexico City, Mexico

In May 2014, Chicago Sister Cities International worked with Mayor Rahm Emanuel, World Business Chicago, the Chicagoland Chamber of Commerce signed MOU with sister city Mexico City to promote foreign direct investment, trade, innovation, tourism, and education to increase employment, expand advanced industries, and strengthen global competitiveness.

Hot Springs, Arkansas-Hanamaki, Japan

¹Noted on the Ft. Worth Sister Cities webpage

The economic development innovation project in Hot Springs, Arkansas highlights the introduction of an entirely new industry – Sake. A four-member business delegation traveled to the sister city, Hanamaki, Japan to tour a Sake brewery. While there, the business leaders met with owners and discussed the possibility of Sake production in the U.S.

Appendix B (cont'd)

Fort Lauderdale, Florida-Mataro, Spain

An international business development organization with offices in Fort Lauderdale, Florida and Barcelona, Spain was seeking partners for Spanish companies interested in expanding into the Latin American and Caribbean Markets. The Fort Lauderdale/Broward County region used its access to targeted markets along with experience and knowledge of their business development team to ensure a successful project. In Barcelona, the delegation held meetings with seven Catalonian governments and private agencies to discuss work in seven Spanish cities.

Chattanooga, Tennessee-Hamm, Germany

Uli Becker, the former CEO of Reebok, not only became an investor in Feetz, the 3-D printed shoe company that began at last year's Gig Tank, but actually has Chattanooga connections that go back 35 years. "I was in the first group of exchange students from Hamm, Germany, the sister city of Chattanooga," Becker says, "That's where the relationship started, and while I have relatives in Chicago, my family's true venture to America started with a relationship to Chattanooga."

Tacoma, Washington-Fuzhou, China

Stina Cellars sells most of its wine to Fuzhou. Owners were very reluctant and without the long standing sister city relationship would not have ventured into the international market. Perry Preston now says that it is easier to sell to Fuzhou than it is to California or Oregon.

Tacoma, Washington-Biot, France

Several partnerships in particular have dramatically changed the face of Tacoma. Our newest sister city, Biot, is known as the glass capital of France. Together, we made headlines in the local paper when the initial delegation visited Tacoma to sign the official paperwork. With a relationship based around glassblowing and the celebration of glass art, Tacoma is widely known for its Museum of Glass—which features the world's largest hot shop—and for being the hometown of world-renowned artist Dale Chihuly. Recent delegations from France have included two world famous glass artists who worked as guests at the Museum of Glass during their visit. They also spent time at the innovative Hilltop Artists Program, which is a glass blowing studio for youth in one of Tacoma's junior high schools. The French artists were so moved by the students, they began discussions of an exchange program with professional glass artists and youth artists.

Appendix B (cont'd)

Minneapolis, Minnesota-Harbin, China

Minneapolis, Minnesota is known for its cold weather in the U.S., and its sister city Harbin is known as the "City of Ice" in China, turning its freezing weather into a huge tourism draw. The annual Harbin Ice Festival attracts more than 10 million visitors a year and features snow and ice sculptures, winter sports, and other celebrations. Minneapolis hopes to adapt some of Harbin's activities to their own city and expand their existing activities to bring more visitors in winter months.

Nashville, Tennessee-Tamworth, Australia

In 2014, officials from Tamworth, the country music capital of Australia, came to their sister city of Nashville, Tennessee to learn how to be a year-round "Music City." From musicians playing in airports, cafes, and public spaces to boxes on street corners radiating music and musically themed art incorporated in the décor of hotels, music is in the fabric of the Nashville community. Tamworth holds an impressive 10-day music festival each year, and through their sister city visit they learned how to better market their own culture of music and model themselves after Nashville's success.

Appendix C

Economic development case studies from 2014-15. Click on the title of each article to read in full.

Why do sister cities matter more than you think?

Business Insider covered the importance of sister cities for not only their cultural links, but for their business opportunities, including job creation, foreign investment, and tourism.

Israel-based Haifa Group to open facility in Savannah, creating 20 jobs and investing \$12 million

Officials and business leaders from Georgia (USA) visited Israel in 2014 to further expand their business ties. Israel and Georgia have had a long-established sister city relationship (Atlanta and Ra'anana, Israel) and partnerships through government, friendship, business, international trade, and tourism. The latest in business for the two regions is a \$12 million investment in a new Controlled Release Fertilizer plant that will create nearly 20 jobs in Georgia.

How the Recession Beefed Up Sister City Relationships

U.S. cities traditionally develop relationships with foreign cities for diplomatic, cultural or educational purposes, but more and more are looking to them for economic development. A new sister city relationship between Prince George's County, Maryland and Changping District of Beijing, China is highlighted.

DMACC, Partnership sign agreements with Japanese delegation

An agreement was signed by Greater Des Moines, Iowa and Japanese officials during the 2014 Midwest U.S.-Japan Association conference that was intended to connect young professionals in Des Moines with those in Kofu, one of Des Moines' sister cities. The agreement is opening doors to future direct investment, increasing trade opportunities and elevating Central Iowa's position in the global marketplace.

Polish company Ultratech takes a look at Gainesville for U.S. division

A visit from a Polish delegation including the Polish Ambassador to Rzeszow, Poland's sister city Gainesville, Florida, sparked interest from a Polish aerospace company called Ultratech looking to locate its U.S. operations. Additionally, a chemical manufacturer from Poland met with local polymer plastics companies and a UF chemical engineering professor to discuss a possible collaboration project.

Lt. Gov. Owen to lead trade mission to Taiwan

A delegation from Seattle, Washington including Lt. Gov. Brad Owen travelled to sister city Kaohsiung, Taiwan for a weeklong trade mission to sign a reciprocal driver's license agreement and promote Washington state seafood and agricultural products.

Appendix C (cont'd)

Tampa trade mission to Brazil builds contacts, opportunities

Tampa Mayor Bob Buckhorn led a 47-person trade delegation to Porto Alegre, Brazil to build stronger economic ties between the two cities and countries with an aim to increase tourism, medicine, study abroad, and other business programs.

Delegation to Vina del Mar nets great returns

For the past three years, the Sausalito Sister City Program has been focused on mentoring and networking with entrepreneurial business women in Vina del Mar, Chile, working principally with an organization of women called Asociacion Gremial de Empresarias y Profesionales (AGEP). On the Sausalito's 2014 trip, delegates visited businesses run by the AGEP women and conducted a workshop for them on creating strategic business plans and overcoming obstacles.

German retailer opening U.S. flagship in Cincinnati

Wiesnkoenig, the official supplier of lederhosen for the Munich Oktoberfest, opened its first U.S. flagship store inside a Cincinnati, Ohio brewery mainly due to its sister city relationship with Cincinnati.

SFO Welcomes Return of Qantas Airways

The San Francisco International Airport (SFO) welcomed the return of Qantas Airways, which announced plans to resume nonstop service between SFO and Sydney beginning December 20, 2015. Qantas plans a build up to a schedule of six flights per week effective January 2016. The return of Qantas will strengthen the highly regarded sister city relationship between San Francisco and Sydney.

Auckland business delegation heads to LA

More than 40 Auckland, New Zealand business leaders aimed to secure funding and new export orders after heading to Los Angeles for the Tripartite Economic Alliance Summit with sister cities Guangzhou, China and Los Angeles, California.

Phoenix export opportunities with a French connection

A recent college graduate heads to Phoenix, Arizona's sister city Grenoble, France to represent his city as an Economic Development Ambassador to look for opportunity for French companies looking for partners, expansion, or foreign direct investment.

Ogawa Coffee set to open in downtown Boston

Coffee shop from Kyoto, Japan opens up first U.S. location in sister city Boston, Massachusetts because they felt the two cities share many demographic characteristics – the cities are similarly sized, rich in history, and have large college-age populations.

Appendix C (cont'd)

Shanghai foreign trade zone, San Francisco forge investment agreement

The City of San Francisco and 'sister city' Shanghai have signed a Memorandum of Understanding to boost investment and business ties. The MOU was signed at a recent investment conference in San Francisco organized by the San Francisco-Shanghai Sister City Committee and the Shanghai Free Trade Zone (SHFTZ), China's first pilot free trade zone.

From Istanbul to Houston: Kindred Business Partners

The sister city relationship provides an excuse to, among other things, facilitate trade between them. As M. Ruhi Ozgel, President of the Houston Istanbul Sister City Association explains, onethird of all Turkish exports to America come through the Port of Houston (a \$3.6 billion market in 2011), and almost 30 percent of the Turkish exports to America are destined for Texas.



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Sister City Relationships Boost Business in Chicago, Phoenix and S.F.

BY NEHEMIAH ROLLE | OP-ED | OCTOBER 29, 2014



Chicago is taking advantage of a sister city relationship with Mexico City. (Photo by Massimo Catarinella)

As attack ads flood the airwaves and interrupt our YouTube videos for midterm elections, Americans are waiting for the big policy ideas that will allay their anxieties about the economy. While they're looking to Washington, D.C. for relief from the impact of everything from offshoring U.S. companies to outsourcing jobs abroad, we should consider a viable solution in our own backyards: Reinvigorating the sister city model can fuel urban economic development.

First, from Shanghai to Houston, cities are becoming power players in the global economy because they have the capacity to be innovation ecosystems Ecosystem_03-15-11.pdf. They have an abundance of material resources and human capital, as well as the institutions to harness both to create greater economic growth.

Originating in the private sphere, the innovation ecosystem concept is gaining traction in the public sector, and government agencies are realizing that greater investment in human capital creates sustainable businesses. As rates of migration into cities increase in the developed and developing world alike, the trend could grow into a successful movement.

The sister city concept was born out of post-WWII development aid programs in which education and cultural relations between cities in Western Europe were used to solidify the peace and reconciliation efforts. In this same spirit, President Dwight D. Eisenhower created Sister Cities International, the national membership organization that

facilitates sister city relationships between U.S. cities and foreign ones. These relationships over time have come to include trade and tourism between the partnered cities, but they can be the foundation for a greater economic engagement.

With the Chicago-Mexico City trade agreement, the Windy City is taking advantage of a sister city framework that builds on existing cultural and economic ties. The Chicago metro area is home to the second-largest concentration of Mexican immigrants in the U.S. The trade relationship between the two cities involves more than \$1.7 billion worth of locally produced products; each is the top North American trading partner of the other. Both have a sordid history with the forces of globalization. They are both victims of deindustrialization, but are also becoming the new home of global firms, including Siemens, a multinational German engineering giant, in Chicago, and Motorola Solutions in Mexico City. The connections built on this partnership encourage that growth.

San Francisco and Phoenix have also benefited from sister city relationships. Biotechnology and information technology companies are moving into the Bay Area as a result of a partnership with Shanghai. This relationship has been shaped by ChinaSF, an economic initiative with support from public and private sectors in the two cities. Two years after its creation in 2008, ChinaSF brokered the expansion of 10 Shanghai-based technology companies into San Francisco during the peak of the recession. In Phoenix, Arizona State University and the Monterey Institute of Technology and Higher Education launched an online certification program for ASU's International Six Sigma Black Belt Certification in 2005. This program allows both of their graduate students to utilize a widely recognized tool of management

professionals, giving them an added advantage in an increasingly globalized job market.

Sister cities have the capacity to create a new paradigm for urban economies in post-Great Recession America. As they bypass a stagnant federal government, cities are using these relationships to establish themselves as power players in a global economy in which they were once only spectators.