

## **2010-2011 REPORT**

### **MILWAUKEE SISTER CITIES INTERNATIONAL**

#### **African American Chamber of Commerce**

#### **Cities of uMhlathuze and Milwaukee**

### **INTRODUCTION**

Sister Cities International is a citizen diplomacy network that seeks stronger economic and cultural ties at the municipal level between U. S. and international communities. It is focused on stimulating economic development and promoting cultural understanding. This is an important function to be achieved in today's competitive worldwide economy.

Milwaukee has five formal Sister Cities including the City of uMhlathuze, Kwa Zulu Natal, South Africa. The agreement with Milwaukee was signed in May, 2008 by Mayor Barrett and Mayor Mngayi. Sister Cities International requires that there be local non-profit sponsors to carry out the programs that are agreed upon. Since we are emphasizing economic development our local sponsor is the African American Chamber of Commerce (AACC) partnered with the Zululand Chamber of Commerce and Industry in South Africa.

### **SISTER CITIES**

The AACC has been the Sister City local sponsor since 2010. Our primary intermediary with our South African Sister City has been Alderman Joe Davis. He has been an outstanding representative for the City of Milwaukee and has become a great friend of uMhlathuze.

The Zululand Chamber of Commerce activities include sustainable development forums sponsored by local industries such as telecommunications, aluminum, paper, port authority, Richards Bay Minerals, and Richards Bay Coal Terminal. They also operate several entrepreneurship projects and some social service programs. Their primary fundraiser is an annual Zululand Expo which generates about 80% of their revenue. The Zululand Chamber has 1000 members, a staff of 43 and an annual budget of R5,832,000 (\$750,000 US). The AACC is planning an Expo for this September where there will be Sister Cities/uMhlathuze will be participating.

uMhlathuze is situated on the east coast of Africa on the Indian Ocean about an hour drive north of Durban. It is composed of five towns with Richards Bay being the largest and most industrial and with the deepest port in the southern hemisphere. City government is made up of 60 Councilors of which 10 are full time and serve on the Council Executive Committee. The

City has 1900 full time employees led by a Municipal Manager and staff. Within the City there are urban areas, rural areas, farms, nature reserves, and Tribal Authority areas. Population is 350,000; 66% of homes are brick; 64% home ownership and 18% renters; 92% of households have electricity; 92% have access to running water and 68% of households have piped water; 43% have phone service; of adults over 20 years old 30% have finished high school, 9% are college graduates and 18% have no formal education. All low income housing (single family) is provided by the government free of charge to residents. Unemployment is 36% using international standards which means the rate does not take into account informal economic activity like urban garden sales, tribal area production for their own use and arts and crafts sales that are not calculated as employed. 25% of City employment is in manufacturing. The South African Gross Domestic Product (GDP) growth rate in 2011 was 3.1% which was down from an average of 3.29% over the previous 17 years.

### SISTER CITY PROJECT

The Sister City sponsorship agreement includes the possibility to travel to South Africa on occasion and that opportunity did arise in December, 2010. We were informed by Alderman Davis that Sister Cities International had received a grant from the Bill and Melinda Gates Foundation and one of the projects targeted to be developed was in Richards Bay. The project that was to be funded had to focus on either health, water or wastewater. We were invited to meet with the Africa Sister Cities representative (who was from Kosovo), regional and City of uMhlathuze officials and Federal government representatives in Johannesburg to discuss local involvement and project evaluation approaches as well as other opportunities. We met from December 8-10 in Richards Bay interviewing and making site visits to potential projects. Presentations were made by both city officials and non-profit representatives. At the end of the evaluation process the team selected a water project that will provide drinking water to 600 people in an area that had no water within a reasonable distance—in fact it was a very long way.

### LESSONS LEARNED

- Everywhere you go in South Africa there is talk and plans for sustainability and economic improvement—people are very future oriented. The sister city relationship is a very beneficial one for both Milwaukee and uMhlathuze/Richards Bay if we both learn from it.
- There are many business opportunities in Richards Bay and South Africa for American businesses. They are solvent, professional and interested in doing business with African Americans and other Americans.
- They are way behind in utilizing the latest technology in managing their water and wastewater systems. U. S. engineers and engineering firms can do very well. It may be

possible to even work out a financing/relocation arrangement with the government to establish offices there. A newspaper headline said “Richards Bay Beach Area Engulfed in a Layer of Filth”.

- Highways are very well constructed and they are in the early stages of installing intelligent highway systems. There are also opportunities here for transportation firms.
- As in the U. S. there is a need for skilled manufacturing workers. Another headline “Mercedes-Benz Picks South Africa” to manufacture the next generation of C-class cars which will be launched worldwide in 2014. Other plants to produce C-class cars are in U. S., China and Germany.
- Racial diversity is widespread but racism was not felt in the areas visited. While the City of uMhlathuze is 86% Black African, 9% White, 3% Indian/Asian, the town of Richards Bay is 40% Black African, 40% White and 20% Indian/Asian.
- We could learn from South Africa and Richards Bay how young people take school, work and their responsibilities seriously. Schools are all in uniforms—no baggy pants, very few overweight people, western clothing—very little African dress, all Black crews on highway construction work including foremen and engineers. Many government employees and private sector workers appear to be focused on serving the customers and displaying a positive and outgoing attitude.

#### SISTER CITY TRIP FOLLOW UP

After our return from South Africa the AACC held a Business Luncheon Briefing on January 28, 2011 to report to the Milwaukee community on the outcomes of the trip, recruit businesses to do business in South Africa and recruit firms for the next trip. Presenters were Wallace White, Chair of the AACC, Alderman Joe Davis, and Charles Manuel, Economic Counsel—South African Consulate. As a result of that meeting we know of one African American businessman that has gone to South Africa and is doing business there. That is George Stinson, President and CEO, General Converters and Assemblers, Racine, Wisconsin.

The AACC is in the planning stages for a Black Expo in Milwaukee on September 28<sup>th</sup>, 29<sup>th</sup> and 30<sup>th</sup> at the Frontier Airlines Center. We have already been in contact with Alderman Davis to make arrangements for Sister City and South African participation in the event.