



## **FOSTERING BUSINESS THROUGH SISTER CITIES RELATIONSHIPS**

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by Philip H. de Leon*

U.S. companies interested in pursuing economic and business opportunities in Eurasia might want to consider capitalizing on existing relationships with this region that have started close to home. One such relationship is that of a sister city, county, or state, which is a broad-based, officially approved, long-term partnership between two communities, counties, or states in two countries, for example, Seattle, Wash., and Tashkent, Uzbekistan, or the state of Iowa and the Cherkassy region of Ukraine. Hundreds of such relationships have already been established and have created numerous contacts, cross-cultural experience, and abundant goodwill between communities in the United States and Eurasia. Great examples of friendship generated through these programs include residents of Duluth, Minn., sending small amounts of money to and corresponding with orphans in Petrozavodsk, Russia; and the city of Dushanbe, Tajikistan, donating an original teahouse to the people of Boulder, Colo., so that they could gather in an authentic Tajik environment.

In general, sister city partnerships strive to increase global cooperation, promote cultural understanding and trust, and stimulate economic development by involving local governments, businesses, and a wide variety of citizen volunteers including civil society and nonprofit organizations. They are recognized, registered, and coordinated by Sister Cities International (SCI), which is a national membership association for sister city, county, and state programs in the United States. Anything that goes on in a community can become the subject of a sister city project, including health care, environment, arts, education, economic and business development, public safety, municipal training, youth, and much more. Some of these relationships already include a business-focused component that helps foster trade or contacts between companies, and for others, the potential exists. "Of all the things we can do to strengthen people-to-people relations between sister cities, specifying and achieving measurable objectives, as required in running a for-profit business, ranks way up there," said Richard Fitts, former president of the Rochester (NY)–Velikiy Novgorod (Russia) partnership.

### **Existing Partnerships and Concrete Achievements**

Interested U.S. companies should consider such partnerships as a starting point to learn more about existing business relationships, established contacts, and the acquired experience. The following are some examples of business events that took place within the framework of sister city relationships.



The sister city agreement between Rochester, NY, and Velikiy Novgorod, Russia, which received the support of local officials and a former Kodak executive in 1993, assisted in forming a for-profit corporation that today has 27 retail photographic stores in several Russian cities. This example of the successful creation of a private commercial enterprise is managed by Russians, has more than 100 employees, and serves 150,000 customers with a focus on quality, customer service, and good employee relations.

The state of Maryland hosted Leningrad Region Governor Valery Serdyukov and a group of Russian businessmen in May 2001. The region is frequently mentioned as one of the most investor friendly among the 89 Russian regions. Significant contacts were established and are ongoing and contractual relations were facilitated.

The International Visitor Council of Philadelphia hosted and organized meetings in March 2002 between local companies for the director of the Nizhny Novgorod Hi-Tech Business School, allowing specialists from the Philadelphia region to share their expertise and help develop the skills of students in Nizhny Novgorod. One objective of this project was to establish linkages with hi-tech centers in Russia and the United States and to produce a pool of professional human resources and a training center for IT companies and software developers in Nizhny Novgorod.

In April 2001, the Montclair (NJ)-Cherepovets (Russia) Sister Cities and New Jersey-Vologda Business Council hosted Mayor Mikhail Stavrovskiy in Washington, DC, with the assistance of BISNIS, and introduced him to several Department of Commerce programs. This visit resulted in an updated report on Cherepovets and in three business proposals from companies in that city, all of which are posted on BISNIS' website.

### **Upcoming Partnerships and Beyond**

Local officials from the Tver region in Russia and the state of Louisiana, with organizational oversight and management provided by the city administration of Lake Charles, intend to sign an ambitious sister state agreement on "scientific, technical, commercial, economic, and cultural cooperation" in July 2002. Like many partnerships, this agreement is the result of the strong commitment of individuals to make things happen and required over a year of preparatory work. Article 5 of the agreement states: "The Tver Regional Administration will strive to grant benefits to the participants of international economic activity who are registered on the territory of Tver region and the state of Louisiana." This plan underlies one of the major objectives of the partnership—to foster commercial ties between the two sides.



Similarly, the mayors of Pittsburgh, Penn., and Astana, Kazakhstan, will continue discussions following a June 2002 visit to Astana of American International Health Alliance ([www.aiha.com](http://www.aiha.com)) officials and a representative of the Pittsburgh Urban Redevelopment Authority to enlarge the areas of partnership beyond the current area of cooperation between the two—the health care sector.

Also, efforts are presently under way on both continents to reactivate, develop, or increase the activities of several community partnerships. For instance, the Portland-Khabarovsk Sister City Association and the School of Business Administration at Portland State University plan to hold a Russian Week in Portland during February 10-15, 2003, with the goal to reintroduce Russia to the people of Portland, and focusing on business opportunities. In addition, the chair of the Sister City Committee for Minneapolis/St. Paul–Novosibirsk, Russia, just returned from Novosibirsk, where he was asked by local officials, “What more could be done?”

The desire to work together can transcend the framework of a sister city partnership. An atypical example is the 300/100 Anniversary Event whereby various cultural and business events will take place throughout 2003 to honor the anniversaries of Russia’s and Florida’s St. Petersburgs.

### **What Next?**

In a May 24, 2002, in a joint statement President Bush and President Putin affirmed “the importance of strengthening contacts between our societies and citizens,” noting the existence of city, hospital, and university partnerships. Sister city partnerships, which develop through the strong commitment of participating individuals from all levels, are wonderful tools that bring communication down to a personal level and allow people to share and work on common interests.

### **Number of SCI-sponsored relationships as of June 2002**

Russia: 96	Kazakhstan: 2
Ukraine: 26	Uzbekistan: 2
Georgia: 5	Azerbaijan: 1
Armenia: 4	Kyrgyzstan: 1
Moldova: 4	Tajikistan: 1
Belarus: 2	Turkmenistan: 1



### **Examples of Existing Relationships**

State of North Carolina – Republic of Moldova  
Houston, Texas – Baku, Azerbaijan  
Tucson, Arizona – Almaty, Kazakhstan  
Colorado Springs, Colo. – Bishkek, Kyrgyzstan  
Cincinnati, Ohio – Kharkiv, Ukraine  
Columbia, Missouri - Kutaisi, Georgia