# Europe – China Exchange Platform Survey

Status, quality and characteristics of existing partnerships between Chinese and European cities

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ICLEI
Local Governments for Sustainability

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#### Abstract

The aim of this report is to give a detailed overview of the state of the art of partnerships between European and Chinese cities. The opening of the Chinese market, on one hand, and Europe's business sector showing interest in approaching a new potential market on the other, are the bases of this research. The first part of the paper is dedicated to the general understanding and comparison of centuries of geographically separated historical events. Thus, figures on market development, urbanization patterns and political features are taken into consideration. The second and core part of the report presents a series of interviews with some of the most involved European cities into partnerships with Chinese administrations. Interviews were usually carried out by phone with officers from the most appropriate city's department – i.e. international relations office, economic development, cultural office, etc. Topics addressed concern the character, formal status and duration of the partnership; main topic addressed and key achievements within the partnership; future expectations; key obstacles and weaknesses perceived by partner cities; needs and wishes for support to improve the partnership. In the last part main conclusions about each theme presented are drawn up and good practices for future partnerships are suggested.

## Urban growth: different realities in comparison

Over the last few decades, urbanisation has been an essential part of most nations' development towards a stronger and more stable economy, underpinning improvements in living standards for a conspicuous proportion of the world's population. Economic wealth and big cities presence are strongly linked aspects, as most of the world largest urban areas are in the world largest economies. Cities and towns also have important roles as centres of artistic, scientific and technological innovation, and of culture and education.

Since market reform started in 1978, China has experienced a rapid urbanization and industrialization. By the end of 2009 the overall population living in urban areas in China had reached 622 million. During the last 30 years China had an average urban growth ratio of 0.93% per annum representing today nearly one fifth of the world's total city population. By the year 2020 it is foreseen that up to 56% of Chinese population – about 850 million of citizens - will live in Chine's cities. Urban sprawl has mainly occurred in big cities since have been undergone a dramatic urbanization process. The term "big city" refers to those areas having non agricultural residential populations over 500,000 living in the urban and nearby suburban areas. Big cities accommodated 61% of their total number of new urban residents from 1990 to 2009 (Zhao, 2010). A main concern of the Chinese Government is to limit city sprawling implementing a number of policies in this sense. Migrants from the countryside are encouraged to move in small cities and villages outside the highest density contexts; land development permissions are restricted in order to promote a more intensive and high density land use; in 1990 the planning regulations prescribed that residential population density in big cities was to be at least 140 persons per hectare.

Different is the situation in Europe where although urban areas are still expanding very rapidly, the population growth is not increasing at the same speed. At the end of the 17<sup>th</sup> century, about 28% of the population in Europe may be classified as urban with Britain (64%) at one extreme and Finland (8%) on the other one (Woods R., 2003). Thus, European urbanisation has always been strongly characterised by a non-homogeneous spread. Depending on the given definition of "urban area" there are several statistics on the number of Europeans living in these areas. It is anyway acceptable to argue that around 75% of European citizens live in urban environments. Regional urban patterns vary strongly creating a mosaic of urban areas development throughout Europe. Depending on the geographical area, built-up zones increased from 0,4% up to 40% between 1990 and 2020 – an average growth of 5.5% (EEA Report, 2009). This trend can be explained considering some key elements such as the dramatic enlargement of dwellings number, mainly small ones, the domestic and international migration and the environmental component - meant as precondition for attractive and healthy places where to live.

In any case, it is challenging to make comparisons between European and Chinese urban development paths as the two countries have disparate economic and social histories. The UN World Urbanization Prospect estimates that in the year 2010, 73% of the European population lived in urban areas. This figure is compared with 45% urban population in China. Although substantial differences exist

between the data, it is noteworthy to add that Chinese cities have approached an urban population threshold of one million inhabitants within a much shorter span of time than European cities have. In China more than 100 cities have a population of more than one million inhabitants, while in Europe only a few cities go over this threshold. Another factor that skews the urban population comparison between Europe and China is the geographical territory. In China, urban sprawl has continued uninhibited as a result of lack of geophysical barriers. On the other hand, China retains a low rural population density because the population is spread out along a larger territorial space. The market based economic reform caused a migration from the rural areas to the big and powerful economic centres where semi-private activities began to thrive. In both cases, urban areas will be expected to increase more and more. This trend is not expected to halt in the near future because it is rooted in long term socio-economic changes.

Only during the last two centuries, urbanisation can be used as a means by which to compare European and Chinese development patterns, especially in agricultural production efficiency. In fact, the production of a certain surplus of food assures the maintenance of a certain amount of population – the urban population – which, due to its surroundings, is unable to cultivate enough to sustain itself without outside assistance. Such a trend has been confirmed only under certain developmental conditions and only within rich, well-developed situations. Weaker still is the impact that standards of living have on urbanisation rates in middle-income countries. In England there are clear indications that agricultural productivity and urbanisation simultaneously supported the same rising economic trend. After 1800 the link between food prices and urban population growth had been broken and England saw a new demographic boom coincide with a particularly wealthy period. Although one might expect that urban sprawl within the Chinese context began much earlier than in Europe, it is quite surprising to see how Chinese cities' development occurred suddenly and at a comparatively late stage. As you can see in the first graph, the urbanisation process in Europe had been contained and gradual. At the threshold of the 20<sup>th</sup> century it had already reached nearly 10%, while at the same time in China only 2% of inhabitants were living in cities (Woods R, 2003).

This phenomenon is best viewed in the context of Chinese traditional social and political habits. In the 19<sup>th</sup> century small-scale, labour-intensive family farming encouraged a deep attachment to the countryside. Moreover, the pro-agricultural (peasant) orientation of the ruling bureaucracy indirectly fostered a culture of anti-urbanism – a culture which was still present during the Fifties and Seventies and that only later mutated (recent developments in the Chinese market and political system will be discussed more in detail in the next chapter). In the graph below (Fig. 2), it is worth highlighting the phase of accelerated growth which manifested itself during the second half of the 20<sup>th</sup> century. The recorded percentages of people living in urban contexts between 1963 and 1980 plateau at about 17%, yet by 2000 that had already risen to 20%.

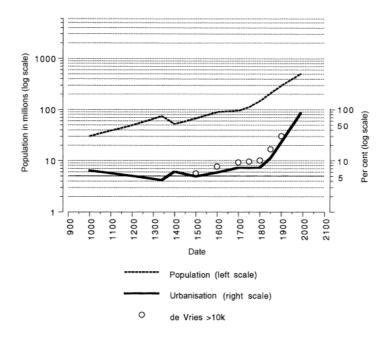


Figure 1: Estimates of population size and level of urbanisation for Europe. Source: R. Woods, 2007.

Please note that a log scale is used for indicating the population and the percentages. Empty bullets indicate urban contexts with more than 10,000 inhabitants

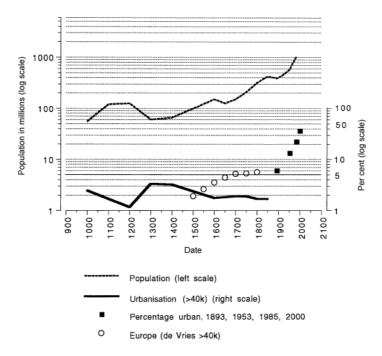


Figure 2: Estimates of population size and level of urbanisation for China. Source: R. Woods, 2007.

Please note that a log scale is used for indicating the population and the percentages. Empty bullets and the black line indicate urban contexts with more than 40,000 inhabitants

Whether speaking about China or Europe, generally a city's development is a function of several factors, among which:

- 1. Size of the total population
- 2. Control of the natural environment
- 3. Technological development
- 4. Developments in social organisation

The last three points in particular, have long been an issue in Europe and therefore the concept of 'urban sustainability' has become increasingly popular, even amongst the general public. As we have previously mentioned, European cities came to tackle sustainability issues much sooner than Chinese administrations. In the 1880s extreme inequality in levels of income within London, poor sanitation and pollution had already been identified as major issues facing urban development. Economic expansion had led European cities to unsustainable social and environmental conditions. An analysis of the system was needed in order to improve living conditions, as well as answer to basic questions such as: which activities within urban areas contribute to unsustainable outcomes? What are the possibilities of using urban areas to render economic development more sustainable? How can urban level of governance be used to pursue action for sustainability and to demonstrate commitment to the sustainable development agenda? (Rydin, 2010) Considering the efforts that have already been made in Europe to find plausible and feasible answers to these questions, as well as the historic changes underway in China at present, a binding collaboration between Chinese and European realities may be inevitable.

As it will be better underlined in the next two chapters, neither the Chinese nor the European administrations have found a successful formula for the realisation of sustainable cities so far. Thus, cities from both the continents spontaneously began mutual collaborations. The second section is dedicated to the direct opinion drawn from the interviewed European cities. The importance of the exchange of knowledge, experiences and best practices will in this part clearly come out.

## The Chinese Context

The People's Republic of China is governed by the Communist Party under a single party system. The territory is today organized in a complex system, including 22 provinces, 5 autonomous regions, four directly administered municipalities (Beijing, Tianjin, Shanghai, and Chongqing), and two highly autonomous special administrative regions (SARs) - Hong Kong and Macau which are self-governing under "one country, two systems".

The organization of the Chinese economy has been undertaken to several reforming operation during the last century. Under state socialism two main massive restructuring processes aimed to tackle macro-regional inequality which despite big manoeuvre had never been solved. In particular Mao Zedong tried to push on redistributive regional policies – "blood transfusion"- such as the People's Communes and the Great Leap Forward which turned out in a failure and causing million of deaths.

The first opening to a more liberal market model began in 1978 under Deng Xiaoping with his market based economic reforms. The "growth first" mentality has been recognized as an ideological key parameter for the new entrepreneurial model, mainly characterized by an economic devolution. During these years parallel experiments started in different Chinese provinces: the household responsibility system –HRS- by which local managers where responsible for losses and revenues of the owned activity (Xu & Juzhong, 1998); the creation of Special Economic Zones (SEZ) which enjoyed various privilege i.e. open trade, retention of foreign exchange earnings, tax advantages and the right to authorize small foreign investments (Wong & Kwan-Yiu, 1987); reform of State owned enterprises where a limited number of enterprises were allowed to keep a share of profits. These experiments were the first steps made in order to modernize the Chinese economic system which caused the growth of violent intercity competitions. It turned out in a self-destructive phenomenon causing the construction of redundant infrastructures and industries and uncoordinated development with strong impacts on the environment.

In 2001 China became part of the World Trade Organization (WTO) thus giving a strong boost to the export industry but without solving the internal friction between local governments. For this reason three main regional regulations had been studied and implemented in the last years (Vogel et al., 2010):

- spatial strategic plans for achieving a higher level of regional coordination and governance; example of those are the Pearl River Delta Coordination Plan (Pan-PRD) and the Urban System Plan of the Yangtze River Delta (YRD);
- administrative annexation in order to create a larger tax base for funding infrastructure and to help the leverage of foreign investment;
- building soft regional institutions for a better coordination through mayors meeting, joint regional forum / councils.

Each of this reform is led by a common logic which is the partial decentralization of decision-making throughout the empowerment of peripheral administrative bodies. Local governments in China are currently increasing their importance. The decentralization process has been put into reality through different actions, each one resulting in a lightening of the role played by the central government. Some examples concern the investment field where municipal governments emerged as a major agent of investment changing their role from "government control" to "governance guidance" in growth management; new regulatory, taxation and licensing powers are now delegated to local district and county governments expanding their influence on the socio-economic sphere; private enterprises enter now in the LG jurisdiction as one component of the local corporate whole; state-owned enterprises (SOEs) became more autonomous being allowed to base their decisions on the market demand of production.

## The European Context

The first step towards establishing the European Union (EU) was taken on the 18<sup>th</sup> of April, 1951 when, based on the Schuman plan, six countries came together to sign a treaty under which they agreed to run their heavy industries – coal and steel – under a common management. Those six nations were Germany, France, Italy, the Netherlands, Belgium and Luxembourg. This co-operation then expanded in other sectors, beginning with economics and the creation of the European Economic Community (EEC) and continued in 1968, when the same countries allowed free cross-border trade for the first time.

From 1973 onwards, more countries from the European geographical area came on board and joined the EU. There are currently 27 member states, including the original six EEC members and (in chronological order of their joining the EU) Ireland, Denmark and United Kingdom; Greece; Spain and Portugal; Austria, Finland and Sweden; the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Malta, Cyprus and Slovenia; Romania and Bulgaria. In January 1993 the single market and its four freedoms were established: the free movement of goods, services, people and money is now a reality.

Since the official introduction of common currency the Euro on the 1<sup>st</sup> of January, 2002 more than 80 billion coins have been distributed within the Euro countries: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain and the Netherlands. Denmark, Sweden and the UK have decided to stay out for the time being.

Although European rules allow national and local administrations to preserve their own individuality, traditions, history, present issues and strengths, the different types of organisations can broadly be listed as follows:

- *Unitary States* (Romania, Portugal, Bulgaria): sovereign state governed as one single unit in which the central government is supreme and any administrative divisions (sub-national units) exercise only powers that the central government chooses to delegate;
- Decentralised Unitary States (Sweden, Czech Republic, the Netherlands, Switzerland): transfer of authority and responsibility for public functions from the central government to subordinate or quasi-independent government organizations and/or the private sector;
- Regionalised Unitary States (United Kingdom, Italy, Spain): the central government has delegated some of its powers to regional authorities;
- Federal States (Germany, and out of Europe, the US): local units share sovereignty with the central government, and the states comprising the federation have an existence and power functions that cannot be unilaterally changed by the central government.

In any case, it is commonly perceived that top down and command-and-control models of governance are no longer appropriate. Generally speaking, European governments try, more or less, to implement *urban governance* which differs from traditional forms of governance by including actors representing

not only the public sector but also the private and voluntary sector, all pursuing mutual interests. Local governments have gained more and more significance, particularly in the Nineties and, through the devolution of tasks and powers, central governments have increased the burden on local governments (LGs). Simultaneously situations arose where European policies took over responsibilities previously assigned to national governments (Dekker K., 2001).

Issues and barriers continue to surround the development of sustainable policies and urban government. Joined governance structures may generate tensions and conflicts with respect to accountability, legitimacy and power, especially in situations where there is devolution of responsibility without proper devolution of decision-making authority, competence or budgetary power. Networks are only suitable for specific projects or policy fields, not for a holistic view or policy. Furthermore, participants in networks are not democratically elected, although there are no physical barriers to participation. A partnership is usually made up of those capable of adding resources, including political power or legitimacy and sometimes the goals of different partners in the network may conflict; commitments may be set for self-interest rather than on the good of the community as a whole. Finally, young, weak and relatively small organisations are hardly able to take part into the European decisional context. Still considering LGs under a European prospective, the non-homogeneous national systems throughout the EU and peculiar economic situations hinder the compact development of common policies. A higher consideration and involvement of LGs into the international arena would promote a bottom-up approach and ensure the connection between central and peripheral administrations.

As already mentioned, numerous urban policy initiatives in Europe are intended to integrate economic, ecological and social aspects. The Dutch Big Cities Policy is a partnership established, in written agreements between the national governments and the mayor of four cities - Amsterdam, Rotterdam, Den Haag and Utrecht – as well as more than 20 medium-sized towns. It mainly aims to bridge the gap between the old and inadequate policy implemented from the Sixties to the Nineties, where physical urbanisation was addressed more than any social aspects (Andersem & van Kempen, 2003). Governance became a key element in Danish urban policy in the Nineties due to social problems which presented themselves in certain neighbourhoods throughout the Eighties. As a result, a new bottom-up approach was implemented, chosen for two main reasons: the huge costs of traditional urban renewal combined with its modest results and also the lessons learned during the conflicts with tenants in the process of past phases of urban renewal (Andersem & van Kempen, 2003). The following section will give the reader other examples of how European cities are currently facing problems related to urban governance, globalisation and sustainability.

## European-Chinese partnerships

## Objectives:

- ✓ To indentify the interests that brought China and Europe to collaborate for a common aim, especially regarding the topics recognised as more interesting for the stakeholders
- ✓ To find out whether a common strategy has been undertaken in order to carry on common projects or whether other external or internal factors are steering/steered the partnership planning
- ✓ To understand what is perceived as success and what as a barrier or weakness
- ✓ To outline the institutional context into which cities act
- ✓ To summarize the experiences and to recommend a key-points in order to gain a fruitful partnership

#### General features about the methodology:

- ✓ Finding and selecting existing cities' partnerships between Europe and China have been founded and selected
- ✓ Phone interviews with the selected cities based on a common framework of questions have been conducted
- ✓ A concise summary report on identified needs of European cities to enhance and support their partnerships with Chinese cities has been prepared
- ✓ Proposals and suggest ideas for future activities have been made

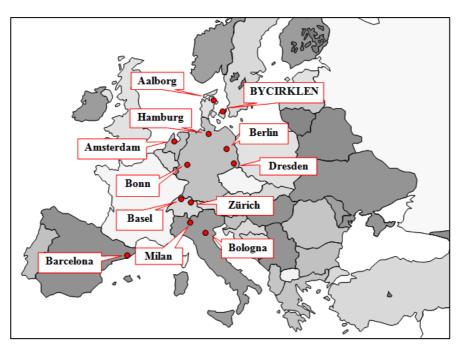


Figure 3: European cities that had been addressed for the European – Chinese partnerships study.



# Aalborg (Denmark) Hefei (Anhui)

Source: North Denmark EU Office Aalborg - Brussels



#### Character, formal status, start and duration of the partnership

The agreement signed by the cities of Aalborg and Hefei is the result of a previous private collaboration between consortiums working on the field of raw material extraction. In 1988 the Aalborg administration was recommended to start up a twinning relation with the city of Hefei. Although the partnership was born under an essentially private boost, it is currently run by public actors.

# Main topics addressed and activities undertaken within the partnership

Economic issues and trade, energy efficiency, urban planning and construction are the main topics undertaken. Education is also considered through the implementation of science, technology and sports events.

## Key achievements within the partnership

In 2005, 60 hospitals from the city of Hefei (which has about 5,000,000 inhabitants) took part in the "Sustainable Waste Handling in Hefei", a project focused on clinical waste management and financed by the Asia URBS Initiative. Through the collaboration of hazardous waste treatment and market strategy experts coming from Danish private companies, a more environmental friendly waste scheme were studied resulting in the implementation of a number of IT-based logistic systems in order to control clinical waste handling.

Since the first Danish delegation travelled to China ten years ago, business meetings are organized at a regular basis in order to discuss business issues and exchange initiatives on culture related topics.

Every four years the city of Aalborg, which counts up to 34 different twinning cities, organizes sport competitions which draw a large number of teams from all over the world. Also politic authorities meet each other regularly.

## City of Aalborg

The city has a population of about 200.000 inhabitants making it the fourth largest in Denmark. The current development of the city is mainly due to the thriving ship market: the Port of Aalborg is today the northern Denmark's main import/export hub. The foundation for another of Aalborg's largest industries - the cement development is due to the large mass of chalk under the ground. Aalborg is also the city of knowledge thanks to its well developed Universities and of the NOVI science park. On 11 June 2004, 110 representatives of local administrations adopted the Aalborg Commitment document for rising awareness on climate and environmental protection on local level strengthening the role of European municipal governments in this sense.

http://www.aalborg.dk/Dansk/

## City of Hefei

Hefei is a prefecture-level city - with higher administrative competences of a county and lower than a province- and the capital of Anhui province with a population of nearly 5 million inhabitants. It is the political, economic, and cultural centre of Anhui. Hefei has established sister city relationship with 12 cities in USA, Japan, South Korea, Denmark, Australia, UK, Germany and Chile etc. and trade ties with over 180 countries and regions. The number of outside investors ranks the first in Anhui province. Eight key industries have taken shape, i.e., automobile, equipment manufacturing, household appliances, chemicals & tire, electronic information & software, new materials, bio-technology & new medicine, deep processing of food & agricultural products and side-products. As an important base for science and education in China, Hefei is the first and sole Science and **Technology Innovation** Pilot City in China, and a member city of WTA (World Technopolis Association).

http://www.hefei.gov.cn/n1070/ind ex.html

# Future expectations and expected development of the partnership

There is a great potential for further cooperation between the two cities especially within exchange of public know how. However, it requires a more proactive strategy from both sides and the willingness to implement the strategy. This is the future perspective and might be realistic in the coming years if there is a political commitment from both sides as well as new funding opportunities.

## Key obstacles and weaknesses in the partnership

Even though language often represents a communication barrier, this is not considered a main issue. The most relevant are the obstacles related to the proposal stage of new projects where the Hefei administration is more active in suggesting headlines of attractive projects than in developing a substantial action plan for their implementation.

Another important issue for Aalborg is the lack of funding opportunities. Neither the Danish Government nor the European Union offer adequate answers to this need. Furthermore, due to the low number of European calls, there exists a strong competition where small projects have few chances.

#### Needs and wishes for support to improve the partnership

The city of Aalborg would like to see an increase in the public attention on the topics concerning exchanges between cities.



# BYCIRKLEN¹ (Denmark) Wuxi (Jiangsu)

Source: International Office City of Ballerup



#### Character, formal status, start and duration of the partnership

In 2007, the cities of Ballerup, Egedal and Frederikssund and Wuxi signed a Partnership Agreement and thus setting off the beginnings of a long-lasting relationship involving a wide range of inclusive topics. The involvement of citizens in the strategy planning stage, strongly characterizes the nature of the collaboration which had been mainly aimed to create a self-sustained flow of activities.

# Main topics addressed and activities undertaken under the partnership

The relationship mostly focuses on the themes of cooperation between local authorities and public services, education, development and the promotion of business bonds, cultural exchange through the organization of art-related events. A fair knowledge exchange in all the fields, including also public health and housing system, is the key strategy for assuring a good outcome of the partnership.

#### Key achievements within the partnership

Regular meeting and events are undertaken to maintain the collaborative atmosphere between the cities. Several of these initiatives aim to involve the entire social stratum beginning with school children, who are given the opportunity to do exchanges in the city of Wuxi. Up to 12 schools and 8 educational institutions are taking active part in this initiative and have produced, as a result, common projects, which have normally included the cooperation aspects between education and engaging young people. Such

### **BYCIRKLEN**

BYCIRKLEN is the official partnership between three local authorities within the north-western part of the Greater Copenhagen Region: Ballerup (47,000 in.), Egedal (41,000 in.) and Frederikssund (15,000 in.). The partnership is engaged for the cooperation within dynamic developments within business and housing, infrastructure improvements, educational improvements at all levels and helping the growth of attractive business, town and housing areas. Industry employs 15% of the total workforce within BYCIRKLEN and is therefore the biggest line of business which includes the iron and metallic industries, the chemical industry and the paper and graphic industry.

http://www.bycirklen.com/

projects have focused mainly on urbanization with expert panel discussions in urban planning and sustainable housing projects.

<sup>&</sup>lt;sup>1</sup> Official partnership between the local authorities of Ballerup, Egedal and Frederikssund within the north-western part of the Greater Copenhagen Region (Denmark).

## City of Wuxi

Wuxi (4,500,000 inhabitant ca.) is an old city in Jiangsu province, People's Republic of China. As one of the birthplaces of China's national industry and commerce, Wuxi is one of the fifteen economic centres in China. The GDP per capita was ¥65,203 (ca.8,926 US\$) in 2007, ranked as second in Jiangsu Province - more than the capital city Nanjing. Although the overall weak world economy and trade which brought great impact on the Wuxi foreign trade, official sources reported a steadily growing economy in the field of the wind energy and microelectronics, Wuxi enterprises still shared the world market. Wuxi has rich mineral resources which are mainly clay ore, limestone, marble and other non-metallic minerals. There are 11 mineral water wells that passed technical appraisal and among which, five have been developed.

http://en.wuxi.gov.cn/

City representatives also meet periodically but, as agreed under the partnership, their activities are limited in order to encourage instead participation from schools, associations and other specific nongovernmental groups.

Every year an evaluation on the partnership is conducted. The most important results are than distributed in newspapers, libraries and on the municipality webpage.

# Future expectations and expected development of the partnership

The partnership has been working very well with groups of students and teachers easily negotiating methods to facilitate collaboration between each other. One of the principal acknowledgements of the agreement was the inherent differences between both cities. Thus, the main expectation from future cooperation is to continue exploration of similarities and differences between the Chinese and European societies.

### Key obstacles and weaknesses in the partnership

Regardless of a few obstacles, the collaboration between the three municipalities and Wuxi has been relatively smooth. In the beginning, the immense size of the Chinese city often delayed communication between people and a rapid development of activities. At a practical level, the issue that people from the cities often face is the difficulty to speak with the same contact person, even within the same organization, and thus making the decision process harder to develop and practical activities more complicated to implement. The complexity of the local administration offices represents an issue also for the Chinese partners themselves who cannot easily follow ongoing partnership activities because of the lack or absence of task-related tracking system.

The proposition of new projects often represents a difficult stage, since it is normally delegated to the Danish cities which would instead like to see more pro active participation from the Chinese side.

#### Needs and wishes for support to improve the partnership

The cities do not have any doubt in pointing out the main issue that they have constantly come up against: lack of funding. Currently, all projects initiated through the partnership have been carried out from Danish city taxes which have, to a large extent, traditionally been used to support the Danish welfare state. Therefore, the main wish is for a solid financial contribution from both the state and the European Union and to further partnership exchange projects and activities.



# Basel (Switzerland) Shanghai

Source

External Relations and location Mayor Cabinet - Kantons Basel-Stadt



# Character, formal status, start and duration of the partnership

The partnership between Basel and Shanghai officially began in November 2007, when a Memorandum of understanding between the cities was signed. In fact, the first initiative came two years before from the city of Shanghai on the occasion of a meeting between the Chinese administrators and a Swiss delegation. During the next two evaluation years, the city of Basel carried forth a case-study to involve both the Government of the Canton of Basel-Stadt and Swiss private companies. Therefore, in 2007, when an official agreement was signed, a clear activity plan had already been established.

The partnership is supported not only by the Government of the Canton of Basel-Stadt, which provides major source of financing, but also by external organization and companies, such as the Chamber of Commerce.

# Main topics addressed and activities undertaken within the partnership

Private engagement is strongly represented in the partnership, with a range of other sectors secondarily addressed. Economic knowledge and Life Science are common areas of interest in both the private and the public sector. The latter is specifically related to the sphere of health care institutions and university activities. The cultural exchange is undertaken under a rich agenda of events which includes music, theatre and traditions.

## Key achievements within the partnership

Basel is currently organizing a festival in the city, which from August to October 2010 will celebrate Chinese culture. On the following year, the Museum of Basel will host an exhibition highlighting Chinese history and culture. The continued

## City of Basel

Basel is Switzerland's third most populous city with nearly 170,000 inhabitants. The Basel area is Switzerland's second important business centre, and enjoys the country's fastest rate of economic growth. The city has developed into Switzerland's second mostimportant financial and insurance centre, after Zurich. Also research and education play an important role in Basel's wealth. Basel does not only engage in partnerships with other wealthy cities. It is also committed to development projects in poorer countries. Every year, the city gives 1,65 million Swiss Francs to development projects, both abroad and within Switzerland. The money is intended to improve the conditions for people in the poorest countries of the world and in the poorest regions in Switzerland.

Basel, Zurich and Geneva are taking part at the Shanghai Expo with a joint pavilion in the Urban Best Practices Area site.

http://www.basel.ch/

## City of Shanghai

Shanghai is the most populated city in China with about 19 million inhabitants. Together with Chongqing, Beijing and Tianjin, Shanghai is one of the four direct-controlled municipalities of the People's Republic of China - with an equal status to a province - divided into 17 districts and one county. Shanghai sits on the Yangtze River Delta and during the 19th century the favorable location made of the city a principal fishing and textile hub. After 1990, the economic reforms introduced by Deng Xiaoping resulted in intense re-development and financing in Shanghai and in 2005 the city became the world's largest cargo port. Shanghai is the cultural and economic center of East Asia and it is popularly seen as the birthplace of everything considered modern in China. The city is a tourist destination renowned for its historical landmarks such as the Bund and City God Temple, and its modern and everexpanding Pudong skyline including the Oriental Pearl

More information about the city on pages 19, 29, 34.

http://www.shanghai.gov.cn

collaboration with other cultural associations can also assure a celebration event for the Chinese New Year.

Business trips, administration meetings and small cooperation programs are continually organised throughout the partnership. The Manager Exchange Program is a successful experience which connects business sectors and creates collaboration opportunities. This program is mostly run and supported by private companies.

# Future expectations and expected development of the partnership

Although the partnership is still quite young, the relationship between the cities has already proven to be quite successful. The presence of a permanent reference person in Basel and another in Shanghai has been crucial in maintaining a productive and clear communication path.

At the moment, the Expo in Shanghai, where the city of Basel will feature its own pavilion, represents the most important impending event. The establishment of institutes is the next step to consolidate the relationship.

#### Key obstacles and weaknesses in the partnership

In general the partnership does not present any obstacle. A secondary issue is the time required in setting up the documentation for the preparation stage of each project.

#### Needs and wishes for support to improve the partnership

An aspect that the city will try to improve in future, is the narrowly-defined scope undertaken by some Swiss partnership companies and organizations which have focused on local issues. The administration of Basel would like to see a more global, and holistic approach by the stakeholders which focuses instead their interests on local level issues. They now have the opportunity to easily broad their market through the Asian continent thanks to the influential contacts of the local government, but mostly of them do not take advantage from the situation.



## Hamburg (Germany) Shanghai

Source:

Division for International Co-operation Hamburg Senate Chancellery



# Character, formal status, start and duration of the partnership

The city of Hamburg and the city of Shanghai undertook, in 1986, a formal agreement which was later followed, in 2009, by the memorandum on cooperation as part of the Hamburg CHINA TIME 2008 initiative. It formalized an already long-standing 150 year collaboration between the two strategically situated ports. Not only have both cities always been important harbor cities, but have also held a prestigious role due to the intense commercial activity, which have also subsequently contributed to their expansion of city limits and high population density. Another common peculiarity that gave the basis for signing such a productive partnership is that Hamburg and Shanghai are ruled only and directly by the state. In fact Hamburg as a Bundesland, and Shanghai as being ruled by the central Chinese government have the character of a province, hence are not ruled by a local government.

The relationship is not only supported from the cities itself but, depending on the projects, it is funded also through additional activities, such as the Chamber of Commerce.

# Main topics addressed and activities undertaken under the partnership

Hamburg and Shanghai share many common aspects, the cooperation between the cities covers a wide range of topics: from economy to education and science, from tourism and culture to city marketing. The agreement also deals with youth and civil society organizations, health, urban planning and development, environmental protection, justice and security, sports, experts exchange program, financial control. The priority topics are revisited and agreed between the cities every two years in the Memorandum on Cooperation and the new Memorandum has been recently signed by both Mayors at the EXPO.

## City of Hamburg

Hamburg is a major port city situated on the Elbe River in northern Germany. With nearly 2 millions of inhabitants, it is Germany's second-largest city after Berlin. The Greater Hamburg Metropolitan Region has a population of about 4 million inhabitants. Hamburg is at the same time one of the 16 German Bundesländer (city-states) and it is the economic and cultural centre of Northern Germany. After German reunification, Hamburg recovered the eastern portion of its hinterland, becoming by far the fastestgrowing port in Europe. The city is known to be one of the richest metropolitan areas in the European Union, like Brussels and London. Hamburg is the 2011 winner of the European Green Capital title. The city was recognized to have set very ambitious future plans in the field of climate and environmental protection.

# City of Shanghai Migration

With the introduction of reform and opening, population mobility has risen dramatically also in the Shanghai province. The "floating population" moving from the countryside is causing a rapid urbanization of the country especially in the most economically wealth areas such as Shanghai, Beijing and Tianjin. Here the urbanization level reaches the 70% and the urban population has a density of about 630 inhabitants/square kilometer. Between 1990 and 2000, the average annual growth rate of the urban population in Shanghai was about 2,2% (IIASA, 2003). Despite the income improvement, rural migrants in Shanghai are still segregated and a dualsociety is the one that the city has got today. Migrants normally live in difficult situations and will hardly

More information about the city on pages 17, 29, 34.

upgrade in the social tiers.

The continuity in communicating is assured by the presence of a Delegation Office set in Shanghai which is run in cooperation with the International Chamber of Commerce of Hamburg.

#### Key achievements within the partnership

From both sides, such a long lasting cooperation initiative has been prosperous especially in the field of urban development, strongly linked with the expansion phenomena of urban centers. Reinforced economic ties have made possible constant exchanges of experts. The constant communication leads to a successful better understanding on both sides.

# Future expectations and expected development of the partnership

The Hamburg - Shanghai experience is working well with special thanks to the long lasting cooperation which has fostered a solid foundation on which future linkages can be further.

Hamburg is the only German city that represents itself with an own pavilion, the Hamburg House which is the first passive house in China.

#### **Key obstacles and weaknesses in the partnership**

Overall, the evaluation of the relationship between Hamburg and Shanghai has been mutually positive despite the difficulties during the early stages of the partnership. The language barrier remains a major hindrance in communicating which, besides the natural challenge of distance, underpins the partnership weakness.

#### Needs and wishes for support to improve the partnership

With the exception of language and distance difficulties, the city of Hamburg deems there are no real needs for supporting the partnership due to the fact that it has been upgraded and improved during the past years.

A final advice from the city of Hamburg is to bear in mind the importance of having sufficient funds and well prepared expert staff.



# Zurich (Switzerland) Kunming (Yunnan)

Source:

Urban Development – International Relations Office City of Zürich



# Character, formal status, start and duration of the partnership

The cities of Zürich and Kunming initiated a twinning partnership about 30 years ago, as an outcome of an exhibition of the Swiss city in Kunming. At that time, exchange partnerships were quite seldom, so that the partnership represented an innovative experience for both cities. A memorandum of understanding was agreed, and since then both parties have undertaken a collaboration which is constantly being renewed. Currently, activities are included in a three year plan from 2009 to 2012.

At the beginning, it was the city of Zürich that economically supported the partnership. However, in 2002, the city switched to a less expensive but more effective funding system. Current activities are now based on an exchange between experts, and expenses are covered mostly by the Swiss Government through the Swiss Agency for Development and Cooperation and the Federal Department of Foreign Affairs. These entities provide a budget of up to 250,000 French Francs to be used for the realization of concrete projects. The contribution of the city of Zürich consists in the provision of human resources (consultancy work of experts from the city of Zürich in Kunming). Kunming itself pays for all experts from Zürich a per diem of 100 USD, plus board and lodging, during their stay in Kunming.

# Main topics addressed and activities undertaken under the partnership

At the beginning of the partnership, the main themes covered were related to water supply and municipal drainage. Other topics addressed through the collaboration are financial aspects, renewable energies and energy efficiency and cultural heritage protection. Special emphasis is put on urban development planning and development of urban transport systems. Yearly artist exchanges are also common. Cultural issues are directly run from the cultural office of the city administration which can be quickly

## City of Zurich

The city of Zurich (365,000 inhabitants ca.) is the largest city in Switzerland and the capital of the canton of Zürich. More than one million people live in the city agglomeration, while nearly 2 million live in the metropolitan area. By 2008, 31% of the city's population was made up of non-Swiss from a total of 166 different countries, all of whom help to make up Zürich's multi-cultural character. Zürich is a leading global city and among the world's largest financial centers. The city is home to a large number of financial institutions and banking giants. Also, most of the research and development centers are concentrated in the city and the low rate of tax attracts overseas companies to set up their headquarters there. Zürich was also named one of the European cities with the best quality of life in the world as well as one of the wealthiest.

Zurich, Basel and Geneva are taking part at the Shanghai Expo with a joint pavilion in the Urban Best Practices Area site.

http://www.stadt-zuerich.ch

## City of Kunming

Kunming is a prefecturelevel city and capital of Yunnan province, in southwestern China ranked below a province and above a county in the PRC. Kunming has abundant natural resources, an excellent local consumer market and the mildest climate in the region, characteristics that make of the city one of the most important hub for most of the province's vast resources. Real wealth has been generated in the last decade through pillar industries such as hydropower, pharmaceuticals, tobacco, tourism and the local property market. Once an economic backwater, the city of Kunming in Yunnan province has been emerging as a promising market for imported goods and services from around the world as well as goods produced by foreign invested enterprises.

http://www.km.gov.cn/structure/ind ex.htm

approached by the proposers. Once a year the representatives of the cities meet for setting the state of the art of the shared activities.

## Key achievements within the partnership

The "Kunming urban development – public transport master plan" has set ambitious goals in terms of environmental, economic and social issues. The project focuses on planning of residential areas, safe walking and cycling, an efficient public transport system and traffic management. During the process, several ambitious objectives have been achieved, and since 1999 Kunming is the first city in the People's Republic of China to have a bus line with all the attributes associated to modern bus lanes. The next step to be taken by the administration includes the developing of the metro network within the 2010 frame for building and urban planning.

Twice a year a Swiss delegation formed by independent experts and administration representatives, travel to China in order to collaborate on common challenges and up to date their partnership.

#### Future expectations and expected development of the partnership

One of the lessons learned concerns the importance of keeping a systematic and continuous communication. Future expectations are strongly related to reinforce this attitude and keep up with present trends.

## Key obstacles and weaknesses in the partnership and consequent needs

Certain barriers are due to differences in the political systems: the Chinese system is very much "top-down". While in Switzerland the administration is mainly responsible for the planning processes, in China politics and especially the communist party are deciding on

planning options. This sometimes hampers a long-term planning since the experts in the administration of Kunming often have to react to short term targets of their politicians.

Another issue to be taken into account is that a tricky and complex bureaucracy system makes the communication net slower, not only between cities but also within the administrational and expert working team.

### Wishes for support to improve the partnership

Under the light of the underlined obstacles, what the city of Zürich would like to see realized is a higher synergy with other existing programmes. In this way a more emphasized approach on development topics could be reached.

The final conclusion on the partnership is that it is a strongly positive experience, seeing as there exists a friendly relationship and collaboration between teams and the intensive personal interactions between both cities has permitted them to reach demanding results.



# Amsterdam (The Netherlands) Beijing

Source:

Amsterdam Inbusiness Amsterdam Metropolitan Area



# Character, formal status, start and duration of the partnership

The first relation between the cities dates back to 1985. Some years later, in 1994 a formal agreement was signed, although at that time no concrete projects were available. Instead, the collaboration was initially based on a regular exchange of delegations in order to set the foundations of a shared collaboration.

The economic promotion of the partnership is not explicitly foreseen under the agreement, as it depends basically on the current ongoing program. For an example, projects run from private companies, are normally financed through sponsored contracts. In any case, financing has never been a problem since sufficient funds are regularly allocated.

# Main topics addressed and activities undertaken within the partnership

Water management, architectural heritage protection, finance, tourism, energy saving and cultural exchange are some of the topics addressed in the past activities.

The tourism industry is now seen as the new booming market and year after year is dramatically increasing. The involvement of the Dutch social insurance colossus Aegon and ING, ensures the presence of the financial sphere within the Amsterdam – Beijing axis. In the other direction Huawei, the largest networking and telecommunications equipment supplier in the People's Republic of China, seat its Benelux headquarters and its global financial holding business in Amsterdam.

University of Amsterdam, VU University Amsterdam and InHolland University, are always highly involved in all fields of study. Local authorities, the international bureau or external organizations are also involved depending on the project.

## City of Amsterdam

Located in the province of North Holland in the west of the country, Amsterdam is the capital and largest city of the Netherlands. In 2008 the city of Amsterdam counted 1.36 million inhabitants. The urban area comprises the northern part of the Randstad, the sixthlargest metropolitan area in Europe, with a population of nearly 7 million. Amsterdam is the financial and business capital of the Netherlands and is deemed to be one of the best European areas where to locate an International Business – after London, Paris, Frankfurt and Barcelona. Amsterdam is one of the most bicyclefriendly large cities in the world and is a centre of bicycle culture with good facilities for cyclists such as bike paths and bike racks.

Amsterdam is present at the Shanghai Expo 2010 with a series of activities centred on Finance, Creative Industry and Tourism.

http://www.iamsterdam.com/en

## City of Beijing

Beijing, also known as Peking, is the capital of the People's Republic of China and it is one of the four cities - together with Shanghai, Chongqing, and Tianjin - under the direct administration of the central government. Beijing is divided into 16 urban and suburban districts and two rural counties. In 2008 the city's population was nearly 17 million, with a total land area of more than 16,000 square kilometers. The main urban area and the city center provide about 80% of employment and in 2007 made up about 70% of the population of the city. Beijing holds the role of political, educational and cultural center of the People's Republic of China and, being the capital city, it also houses all the important national governmental and political institutions – such as the National People's Congress. The Chinese Communist Party regulates administrative orders, collecting taxes and operating the economy within the municipal government.

More information about the city on page 37.

http://www.ebeijing.gov.cn/

### Key achievements within the partnership

In 2005 the city of Amsterdam organized a festival where Chinese culture and tradition were presented to the citizens.

In 2008 a third shipping line for the flow of the goods between the two partner cities has been opened. During the same year a delegation made up of all the principal actors related to the governmental, financial, touristic and research fields visited the cities of Beijing and Shanghai in order to underpin the existing links. In this occasion was shown how the exchange of students and the tourism market could be intensified in the future.

# Future expectations and expected development of the partnership

So far the partnership has always worked in a friendly and collaborative atmosphere. Nevertheless there is space for an improvement in communication. Current wishes are to overcome the issues related to this aspect.

#### **Key obstacles and weaknesses in the partnership**

The differences in the bureaucratic organization of the Chinese system and in the size of the cities are sometimes a problem. Another obstacle is the language. Although English and Chinese speakers are available in the partner's offices, communication between experts can be hindered since they often do not have a sufficient preparation on languages. This is also the reason why throughout the stages of the project development there are often misunderstandings from both sides.

### Needs and wishes for support to improve the partnership

The Amsterdam authority would like to see a deeper involvement of the European Union in the intercultural partnerships between cities. Although the financing is not a problem for the Netherlands' capital, there exists a lack of knowledge and awareness on exchange activities at a European and national institutional level.



# Bonn (Germany) Chengdu (Sichuan)

Source:

International Affairs and Protocol Department City of Bonn



#### Character, start and duration of partnership

The relationship between the city of Bonn and the Chinese city of Chengdu is relatively young. It started in 2000 through cultural projects and school exchange programmes. This approach lead, 5 years later, to the signing of a Memorandum of Understanding which formally sanctioned the partnership. Although the primary concept of the partnership is subscribed between public administrations, the real core of ongoing relationships is represented by groups of citizens who carry on activities in specific sectors.

Besides the Chinese partnership, Bonn has a deep-rooted experience in inter-city partnerships which are often supported through European and German funding. Furthermore the city has included in the city budget an amount of some  $32,000 \in$  for supporting 6 currently existing partnerships.

Some of the activities – particularly the exchange of environmental specialists between Bonn and Chengdu – have been supported thanks to "Inwent", the International Capacity Building Agency commissioned by the German Federal Government, the German business sector, and the German "Länder".

# Main topics addressed and activities undertaken under the partnership

Since the sign of the agreement, many activities have been taken place also in the area of administrative and know-how exchange, particularly on issues such as environmental monitoring and climate protection. Involving several different actors, the relationship between the cities covers a wide range of topics ranging from education to art, from environment to urbanizations.

The collaboration aims to meet the following objectives:

## City of Bonn

Bonn (about 320,000 inhabitants) used to be the Germany's capital from 1949 t o 1990 and the official seat of government of united Germany from 1990 to 1999. Since 1994, Bonn is the second official residence of President of Germany, the Chancellor, the Bundesrat and it also the first official residence of six federal ministers and about 20 federal authorities. Bonn hosts 19 UN Organizations among which the so called Rio Conventions, the United Nations Framework Convention on Climate Change (UNFCCC) and the **United Nations Convention** to Combat Desertification. During the last 15-20 years, Bonn changed from a mainly governmental city to an internationally competitive business structure.

http://www.bonn.de/index.html?lan g=en

## City of Chengdu

Chengdu is the capital of Sichuan province. With its 11 million inhabitants, Chengdu is one of the most important economic centers, transportation and communication hubs in western China. The city has also been ranked as one of the top ten cities to invest in out of a total of 280 urban centers in China. A number of multinational enterprises such as Intel, Sony and Toyota and giants of the electronic and IT industry such as Motorola, Ericsson, and Microsoft settle down in Chengdu. The Chinese monetary authority, People's Bank of China – the China's central bank- set its southwest China headquarters in Chengdu City. As a financial hub, Chengdu is attracting all the financial major actors from both the domestic and international financial market.

http://www.chengdu.gov.cn/

- ✓ Cooperation in the field of culture where the main outcome means to be not only an exchange, rather than a cooperation for developing events as, for example, art exhibitions and performances;
- ✓ Exchange between city administration experts on highly sensitive fields such as unemployment, urban quality of life, contrasting the use of drugs and other social barriers;
- ✓ Technical cooperation in municipal capacity building through the exchange of expert knowledge in the fields of energy efficiency and saving, diffusion of renewable energy systems, biodiversity, bioavailability; but also financing, food security and local government procurement and development;
- ✓ Facilitating long-lasting partnership associations and/or exchanges through school programs, and the organization of city visits Chengdu.

## Key achievements within the partnership

The win-win strategy of the city of Bonn is certainly the choice to give priority to the engagement of citizens rather than administrative representatives. Following this philosophy plenty of spontaneous initiatives are established in schools and art associations. The sharing of common problems and the fruitful exchange of ideas are the most important results experienced.

Future expectations and expected development of the partnership, key obstacles and weaknesses in the partnership, needs and wishes for support to improve the partnership

The relation experience has been, so far, positive and continued friendly cooperation is desirable between Bonn and Chengdu.



# Dresden (Germany) Hangzhou (Zhejiang)

#### Source:

Department of European and International Affairs City of Dresden



#### Character, start and duration of the partnership

In November 2007 a delegation of representatives from Dresden Administration, from City Council, from the University of Dresden and business representatives travelled to Hangzhou in order to meet for the first time with the authorities of the Chinese city. The Mayor of Dresden, Dr. Lutz Vogel, together with Hangzhou's Mayor, Cai Qi, signed a Memorandum of Understanding on friendship and cooperation. After a return visit of a Hangzhou delegation to Dresden in April 2009, the twinning between Dresden and Hangzhou began officially by signing the Agreement on 16<sup>th</sup> of October 2009.

Funding comes from both cities' administrations and from external actors - depending on the project.

# Main topics addressed and activities undertaken under the partnership

An important topic for both cities is the connection between history and the demands of modernity. Another common issue is how to address the consequences of water flooding - of the Elbe River in Dresden and the annual spring flood in Hangzhou. Culture, education and science are also common fields of interest within the cooperation between both cities.

#### **Key achievements within the partnership**

In a few months Dresden and Hangzhou scheduled several activities mostly related to education and research. In January 2010 scientists from both cities' universities and institutes of research got together to set the basis for their future cooperation on cancer research. During the same month five Chinese experts came to Dresden to help the German colleagues to refurbish the Chinese Pavilion, an original Chinese building from the International Hygiene Exhibition in 1911. During the month of February artists

### City of Dresden

Dresden is one of the 16 political centers of Germany and the capital of Saxony. The city has a population of 513,000 inhabitants (2008), while the agglomeration counts about 780,000, nearly the entire population of Region Dresden which population is 1,150,000. Dresden used to be a major industrial eastern bloc in the German Democratic Republic (GDR) but after its collapse had to face the development gap with Germany's western cities. After the reunification a completely new law and market system was introduced in order to awake the ex-GDR social and economic brake down. Alongside Leipzig, Dresden is one of the fastest growing cities in Germany, but today is still facing many social and economic problems, first of all the high unemployment rate that here reaches up level 15%. Dresden is the first German city able to write off its loans and to become debt-free.

www.dresden.de/index\_en.php

## City of Hangzhou

Hangzhou is the capital of Zhejiang province. Being a sub-provincial city, Hangzhou is ranked as a prefecture level city run by the province but it acts independently in the fields of economy and law. The sub provincial area counts more than 8 million people and is divided into 8 districts within the metropolitan area, 3 metropolitan counties and 2 ordinary counties. Thanks to its strategic position, Hangzhou is considered an important manufacturing base and logistics hub for coastal China. Since the early Nineties the city has strongly developed his industrial and economic sectors especially regarding medicine, information technology, automotive components, electronics, telecommunication, fine chemicals and food processing. Thanks to its historical relics and natural beauty, tourism plays an important role for the city's economy.

http://www.hangzhou.gov.cn/

from the Chinese partner city collaborated with the organizing of the Chinese New Year cultural program. Choirs of children from both cities participated in the 3rd International Children's Choir Festival in May. Exchanges between experts are also common, such as those of the Economic Development Office and the Environment Centre of Dresden. Students from the Engineering Institute of the University of Dresden travelled to Hangzhou and visited the city's university.

Next October the Conference of Mayors of Twin Cities will be held in Hangzhou.

# Future expectations and expected development of the partnership

The partnership has only been formally running for a few months, but the number of activities undertaken in this short period is a clear sign of the positive outcomes of this partnership. It is Dresden's aim to build a partnership with an active involvement of citizens, associations and institutions of both cities in all fields of daily life.

# Key obstacles and weaknesses in the partnership and consequent needs

There are no main communication difficulties within this partnership, seeing as the topics addressed are often related to very specific themes, such as architecture and engineering. At the moment there aren't any special needs and wishes for this partnership.



## Milan (Italy) Shanghai

**Source:** International Affairs Office City of Milan



#### Character, start and duration of the partnership

The partnership between Milan and Shanghai began 30 years ago, on the 3rd of July 1979, when the cities discovered common interests and expressed the intention of starting a long term collaboration. After a summit meeting, a Declaration of Intent was signed and the partnership agreement commenced.

# Main topics addressed and activities undertaken under the partnership

Both being big metropolises which play strategic roles in their respective countries, mutual interest topics like financial, industrial and commercial issues, were necessarily addressed. Since then, the organization of an economic forum named "The economy engines – Shanghai and Milan: how to improve the partnership" and a series of "business to business" events, are some examples that demonstrate how the two city administrations have tried to facilitate the exchange of ideas and experiences.

Yet, economics is not the only topic addressed and a rich agenda of cultural events and artists exchange has also been established through the organization of concerts, art exhibitions, theatrical program and gastronomy of excellence.

The signing of the agreement is between both cities is regularly celebrated. For the 25th anniversary, besides concerts and photographic exhibitions, the municipality donated to one of the public library, 600 books in Italian, Chinese and English within the frame called "The Shanghai window".

## Key achievements within the partnership

The Peoples Republic of China was the first country to formalize its participation at the Milan Expo 2015 with an agreement signed in December 2008 between Expo 2015 S.p.a., the CCPIT (China Council for the Promotion of International Trade) and ICE (National Institute for Foreign Trade).

## City of Milan

The city of Milan is the capital of the Lombardy Region. Its urban area is one of the largest in Europe with a population of about 4,3 million inhabitants over an area of 2,400 square kilometers. The city itself has a population of more than 1,3 million where the 14% is represented by foreign immigrant population. Milan is reckoned as a world fashion and design capital, besides being an important business and financial center. The city is the seat of the Italian Sock Exchange and its hinterland is the largest industrial Italian area. Milano is an Alpha world city and though an important node point in the global economic system among the others, along with Shanghai and Beijing. Milan will host the Milan Expo 2015 under the theme "Feeding the planet, energy for life".

http://www.comune.milano.it

## City of Shanghai

World Expo 2010

Shanghai is currently hosting the World Expo 2010 from the 1<sup>st</sup> of May until the 31st of October. The Shanghai World Expo is the largest ever with 192 countries and more than 50 organizations taking part to the event. The title of the Shanghai Expo 2010 is "Better City, Better Life" which reflects the role in sustainable development that Shanghai, as well as growing urban areas, represents today. Urban development is faced under five different aspects, on which central theme pavilions are dedicated -Urban Footprints, Urban Planet, Urbanian, City of Beijing and Urban Future.

See also Shanghai on page 17, 19, 34.

http://en.expo2010.cn/

Similarly in 2009, the City of Milan signed a Memorandum of Understanding with the General Commissioner of the Government for World Expo Shanghai 2010 which states that the City of Milan will join the Italian Pavilion at Expo 2010 Shanghai through the organization of a week of events, exhibitions and conferences with "Better City, Better Life "as central China Expo theme. "Milan Creative" is the title of the week in Shanghai when the city of Milan, from the 16th to the 23rd of June, will develop the theme of creativity as energy innovation.

# Future expectations and expected development of the partnership

The partnership has worked well for both cities since its inception and it is expected to continual this beneficial partnership beyond Shanghai Expo 2010 towards Milan Expo 2015. Regular missions by the mayor of Milan to Shanghai have played a significant role in this respect.

# Key obstacles and weaknesses in the partnership and consequent needs and wishes for support to improve the partnership.

The geographical distance between the cities is the most significant factor in slowing down the communication between the cities. Nonetheless, the collaboration is now running with success and without significant delays.



# Bologna (Italy) Chongqing

Source:
Office of International Relations, Cooperation and
Projects
City of Bologna



# Character, formal status, start and duration of the partnership

The agreement between the cities of Bologna and Chongqing dates back to 1989 when the cities' mayors signed a Cooperation Agreement (Protocollo di Collaborazione) which was then revised in 1993. The first initiative was taken by the Chinese Consulate General in Milan which identified the city of Bologna as a model desirable city for a friendly collaboration with Chongqing. The partnership receives all financing through Municipal budgets which are already not sufficient to meet the expenditures related to the collaboration agreement.

# Main topics addressed and activities undertaken within the partnership

The Protocol signed in 1989 focused on the four topics:

- business, to promote economic and commercial links between both the cities and the private companies, through bilateral exchanges of field experts; the Municipality of Chongqing has also been invited to the International Fair of Bologna in 1990;
- culture, for example through the organization of rock concerts and photographic exhibitions called "The city and its citizens" and "Imagines of Chongqing";
- health system, through the collaboration of the Assistance Centre of Chongqing and one of the hospitals in Bologna; it also included the exchange of know-how on medical technologies;
- education, through high schools and universities collaborations and students exchange.

## City of Bologna

Bologna is the capital of Emilia Romagna, a region situated in the Po Valley in Northern Italy. The city counts nearly 400,000 inhabitants and ranks one of the top Italian cities in terms of quality of life. Bologna is a lively and cosmopolitan Italian college city and in 2000 was elected European Capital of Culture thanks to its rich history, art, cuisine, music and culture. University of Bologna, founded in 1088, is claimed to be the oldest European one. The city's economy is well developed also thanks to the strategic position as crossing point of the most important communication routes in the country. Transformation of agricultural products and animal husbandry, footwear, textile, engineering, chemical printing are the most thriving industrial sectors. Bologna's exhibition area (BolognaFiere Group) is one of the largest in Europe.

http://www.comune.bologna.it/

## City of Chongqing

Chongqing is the largest of the four Chinese directed state-controlled municipalities, together with Beijing, Shanghai and Tianjin. Before 1997, it used to be part of Sichuan Province and today is the only municipality holding this status in Western China. Chongqing has a population of about 31 million inhabitants and it has jurisdiction over 19 districts, 17 counties and 4 autonomous counties. The city's economy is pretty much based on mining activity and the municipality is one of the nine largest Chinese iron and steel centers and one of the three major aluminum producers. The inland geographical position has always hindered city's economic growth in comparison to coastal cities. An infrastructural improvement plan led to the arrivals of several foreign investors. Chongqing was the provisional capital of China for almost ten years from 1937 to 194 and was considered one of the three headquarters of the Allais in the Second World War.

http://www.cq.gov.cn/

## Key achievements within the partnership

At the moment, only actions for the first topic, business, have been slightly implemented, especially during the first period of collaboration. In fact, one of the main aims for the Italian local government is the establishment and promotion of a trade network between the two competent areas. For this purpose, the Bologna administration promoted the partnership to business stakeholders trying to highlight specific fields of interest. The most visible consequence connected to the agreement is the business collaboration with the Italian joint venture Samp Utensili, which is currently still operating in China.

Chongqing economic delegations are often present at main events organized by the Bologna Fair Group. The Trade Fair Group is also present with a participated company in Shanghai (Bolognafiere Shanghai Exhibition Ltd). To support the partnerships that the Fair Group was developing the ex-mayor of Bologna, Sergio Cofferati, sent a letter to the Mayor of Shanghai to foster the relation also between the local governments.

It is worth mentioning that Bologna is currently present at Shanghai World Expo, in the Urban Best Practice Area: one among the only 40 cities present at this important international exhibition.

In December 2009, the deputy mayor of Chongqing travelled to Italy with the intention of rejuvenating the collaboration which, during the last years, suffered from lack of common activities at a governmental level. Following the 2009 event "The Year of Italy in China", the "Year of China in Italy" will be celebrated from September 2010 until September 2011 in Italy. An exhibition of antique Chinese coins is scheduled for the next months in Bologna.

# Future expectations and expected development of the partnership

There is a strong willingness from the cities for increasing the activities undertaken, especially within the cultural world. Unfortunately, these activities are acutely limited by the lack of funding.

#### **Key obstacles and weaknesses in the partnership**

As already mentioned, the main obstacle is related to the lack of financial opportunities. The money is drawn from the municipal budget which is not sufficient to support the needs of the partnership. The city only has a very small budget entry dedicated to international relations – within the Mayor's Cabinet budget - that is supposed to cover the costs of the activities with all of the foreign twinned or

partner cities. From the perspective of project officers, the current strategy of the Italian government to further reduce city funds are not deemed fruitful for the partnership. The national government has, on one hand launched the "Year of China in Italy", but has not provided the necessary tools and means to ensure a good outcome.

Besides different political guidelines and vicissitudes of the city of Bologna, budget cuts also considerably weaken the collaboration.

Language differences are not deemed to be an obstacle. What sometimes rather constitutes a problem is the difficulty in interpreting the intentions of the numerous Chinese delegations coming to visit the Italian city.

#### Needs and wishes for support to improve the partnership

Bologna's administration considers the Chinese market to be a prime target group to address. Therefore, both on a European and national level, more solid foundations should be put into place to support harmonious Chinese partnerships. Although the business side is mainly considered, the role of the public administration is of vital importance in planning long-term inter.



## Barcelona (Spain) Shanghai

Source:
Department of International Relations
Barcelona City Council



### Character, start and duration of partnership

The first bilateral relationship between Barcelona and Shanghai began in 1989 with the signing of a Memorandum of Understanding. In 2001, this was upgraded to a Twinning Relationship with a formal visit from the Mayor of Shanghai with the Spanish authorities. The new document has a broad topic-neutral nature. At the moment, the relationship has strong institutional value but is also aimed at bridging the gap between Spanish and Chinese business and trade sectors.

The first step towards a binding agreement was initiated by the city of Shanghai which saw Barcelona as an ideal partner considering their similarities as seaside cities and rank as the first non-capital metropolises in their respective countries.

Currently, the twinning relationship is primarily supported by private sector activities. Another source of financing, on the Chinese side, comes from the Government which often subsidizes twinning agreements in order to foster cooperation with foreign cities to promote external relations. However, the need of funds remain low as, for the most part, activities are currently mostly related to formal institutional visits.

# Main topics addressed and activities undertaken under the partnership

As already mentioned, the main topics addressed by cities are market-oriented. In this way, both partners seek to establish and facilitate international trade between both countries and overcome formal trade barriers. At the moment, the collaboration with private business sectors is given higher priority than the remaining urban issues because of the dynamic character which it gives to the partnership.

Other common interests could include tourism. Interest in developing relations in areas such as tourism, economic promotion, cultural and sport exchanges, sustainable development and renewable energies were included in the Addenda to the Twinning Agreement which was signed by both cities in Shanghai, on 1 July 2006.

## City of Barcelona

Barcelona is the capital of the Autonomous Community of Catalonia in the Southern cost of Spain. With a population of about 1,6 million within the city's boundary and an urban area with over 4,2 million inhabitants, is the second largest city in Spain and the sixth most populous urban area in the European Union. The city is divided into ten districts - each one with its own district council - and districts are further divided into different wards. Catalan Government, its executive branch, the parliament and the Supreme Court of Catalonia have their seat in the city. Barcelona is the capital of the Province of Barcelona and of the Barcelonès comarca (shire). During the last years Barcelona had become a major economic hub and a growing financial center.

http://www.bcn.es/english/ihome.ht

## City of Shanghai

#### **Economy**

As China's largest and wealthiest city, Shanghai has the fastest land market expansion in China and especially due to its strategic position on the Yangtze River Delta. The output of steels is in the first place of the iron and steel industry in China. Oil and chemistry industries are developing in a high speed, and now it includes more than 20 special fields. Growth drivers flow from planning and targeting high technology manufacturing based on domestic research and development, foreign companies, and joint ventures as well as new sources of domestic capital based on property development schemes and cooperation between Party cadres and local entrepreneurs. On this regard, Official sources claim that the proportion of the state-owned sector in the city's GDP dropped from 59.6% in 2004 to 57.5%, while the figure of the non-public economic sector rose from 40.4% in 2004 to 42.5%. Shanghai's dynamic growth indicates the spatial form of new metropolitan expansion and it is characterized by the settlement of inner suburbs by urban core and "floating" populations, and peri-urban in-filling.

More information about the city on page 17, 19, 29.

http://www.shanghai.gov.cn

### Key achievements within the partnership

As the twinning relationship is still quite young, there are few absolute achievements documented. Formal institutional visits, and visibility on common interest agendas, are small but important manifestations of the start of the relationship.

The intercultural differences between Shanghai and Barcelona are a complex and sensitive working ground. Thus, when approached study, Barcelona's administration representatives deemed the further maintenance and development of communication links with Shanghai of crucial importance. The bonds-keeping role is covered by the permanent presence of Spanish bureaus in Shanghai which basically are oriented to the business sphere. ICEX (Instituto Español de Comercio Exterior), with a representation in Shanghai, is the Spanish Institute for Foreign Commerce and aims to help Spanish companies to promote their activities and business activities on an international scale. ACC1Ó, the Catalan agency for competitiveness, also has an office in Shanghai, and is used by the Catalan government as a tool to promote the internationalization of Catalan companies and their adaptation to the new global economy. In 2005 the City Council set up a Shanghai office, as a direct link for representation and information between Shanghai and Barcelona.

Private collaboration within the partnership is significant because it delivers a more dynamic approach to the twinning relation, while the formal aspect, undertaken by the local government, is more closed-looped.

Other examples of ongoing Shanghai-Barcelona cooperation are the activities by the China Europe International Business School (CEIBS), a unique example of a Chinese independent business school focusing on international relationships, maintaining close links with Barcelona via its associated business school, the IESE (Instituto de Estudios Superiores de la Empresa).

The Chinese Community Association of Barcelona is also very active in the participation and promotion of relations between Barcelona and other Chinese cities.

# Future expectations and expected development of the partnership

As mentioned earlier, not all urban topics are addressed directly by the partnership. For Barcelona, the priority has been to bridge the cultural gap between themselves and the Chinese and thus to foster better understanding between each other. This approach has been considered the most worthwhile to undertake considering convenience and results. Some activity is already present within the Barcelona's institutional, economic and cultural agenda through the presence of Casa Asia. This bilateral Institute is the promoter of the most prolific activities carried forth with China. It provides the essential link for non-stop exchange and meeting points between China and Spain. It includes art exhibitions, cinema *d'essai*, conferences, seminars and much more.

Barcelona is currently participating in the Shanghai Expo 2010 (1 May-31 October) with a pavilion within the "Urban Best Practices Area". Barcelona's two best practices are the urban redevelopment of the old town, Ciutat Vella, and the transformation of the neighborhood of Poble Nou 22@ into a mixed district of innovation. This is the first Expo to invite cities, in their own right, to participate under the slogan "Better city, better life". For this reason, Shanghai Expo is considered as an important and exciting opportunity to further engage cooperation between cities with Shanghai and China.

#### Key obstacles and weaknesses in the partnership

The case study also revealed that translation is particularly sensitive to diplomatic language and to account for Chinese cultural sensibilities. Due to the strong vertical organization of the Shanghai public administration, every decision taken must pass through different bureaucratic levels. This makes the entire process slower and sometimes less effective.

Language is not deemed to be a significant problem as Chinese partners are improving their knowledge of the Spanish language. This is likely related to their future strategy to gain new contacts and to expand their influence to Latin America.

#### Needs and wishes for support to improve the partnership.

At the moment no extra requirements are desired. This is in part due to the freshness of the twinning partnership and also because activities often receive extra support through external partners. Financing is not yet a problem because cities have not gone beyond formal visits happenings. Nonetheless, with the current financial crisis, future activities will require substantial funds. The partnership remains strong because of this interest to move forward and understand how the projects' national and European financing system work and what these bodies offer in terms of collaborating opportunities.



## Berlin (Germany) - Beijing

#### Source:

Berlin Senate Chancellery International Affairs: East Asia, City Partnerships with Beijing and Tokyo



# Character, formal status, start and duration of the partnership

When the city of Berlin and Beijing first undersigned the agreement in 1988, Germany was still divided into Western and Eastern part. Due to the common political tradition, the collaboration between East Berlin and Beijing arose quite naturally. After the reunification, during the early Nineties', Berlin reviewed all the past agreements between city partners in order to refresh and stabilized the held international contacts. In 1994 the mayors of Berlin and Beijing renovated the treat. The joint declaration and the Memorandum on Exchange Programs underscore the aims of strengthening the existing relation between the cities, enabling citizens of both cities to benefit from the partnership and promoting friendship and understanding between people of both cities.

The agreement is run from both city governments which also provide, as much as possible, the financial means for supporting the activities. The private sector is obviously taken into consideration but it does not have the priority in the agenda.

# Main topics addressed and activities undertaken within the partnership

As the 1994 treat highlighted, business and technology, science, culture, education and training, tourism, improvement of cities infrastructures, administration are the fields which the partnership is more focused on.

More in detail the initiatives that have been launched during the past years mainly focused on the social subject experts' exchange, namely juvenile crime, public security, civil protection and primary and secondary education. Judiciary and law are topics very much investigated within the Berlin-Beijing partnership. Legal notions on

City of Berlin

Berlin is the capital of Germany and with its 3,4 is the largest German city. The Berlin - Brandenburg Metropolitan Area is the eight most populous European urban area, with a population of about 4,5 million. Berlin is well known for the presence of the wall which divided the city in the Eastern and Western sectors until 1989. Today the city is characterised by a thriving economy especially into communications, life sciences, mobility and services with information and communication technologies, advertising and design, biotechnology and environmental services and medical engineering. Berlin was present at the Shanghai Expo with an event entitled "Creative Berlina city as centre of creative i ndustries".

http://www.berlin.de/

European market penetration and rules are disseminated through regular seminaries supported by the Federal State of Berlin and which provide two weeks formation courses on the topic. Although culture

## City of Beijing

## Foreign Investment

Beijing has a total area of 16,411 square kilometres. Total population stood at 16.33 million by the end of 2007. The private sector in Beijing has developed rapidly. By the end of 2007, there were about 337 thousands of private enterprises, increased by 123% from just 151 thousands in 2002. Beijing exports grew by 28.9% to US\$48.9 billion in 2007. Hong Kong was the third largest overseas market, following the US and Japan. Major exports included mechanical and electronic products, garments and electric appliance and electronic products. Beijing's imports grew by 19.9% to US\$144 billion in 2007. Japan is the leading source of imports, followed by the US and Russia. In 2007, Hong Kong was Beijing's fourth largest trading partner. In 2007, Beijing exported US\$3,510 million to Hong Kong and imported US\$1,599 million from Hong Kong.

For general information about the city of Beijing, please go to the text box on page 23.

http://www.ebeijing.gov.cn/

is reckoned to be secondary in comparison with the mentioned topics, important initiatives are regularly ongoing on the Berliner agenda.

## **Key achievements within the partnership**

The city of Berlin is proud of having set intense and systematic delegation exchanges in different thematic spheres. As already mentioned, judiciary training is deemed to be one of the basic topics that both the cities have interest to work on. More than 15 delegations coming from different institutions and approaching different topical subjects travel each year from Beijing to Berlin and justice and law seminars take place on a regular base. Berlin offers two-week seminars and continuing-education programs on administrative law, penitentiaries and rehabilitation of offenders, commercial and civil law, public prosecutors, notaries, and, in the area of public safety, civil protection, fighting terrorism and the most serious crimes to high-level judges and civil servants from Beijing. The city of Berlin claims that the 70% of notaries working in Beijing has already been trained in the German city.

In June 2009 a memorandum on cooperation in vocational education had been signed by the Berlin Senate Department for Education, Science and Research and the Beijing Education. This memorandum gives additional support to an area in which there is already a lot of activity. In fact, in the city of Berlin students belonging to 18 high schools and one primary school have the opportunity of travelling to Beijing for study exchange periods and in 14 schools in Berlin is implemented the dual formation system by the possibility of choosing Chinese as foreign language.

Business, scientific, and cultural events is the core of the Asia Pacific Weeks and is being drawn up with many different partners in Asia and Germany. The Berlin Senate Chancellery is responsible for the overall coordination of the biannual festival which is also partly financed by private sponsors such as Chrysler and Siemens.

A source of pride for the relationship is the high number of parallel collaboration running independently from the administrations planning and support. An example of those is the case of the "Charité Universitätsmedizin Berlin", the university –

hospital where doctors and students exchange knowledge on specific medicine topics. Still in this regard, a close relation also exists between the Charité and some medical institutions in the city of Shanghai.

## Future expectations and expected development of the partnership

The partnership doesn't present any relevant problem, indeed is one of the most thriving within the nearly 20 run by the city of Berlin.

## Key obstacles and weaknesses in the partnership

On the contrary of numerous cities approached for this study, no problems are coming out during the collaboration. If the question of the language is taken into consideration, the presence in both sides of translators is considered indispensable. The common language is English but documents are normally drawn up also in Chinese.

The setting down of common projects and activities are normally planned in detail and reported in written documents. In this way all the eventual arguments and queries on the contents come up during the very early phases of the collaboration. The habit of reporting and basing the communications on written documents is a simple but precious behaviour that help to avoid more expensive solutions, such the establishment of permanent reference office in the partner city.

Differences on a cultural level are of course recognized but accepted and respected.

Speaking about founding, the city of Berlin doesn't report any contrariety about the European Union way of call of proposals and grants management. Although the local government is not able to offer a substantial support at the ongoing activities, funding is normally provided by third actors coming from different sectors. The need of autonomously seek for grants and financial means is considered to be a strength of the local administration, also in order to broad the action spectrum of stakeholders potentially involved.

## Needs and wishes for support to improve the partnership

The Berlin local government is proud of the relationship acquirements until now gained which are expected to further grow awareness for social, economic, and environmental dimensions. The final objective of the collaboration within cities has always been focused on the importance of international networking for a long lasting cultural learning between such different cultures.

## **Conclusions**

European cities to be approached were chosen through the list of ICLEI members. From the twenty cities initially contacted, the overall number of cities who participated in the survey was twelve. With the exception of a few cases, the surveys were mostly conducted through phone interviews. Determining the obstacles, weaknesses, expectations, and needs was the primary objective throughout the partnership.

In general, partnerships have two goals: one to produce practical and economically valuable results, and the other to foster better international relationships through formal authority contacts. A majority of the cities included in this study are represented in the first group. In both cases, external private actors are generally involved especially as a source of substantial funding which are not normally available through public administration streams.

## Main features of the partnerships

The Memorandum of Understanding is often used as an initial informal settlement for collaboration. This normally follows an initial period of informal relations when authorities and the business sector seek common grounds of interests to cooperate in. A number of partnerships began in the Eighties and early Nineties when the Chinese first opened their domestic markets to the Occident. A similar trend is occurring during the current decade and plenty of new similar agreements between China and Europe are gaining ground. Therefore, strong European-Chinese exchange seems to coincide during two peaks when international exchange became mutually beneficial for both parties involved. The last opening period coincides with the China regionalization strategies incorporated into the country's Ninth (1999 – 2000) and the Tenth (2001 – 2005) Five Year Period Plans which encouraged the development of a concurrence model and thus the contact with foreign markets. Cities that didn't elaborate any partnerships in the past years are now seeking to develop binding relationships with Asiatic local governments. This is easily explained by the fact that, besides being seen as a prestigious feature for the local administration from an institutional point of view, these partnerships are highly considered by business stakeholders, as a sign of presence on the international market.

Original contacts between cities are usually a consequence of independent initiatives rather than the result of fairs, conferences or congresses. It is often the Chinese cities which are interested in creating a network in Europe so that in most cases they are the ones to give the first boost for partnership proposals. Shanghai, which has established relations with strategic financial and commercial spots such as Milan, Hamburg, Barcelona and Basel, gives us a good example of how it is considered of vital importance to develop stable contacts with cities from several European countries. In this regard, the Shanghai Expo 2010 represents a perfect occasion for revising or making new trading or governmental agreements. Often also partnership's trips costs are afforded by the Chinese city in order to give a substantial contribution for the maintenance of the partnership (see the case of Zürich).

Local authorities often act, through different inference levels, as facilitators for putting in contact business and research sectors which, after that, are able to start an autonomous collaboration agenda. Different strategies are used by local authorities in involving different actors in the relationship which can be summarized roughly in the following three groups:

- The ones based mostly on business deals which are run from the private business market. In this case the role of local governments is to create a framework where companies and stakeholders holding interests in specific sectors provide the substantial contents for developing the relation between cities. The cities of Basel, Aalborg and Barcelona provide examples.
- Strategies based on research programmes which help merging the public and the private sector under the same partnership. Local governments and private actors usually play an important role in these projects, seeing as they usually are not financially autonomous. Cities implementing this bilateral approach are Dresden and Zürich and partially also Basel.
- In Bonn and the Byicirclen municipalities, partnerships are more focused on working on social issues. The city of Barcelona is also moving in this direction. Thus, activities are mainly supported by the local governments involved.

Basel and Aalborg are two examples of the first kind of strategy, focused mostly on involving the private sector, which in many cases is now running its private interests almost autonomously in these cities. In both cases the involvement of citizens is still considered prime. Students and experts exchange will be further developed in order to realize a more wide knowledge about Chinese culture. While this more independent approach is positive regarding the level of involvement of non public sectors, there is a risk of the involved cities losing contact with what is going on and being cut out from the commercial relations that are being established between both cities. This aspect will be further discussed when obstacles come upon during the partnerships will be considered.

Still regarding the private relevance in partnerships relation, it is worthwhile to mention the strategy of Barcelona in keeping the contacts with Shanghai, its twinned city. Although the importance of business activities is considered primary, the role of the local administration is maintained by creating a specific entity, such as ACC1Ó, the Catalan agency for competitiveness and the Spanish Institute for Foreign Commerce (ICEX). This partnership is pretty recent, so that further comment on the efficiency of the cooperation cannot yet be elaborated.

The experience of the cities of Dresden and Zürich is slightly different compared to the ones described above. Rather than involving the marketing sector, the cities successfully built up a relationship based on the exchange of experts within different research fields. The results obtained are ambitious and based on high profile projects. Thus, the local administrations involved are able to keep track the projects whilst also maintaining a good relation with the private sector. In fact, in several proposals the research activities of institutes, universities or foundations are partially funded by private companies, which use this as a bridge to get in contact with the Chinese market and local governments. The only exception on this rule is given by the city of Berlin where the

"Charité Universitätsmedizin Berlin" autonomously carries on experts' exchanges approaching the city administration only in extraordinary cases of need -mostly related to bureaucracy aspects.

A separate discussion shall be done on the Bonn and the Byicirclen experiences. These are specials as they are the only cases where the Memorandum of Understanding states explicitly for a non-invasive cooperation from authorities. The philosophy of the cities of Bonn and of the Danish municipalities instead is to involve, as far as possible, schools and associations and all other successive initiatives.

## Topics addressed

The main spheres of interest for collaborations concern sustainable development, business and culture.

Sustainable development is now the principal issue for Chinese cities while, on the other hand, European partners have already undertaken successful measures for supporting it. Urban planning is the most widely addressed and complex theme while, underneath this theme, sustainable transport and energy saving remain on-going priority topics. While the exchange of experts from universities and specific sectors is important, such activities remain under the auspices of administrative competence. Aalborg, Hamburg, Zürich, Amsterdam, Bonn and Barcelona administrations all stressed their will to develop this aspect of their partnership. Even though the city of Barcelona has not yet set any specific plan on this topic, it is on the agenda, to be addressed as the partnership develops. The brilliant results achieved by the Zürich administration must also be underlined: within the frame of the "Kunming urban development – public transport master plan project", this local government worked for the implementation of a more efficient public transport in Kunming.

Waste water management and drainage, clean energy supply and energy efficiency and special waste management are challenges that large-sized Chinese cities must now address. This is where European cities have gained interest in having a greater influence, especially when considering the business opportunities that could result from such endeavors. The case of Aalborg and its "Sustainable Waste Handling in Hefei" project is a good example, as it involved a wide range of partners representing the private sector as well as the institutional stakeholders, such as the European and Dutch administrations.

Environmental and biodiversity protection are seldom addressed, underlying the opportunity to take better strategies in this area.

The formation of new business networks is often the primary objective for actors. Public administration is only slightly involved during these initial stages. Chambers of Commerce, financial, and business groups are important external actors. More precise information on the business sector actors working through the European – Chinese partnership is not always available, as their activities are run exclusively from private companies. However, this research underlined the direction chosen by some of the addressed cities. For example, it is clear that Milan intends to create a business forum suitable for finance stakeholders where local administration will limit its role to that of an external supervisor. Nonetheless the role played by local governments' official meetings and visits still has a vital relevance. In fact, the representative presence of the

city`s authorities seems to be the basic condition in order to build up any further collaboration. The cities of Basel and Aalborg followed a similar parabola for guaranteeing a fertile ground in which to make their partnership thrive. Especially for Aalborg, the binding agreement between the boroughs created the necessary conditions to maintain the collaboration between Chinese and Dutch private companies in the field of raw materials extraction. The experience of the city of Berlin in this sense is slightly different and is based more on a legal approach rather than being focused on the purely financial and commercial aspects. For example, a number of Chinese delegations take part each year in specific training courses in Berlin in order to learn what is needed for the start up of new business and commercial activities in Europe.

Although not all of the cities addressed have yet been able to develop the desired trade or financial networks, all of them keep a keen eye on this aspect. In fact, as many of them have underlined, it would be a missed opportunity not to take advantage of the opening of the Chinese market which will affect the future global competitiveness of the European countries. The same perspective is probably also shared from the Chinese side. In fact, the latter is often the one to make the first effort in approaching European local governments.

In all the cases of study, cultural events are a central feature. The organization of exhibitions and concerts are showcases proving that Chinese culture is largely well received. The municipalities belonging to Bycirklen organize school exchanges each year and education related activities; Basel, through its long lasting museum tradition, intends to host an exhibition on Chinese history and culture; since 2006 the CHINA TIME initiative takes place in Hamburg every two years; Dresden encourages the participation of children and artists through the organization of concerts and cultural programs; Berlin organizes the Asian Pacific Week every two years; Milan hosts important concerts at "La Scala" city theater and other art exhibitions; the cultural centers spread in Barcelona involve a large part of their citizens; Bologna is currently organizing an exhibition about antique Chinese coins; Zürich and Bonn are working on art exhibitions and performances.

#### Most relevant achievements

Depending on the approach of the partnership, key achievements have more or less been based on the creation of numerous cooperation projects. The partnership between Zürich and Kunming, and Aalborg and Hefei are good examples of ambitious projects undertaken under a highly pragmatic approach and a close collaboration between the actors involved. Both the partnerships have been able to accomplish high demanding collaborations and to address some of the thorniest issues in Chinese society. Through the "Kunming urban development – public transport master plan" the city of Zürich, supported by the Swiss Federal Government, represented by the Swiss Development and Cooperation Agency (DEZA), implemented a more sustainable model for public transportation and urban planning in Kunming. The plan is expected to be further developed in the next years with the construction of a metro line. A number of papers on the project were afterwards published. In the same way, the collaboration between Aalborg and Hefei gave birth to the "Sustainable Waste Handling in Hefei", a project aimed to implementing and modernizing the management of clinical waste handling. In both cases, the partnerships played a fundamental role as facilitators in ensuring the preconditions for an open dialogue and a free exchange of ideas between parties. The positive influence of previous relationships helped to achieve a better

understanding, especially during the elaboration process of the projects. High relevance also covered the participation third partners as private capitals suppliers.

A good correspondence between partner cities is deemed to be a basic, prime and necessary condition. Cultural differences normally imply different working styles - i.e. in decision approval processes, timing in communication exchange and transparency towards the tiers of the administrative hierarchy- which can lead to the exacerbation of communication related problems. The strategy which is generally adopted to avoid misunderstandings is to establish a permanent reference contact in the partner city: this way the person in charge has an overview of the situation and is able to accumulate knowledge on what is the best way to deal with the partner, rather than having several people involved in making the contact with the risk of information loss along the way. One of the results of our survey is that it is advisable for the contact person to belong to the European administration, rather than rely on a Chinese officer. This is because the European reference functionaries cover a bilateral role, being the link from Europe to and within Chinese local governments. European officers are normally trained for a better understanding of the Chinese society, thus ensuring to avoid unnecessary misunderstandings, for example due to the lack of tact in communicating. It also ensures a systematic and clear exchange of knowledge, besides the fostering of a spontaneous friendship between collaborators. In this way delegations of Chamber of Commerce, Business Governmental branches or International Bureau can easily provide an efficient and solid help for the reference European municipality. Barcelona is an example of good practices in maintaining the contact in Shanghai not only through the presence of Spanish commercial promotion bureaus in China, but also with the opening of a specific office for this purpose in Shanghai. On the other hand, the city of Shanghai is present in Barcelona with two International Business School branches. Basel, Hamburg and their partners also have contact with their detached offices, the first directly through the contact person, the latter through the Hamburg Chamber of Commerce co-running office. Equally effective is the method used by the city of Berlin, where communication is only held through e-mail and document exchanges. Especially in this case a good understanding between partners is essential.

School and business trips, regular and/or formal meetings between authorities and cooperation activities assure the basic conditions in order to strengthen existing formal relations. Bycirklen municipalities are very active in this sense. Every year Danish students have the opportunity of taking part in exchange projects in Wuxi. Although the partnership between Dresden and Hangzhou is pretty recent, a prolific exchange of specific research topics is successfully taking place. In Basel it is mainly the business sector which benefits from a Manager Exchange Program.

## Obstacles, needs and expectations

## Communication

From a European perspective, the most interesting results come from determining and then overcoming barriers and obstacles. Nonetheless, there is general consensus among all European-Chinese partnership regarding language barriers, communication obstacles, and administrative organizational differences citing these three areas unanimously as common obstacles to partnership cooperation.

Often, in spite of the presence of professional translators, expert meetings do not occur if a common language -such as English or Chinese- is not shared between all people. Barcelona is an interesting case, where the preferred spoken language is Spanish, and thus a big effort is done from the Chinese side in order to overcome the problem of not having a common language. This willingness is probably due to the fact that Spanish is one of the most spoken languages in the world, besides English and Chinese. Also, Latin America can be considered as the new target market for Chinese investors.

The second issue also concerns communication, but this time regarding understanding independently from which language spoken. Discrepancy in approaching issues is a significant challenge as misunderstandings could easily impede the progress of the program and cause eventual delays. The different perspectives and approaches to activities is an issue, as misconception on how to carry on a previously set up program often arise. Furthermore from an administrative perspective, Chinese municipalities are run in a different way mostly engaging in several bureaucratic levels. The opinion from the city of Zürich clearly points to the Chinese "top-down" political approach in the decisional stage.

The low participation rate from the Chinese in filling new proposals is yet another reason of slowing down the development of activities. This subsequently affects the amount of work to be processed by European offices which takes normally a lot of processing time. The immense size of Chinese municipalities and the large numbers of employed staff also present challenges to maintaining a stable communication path between common reference contacts. Sometimes the high number of people involved in representatives' delegations cannot be clearly interpreted and the real interest of some of them remains often obscure.

The so called *vertical administration* is still strongly characteristic of the Chinese bureaucracy, affecting the transparence of team work. This explains why often problems come up during further stages of the projects rather than during the initial ones, where on the contrary the basic ideas seem shared from both sides. Poor coordination between local and central government causes, among other things, weak and ambiguous enforcement of regulations. From the European point of view, more accustomed to a *horizontal model*, it is often hard to completely understand such a structured system where the political party component is ubiquitous. The simplest method to avoid undesirable drawbacks is to maintain direct and regular contact within the cities. For this reason European cities tend to position their own national delegation bureaus within the partner city. Hamburg, Zürich and Barcelona are already using this strategy which so far, has only produced positive achievements.

#### *Intra-city and intra-institutional problems*

As has already been pointed out, there are also obstacles within the European city structure, mostly concerning the level of collaboration with third actors, normally the private component. In this sense, the partnership between Aalborg and Hefei is not meeting up to expectations from a political point of view. In fact, Aalborg's administration has the feeling that local governments should work more on the implementation of political commitments in order to attain a more active and harmonious collaboration. In the case of Basel, main difficulties regard the attitude of the local private sector: an international interaction with the Chinese partner is not being satisfactorily developed by the private sector, where local administration has very limited power over private

management decision strategies. Currently, all the city of Basel can do is recommending a more open approach with the Chinese city. In both cases, whilst the private initiative has a strong role in giving life to the partnership, public administration is somehow marginalised, probably due to the different interests of both parties.

#### Financial Issues

The lack of funding is the second biggest barrier. Cities are responsible for covering the remainder of the expenses for activities after contributions from external partners. Unfortunately, in most cases, city funds are not sufficient to fulfill all needs, and institutional levels are not helpful in this regard. With the exception of the two Swiss cases and the city of Hamburg (a Bundesland), all other public-run relationships suffer in the financial aspect. In this respect, it is easier for these cities to explore grant opportunities on a higher level such as from the European Union or on a national-level. The competition to win the handful of available tenders present a challenge also to smaller cities that often do not have the capacity to fulfill the demanding guidelines of tenders. Within the cities approached only Bonn and Aalborg where able to have access to funds, the first through the European ASIA URBS Initiative and the latter through the German Agency Inwent. Cities that suffer most from a lack of attention on the partnership initiatives in general are Bologna and the municipalities' partnership of Bycirklen.

It is a spread opinion that within the European Union not enough attention is placed on the importance of intercontinental links involving cities and local governments. More synergies with other projects and in depth awareness in this regard are highly needed. Consequences of such non-sound long term strategies will reflect on a local level where both the business and the socio-cultural spheres will be deprived of an indispensable boost for a conscious development in a global environment.

## Recommendations

Some of the recommendations we suggest to follow in order to develop and/or implement a partnership agreement with Chinese local governments are summarized here:

## • Starting of the partnership

Before settling down a formal document, previous friendly approaches through delegations exchange from both sides and in both cities are suggested. The establishment of a personal relation between future collaborators and the foundation of a common ground of interest is deemed to be helpful not only in identifying affinities and discrepancies between the partners, but also for speeding up the realization of programs and activities in the implementation phases.

## • Formal statement of the partnership

The Memorandum of Understanding is the favorite agreement model for the partnership set up. It formally binds actors in shared commitments but without any legal restriction so that the collaboration is in any case based on a flexible ground.

### • Local Government versus Private Sector financing

Although means of financing are often lacking, the cooperation with the private sector through sponsors provisions or with half public bodies - institute of research, universities, hospitals, foundations - is a good way for getting around the obstacle. The level of sharing competences consequently impacts the different parts' influence on the considered project. Depending on the strategy of each local government, the participation will be much higher where the financial support is mostly given through public funds, and will instead decrease when capitals are mainly provided by specific companies on specific topic fields. A fair mid-point is including the participation of partial public bodies – universities, research and education institutes, etc. In this way founds are normally ensured through different channels, whilst the administration still leads the project development.

## Topics addressed

There is no need to address some topics rather than others for ensuring the high quality of the partnership's outcome. The booming Chinese economy and the impressive volume of investments taking place in the country may serve as a rich set of experiences especially in urban planning development.

#### • Communication

The study clearly revealed that regular contact must be kept in order to ensure a stable ongoing of the relationship. Also here, the strategy to follow in doing it mostly depends on the wishes and the grade of synchrony between the partners. Setting down a stable contact in the partner city is surely a guarantee in smoothing the exchange of knowledge and opinions, but sometimes it might be enough just defying a systematic liaise with reference persons. In any case is always worth to define a communication scheme to follow.

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