

THE UNIVERSITY OF OKLAHOMA
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THE DEVELOPMENT OF FRIENDSHIP RELATIONS
WITH THE PEOPLE'S REPUBLIC OF CHINA
FOR ECONOMIC DEVELOPMENT PURPOSES

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FOREWORD

Much of the content of this thesis is based upon information published, analyzed and summarized before June 4, 1989. On that day, the government of the People's Republic of China, took military action in Tiananmen Square in Beijing, China to halt a citizen demonstration for democracy in China. This action shocked many, because it came at a time when China was showing every indication of opening up to the rest of the world.

This action essentially changed the way the world views China and the way China relates to the rest of the world. The action has, and will have, a profound effect on business relations, friendship relations, and economic growth between the United States and the People's Republic of China. It is with this in mind that the reader is requested to consider the content and summary of this thesis as an indication of what has been achieved and what could be possible as a function of friendship relations with China. Notwithstanding the events that occurred in Tiananmen Square and the effect that action may have on future political or business activity in China, the general nature of friendship relations to enhance economic development between two communities can apply to most sister city relations the world around, now and in the future.

CHAPTER I

INTRODUCTION

Up until June 4, 1989, the People's Republic of China showed signs of opening to the world and looked as though it could become the next country to experience the world's most significant industrial boom. China recognized that with over one billion people, 67% under the age of 30, it has significant labor resources and that it must build upon its quality of life for the future. Yet even after the Tiananmen Square incident, China, with its natural resources, labor force, industrial and trade capabilities, has the potential to become a very significant business partner for many countries including the United States.

For the economic development professional, a number of questions are raised. How can communities in the United States develop lasting relationships with communities in the People's Republic of China for the economic growth and mutual benefit of each? How effective are friendship community relations in assisting local economic development efforts? What makes some friendship community relations successful?

This study attempts to evaluate how the establishment of United States community/friendship relations with a city,

county or province in the People's Republic of China can work to build trust, intercultural exchange, and general international technical exchanges which can lead to greater economic co-development. The study evaluates how establishing international economic co-development and trade, which often rely on business decisions based on trust, can be enhanced when interpersonal communications and intergovernmental cooperation occur as a function of friendship community relations.

Terminology

In order to be explicit, a standardization of the terminology in this thesis is in order. The vocabulary includes: sister city, friendship community, Sister Cities International (SCI), and the term open door policy.

The term "sister city" or the term "sister community" refers to a community that has formally or informally joined with a community in another nation and has an inherent understanding to learn more about the other community and develop meaningful exchanges. In many cases an established sister city affiliation involves a number of citizens and organizations in both communities working on projects of mutual interests.

The term "friendship" is a descriptive term which refers to formal affiliate relations between communities of the United States and the People's Republic of China. The term "friendship," as it applies here, was established when it was learned that the Chinese people considered one

community to be in a subordinate position if the relationship were referred to as a "sister relationship."¹ To the people of China, the term "sister" suggests that one partner is "younger and less experienced" or that one partner is the dominant figure and the other partner is necessarily submissive.² This term "friendship community" has been commonly used by Sister Cities International to specifically describe those communities which have established a sister community relationship between communities in the United States and the People's Republic of China.³ Because of the intricate and complex nature of translations, and because of the need to use a term which most closely suggests and describes a mutual benefit on the principles of peace, equality and friendship, the term friendship community is used. It is commonly used among those United States - China communities which have mutual affiliations. For these reasons, this paper avoids the term "sister" when "friendship" can be used.

The term "Sister Cities International" (SCI) refers to a tax-exempt, non-profit organization, headquartered in Alexandria, Virginia. SCI's purpose is to foster "better international cooperation and understanding through sister city relationships between cities in the United States and other nations." SCI facilitates the exchange of information about affiliation programs and provides participating U.S. communities direct contact with embassies, government agencies, and numerous organizations throughout the world.

Its origin can be traced from the establishment of the People-to-People Program by Dwight D. Eisenhower in 1956.⁴

The "Open Door Policy" refers to China's government position to actively pursue foreign economic cooperation while making extensive domestic reforms.

Problem Definition

There is a need for the development of a data base which can be used as a starting point for studies evaluating the effects of formal friendship relations on local economic development. If future research is to sufficiently characterize friendship community relations and determine the level of economic development related activities which are encouraged by those relationships, a data base should be established. In other words, there is a need to document and understand how relationships between two different communities build trust, and the subsequent level of economic activity which occurs as a function of those relationships. Because of this, this study examines the communities which have established relationships, and describes whether or not those communities are benefitting in ways which are significantly related to economic development.

Exploratory Research

This research is of a form known as exploratory research. Often when there is no available experimental data from which to derive a hypothesis, the researcher will have no formal hypotheses. The researcher has no way of

knowing the nature of the relationships being investigated. In this instance the researcher's first task is to simply learn more about the relationship in question - What is happening? Such studies, called exploratory or descriptive studies, attempt to describe relationships in detail. Such a step precedes the more scientifically satisfying explanatory study which attempts to explain a phenomenon by specifying why or how it happened.

Given the inability to have a data base upon which to deduce relationships in the form of specific hypotheses, it is necessary in exploratory research to be satisfied with empirical generalizations. Because of these factors, this research is designed to make a statement of a relationship; to establish a foundation for generating valid theories of economic development as a function of friendship community relations. The research does not attempt to evaluate the effectiveness of the multifaceted Sister Cities International Program, but attempts to evaluate one aspect of friendship community relations - that of economic development.

Justification

Economic development can be defined as the creation of wealth through the mobilization of goods and services. The field of economic development concerns itself with both the retention and expansion of existing industry as well as the development of new industry for the creation of wealth in a community. One function of the economic development

professional is to coordinate and support those activities which assist in the expansion of resident industries and the generation of new business and industry for the community being served.

Since international trade activity involves the mobilization of goods and services, international trade becomes one function in the creation of wealth within a community. It is therefore important that the economic development practitioner understand which activities can spur trade opportunities and apply that knowledge to build upon those activities for economic growth. In other words, the economic development specialist should be specifically aware of how a friendship or sister city relationship, by providing the means for informational exchanges and opportunities for joint ventures, can act as a catalyst to international trade.

The economic development professional needs information which describes what business activities, relationships, agreements, and general business procedures contribute to creating wealth in the community. He or she needs to know the tools available in the industry (i.e., local, state and federal legislation, industrial site development, shell building programs, sister city relationships, etc.), and which of these tools are effective.

The economic development professional needs information which describes the types of local and regional commitments required to achieve the desired results of new jobs and

added welfare. Additionally, the economic development professional needs information which describes the special complexities, economic benefits and potential problems characteristic of establishing friendship relations with communities in China.

It is important for community and corporate leaders to be aware of growing world opportunities and world competition. Many companies which have established themselves as domestic industries serving domestic markets have, in recent years, shifted to a global competitive scope. Expanding markets and changing technologies have intensified production and distribution which now require community and corporate leaders to acquire a global perspective. By participating in friendship relations, these leaders may have an opportunity to build upon their global perspective and cultural understanding.

Similarly, the economic development professional should plan now, looking at what lies ahead for the profession and for the world.⁵ With the many changes taking place worldwide which increasingly have a direct impact on the local level, the economic development professional should consider a global perspective when structuring local economic development strategies.⁶

Objective and Scope

The purpose of this thesis is to determine how friendship relations between communities of the United States and the People's Republic of China can enhance

economic development through intercultural communications, information exchanges and trade. Its objective is to address and examine the types of trade activities which communities and states with present relationships expected at the start of their agreements, and the level of activity those communities and states have attained.

Although this study is exploratory, a number of hypotheses can still be generated. The objective of this task is to propose some relationships which might be useful in the future and to infer more specifically, ways in which communities can develop international relationships which promote economic development. It should be noted that these hypotheses are based on common knowledge and intuitive assumptions since few studies have ever examined sister city relationships, particularly friendship relations between communities in the U.S. and the People's Republic of China.

Hypotheses

1. Friendship community relations can be described.
2. Some of the communities with established affiliations will have economic development related activities as part of a formal agreement between the two communities.
3. A substantial portion of communities with a statement promoting economic development activities as part of a formal agreement will have resident businesses participating in trade or joint ventures with their counterpart community as

a direct or indirect result of the friendship affiliation.

Study Description

To carry out this research, an effort was made to become thoroughly acquainted with the topic and the specific program characteristics of participating friendship communities. A list of known communities with friendship community programs was obtained through the National Committee on United States-China Relations, Inc., (Appendix B). Visits were made to Sister Cities International (SCI) to gather preliminary information about the communities holding friendship relations with the People's Republic of China. An examination of documents and articles maintained by the Sister Cities International (SCI) office in Alexandria, Virginia was made. In addition, specific and available information on United States communities with established friendship relations was gathered and the information summarized.

In addition, a literature examination of books, periodicals and articles on recent trends in China and U.S. business relations with China was made with references given to related information.

Summary

This study is intended to provide background information on friendship community establishments between communities in the United States and the People's Republic of China. The study offers the economic development

practitioner, the community leader and the corporate manager an overview of activities which are characteristic of friendship community relations. This information provides a basis for realistic appraisal of the kinds of economic development activities which have taken place between friendship communities and those which have the likelihood of expanding local business and industry for the creation of wealth. Its goal is to describe the special complexities, economic benefits and potential problems involved when establishing and maintaining lasting, and economically favorable, friendship relations with communities in China.

FOOTNOTES

¹ Interview with Carol Ann Kunz Hardman, Interim Coordinator for New Affiliations, Sister Cities International, Washington D.C., June 1986.

² Carol S. Goldsmith, "Sister Relations," The China Business Review, May-June 1984, pp. 8-11.

³ Interview with Carol Ann Kunz Hardman ..., June 1986.

⁴ Adelaide K. Roeslein, Sister Cities: The Road to Peace. Long Beach, CA, 1965, pp. 21-28.

⁵ Donald G. Dunshee, "E.D. Perspective, Economic Development Challenge for the 90's," Economic Development Review 7, (Winter 1989) p. 7.

⁶ Blaine F. Henry, "Organizing for Export Promotion," Economic Development Review 7, (Winter 1989) pp. 55-59.

CHAPTER II

THE CONCEPT AND PURPOSE OF FRIENDSHIP COMMUNITY RELATIONS

This chapter provides background information about sister community affiliations. Its purpose is to provide the reader with a historical perspective on how sister community affiliations began, how the United States became involved, and how communities in the United States are affiliated with communities in the People's Republic of China.

Affiliations between communities worldwide have been taking place for centuries. Communities have affiliated for a number of reasons, many of which were for mutually beneficial purposes such as defense, commerce and trade, cultural exchange, etc.¹

During the early stages of the development of the United States, relations between communities of the United States and communities of other countries often took place when there were mutual ties to the mother country by founding settlers.² This is one reason many communities in the United States carry similar or identical names of communities in other countries.³

As a consequence of World War II, many affiliations throughout Europe and the U.S. were initiated for purposes

of rebuilding and mutual aid.⁴ Then in 1956, a formal national concept of the People-to-People Program was established by President Dwight D. Eisenhower.⁵

The purpose of the People-to-People program, as it was stated in 1956, is to promote peace and international understanding through the exchange of ideas and personal visits. This program calls for meaningful exchanges and cooperative efforts to take place between Americans and the people of other countries. Since 1956, hundreds of communities have participated in this program and have developed friendly and meaningful exchanges.⁶

A subsection of the People-to-People program is the Sister City program which exists, not only in the United States, but worldwide.⁷ When goals and objectives for exchanges and cooperative efforts within one community are directed toward a foreign community with similar interests, affiliations, often called sister cities, are established (Appendix A). The objective for the sister city program is to develop, in as many ways as possible, personal exchanges, person to person relationships, business exchanges, inter-correspondence, and other exchanges between two communities in two different countries.⁸ Its goal is to maintain world peace both through the understanding and appreciation of cultural differences including the tolerance of other's customs and habits, and through the awareness of other's virtues and qualities.⁹

As mentioned in the previous chapter, the term "sister city" often takes another form depending on social and cultural factors between communities, the citizens of which may prefer another mutually acceptable term. For instance, affiliations between cities in various countries of Europe are known as "jumelage," a French word for "twinning."¹⁰ Among community affiliations in the United States and China, the word "friendship" is often used in place of "sister" because of the cultural assumptions and bias associated with the word "sister" in China. Whatever the case, there are many community affiliations worldwide which carry basic principles of both the People-to-People program and the United States' Sister Cities Program.

Advantages of Community Friendship Relations

In an article suggesting winning strategies for entering the China market, Kindel (1985) elaborated on the importance of a "cultural focus" when doing business overseas and described a "cultural approach" to negotiations.¹¹ He states that "management needs to develop a cultural understanding of Chinese values and be able to implement strategies using cultural analysis."¹² Kindel (1985) goes on to say that "a cultural understanding can lead to five specific areas for improvement in dealing with the Chinese, as follows:¹³

1. in setting an appropriate and necessary atmosphere for negotiations;

2. in establishing the needed rapport with negotiators;
3. in developing better strategies and decisions by the United States team; and,
4. in setting the stage for a continuing group of contractual agreements in the future."¹⁴

Since the People-to-People program and the Sister Cities program have similar goals in building a "cultural focus," such as those expressed by Kindel (1985), it seems as though a good match exists for building business relations between two culturally different communities through friendship city affiliations.

An Overview of Communities with Friendship Community Relations

At the time of this research, 42 communities in the United States had established friendship relations with communities in the People's Republic of China. All of these U.S. - China community affiliations occurred after the initiation of China's open door policy and before the Tiananmen Square incident on June 4, 1989. These new U.S. - China community affiliations displayed one of the highest rates of new community affiliations when compared to U.S. community affiliations with other foreign countries during the same period. This section is provided to give the reader an understanding of the types of economic development activities which took place between these friendship communities. Described herein are brief examples of

significant agreements, exchanges, and economic development related activities which have occurred among communities with friendship affiliations.

State of Ohio and Hubei Province

Within three years of the first formal agreement between the State of Ohio and Hubei Province beginning in July 1979, new business, as a result of the agreement, was estimated at \$300 million.¹⁵ The agreement called for delegation exchanges. Ohio's commitment to this agreement was displayed by promoting trade shows and trade exhibits, generating contacts and appointments for large and small companies, and leading six delegations to China.¹⁶

State of Michigan and Sichuan Province

The State of Michigan established a friendship-state relationship with the Province of Sichuan in 1982. The relationship included an economic development focus on energy, machine tool, truck and bus, high technology, and medical and dental products. In 1984, the relationship was expanded to include trade which encouraged both ExCell-O Corporation of Troy, Michigan and Livermoist Engineering Company of Dearborn, Michigan to have signed agreements to do business in China.

Washington D.C. and Beijing, China

In 1985, the two mayors of friendship capitals, Washington D.C. and Beijing, China, agreed to host reciprocal trade shows. In late September, 1985, Washington D.C. was host to 31 Chinese companies and industries which

displayed approximately 5,000 kinds of commodities. The Office of the Mayor, the Washington International Trade Association, and the U.S. Department of Commerce along with a number of Washington based private organizations were utilized to coordinate and complete the project.

Included in the exposition was a two day seminar for executives interested in doing business in China. Over sixty-one million dollars of business was conducted. Added benefits to the community were that the District of Columbia was promoted as a center for international trade, and the District's residents learned about the culture and traditional values of their counterpart Beijing, China.¹⁷

Baltimore, Maryland and Xiamen, China

As part of their formal agreement with officials of Xiamen, China, representatives from Baltimore, Maryland visited their friendship counterpart Xiamen in late 1985. The visit was made primarily for the purposes of carrying out an educational exchange but the results of the visit included new correspondent banking relationships to facilitate trade, letters of intent for specific business transactions, initial foundations placed for joint ventures, and intentions for reciprocal trade shows and business seminars. Community resources utilized in planning the visit to Xiamen included significant support from the Baltimore Economic Development Corporation.¹⁸

Seattle, Washington and Chongqing, China

With significant support from its Mayor, Charles Royer, Seattle, Washington signed an agreement with Chongqing, China on June 3, 1983. This agreement promoted an ambitious exchange program leading to the following (among other exchanges) during 1985:

1. "a visit of Chongqing's new mayor, Xiao Yangi, to Seattle;
2. a trade delegation from Chongqing to Seattle;
3. a trade mission to Chongqing from Seattle which included nine business firms;
4. a significant donation by the City of Chongqing to the Henry M. Jackson Foundation for the furtherance of international studies;
5. the Chongqing television station delegation, hosted by KING-TV in Seattle, which filmed material to produce 16 programs about Seattle."¹⁹

Detroit, Michigan and Chongqing, China

Also affiliated with Chongqing, China, is Detroit, Michigan. As early as 1986, Detroit began to see some economic benefits from its friendship relationship with Chongqing. Helen Stojic, sister city coordinator in Detroit's Public Information Department indicated that Chongqing officials have expressed an interest in economic development exchanges between the two communities. In addition, in 1986 Chongqing's mayor visited Detroit's Mayor

Young to discuss trade in the automotive and tool and die industries.²⁰

Flint, Michigan and Changchun, China

Changchun, China is Flint, Michigan's friendship counterpart. Changchun represents a strong economic and educational force in northern China and features a state-run truck building factory employing 55,000 workers of its two million population.²¹ Like Flint, Changchun is a center of truck and automobile production.²²

According to Flint Mayor, James A. Sharp, after a 22 member Flint delegation visit to Changchun, their counterparts emphasized the importance of joint ventures between firms in both the West and China.²³ Both areas also sought informational exchanges to increase their tourist industry.²⁴ Some believed that the individual discussions between representatives of the two cities during this delegation visit were steps toward economic exchanges.²⁵

One writer described Changchun and Flint being technologically worlds apart in the automotive industry; Changchun having designs and technology dating back to the 1940's, and Flint being the "home of the Buicks with state-of-the-art technology." Yet the writer suggested that both cities have much to gain from an economic development standpoint. Changchun wants technological improvements while Flint seeks additional markets for its products.²⁶

One writer who visited Changchun with the Flint delegation pointed out that the friendship relationship is a valuable mechanism for building joint ventures.²⁷ He explained that companies "don't dabble in joint ventures if they don't know the territory." He added that "You can't succeed in a joint venture without total cooperation from all levels of government in China." According to the delegation participant, the friendship relationship helped to make the territory more familiar and build essential personal relationship with key people.²⁸

St. Louis, Missouri and Nanjing, China

In November of 1984, St. Louis, Missouri celebrated its fifth anniversary with its counterpart Nanjing, China, by making a three day visit to Nanjing with 250 St. Louisians.²⁹ According to Stanley Spector, Chairman of the Nanjing-St. Louis Sister City Committee, who participated in the visit, "Nanjing has 26 solid projects on which it would like to work with St. Louis businesses and over 200 more it would like to explore."³⁰ Many delegation participants found that the city's relationship "cleared the way for small businesses that had specific contracts in mind," and minimized the time away from business responsibilities in St. Louis.³¹

Other delegation participants made comments that the Chinese citizens of Nanjing "recognized St. Louis immediately," and that connections with the right people which normally take a long time, were made much easier.³²

During the St. Louis' visit to Nanjing, Nanjing officials presented a list of what they wanted from St. Louis' businesses, offering the businessmen to "say yes or no to a deal." One St. Louis representative stated that this open behavior had never happened before and attributed it to the city relationship.³³ The visit also produced a representing each city, outlining goals for the five years between 1985-1990.³⁴

The State of Alaska and Heilongjiang Province

The State of Alaska established friendship relations with Heilongjiang Province of China, now known as the Alaska of China.³⁵ This relationship occurred after a 17 member Chinese delegation participated in a week long trade trip through Alaska in early 1985. The governors of both regions signed an agreement for friendly relations. The agreement marked Alaska's first "sister-state" relationship. In a news article describing the signing of the agreement ceremony, Governor Bill Sheffield was quoted as saying that the relationship "opens the door to friendship and trade with one of Alaska's partners in the Pacific Basin"³⁶ According to one article in 1988, Alaska's annual exports of some basic natural resources, such as oil and timber products, to China's Heilongjiang Province were to approach \$40 million.³⁷

Anchorage, Alaska and Harbin, China

An agreement between Anchorage, Alaska and Harbin, China included the statement to "strengthen future

development of cooperation and exchanges in the fields of economics, trade, science, technology, education, culture and other fields of mutual interest."³⁸

Philadelphia, Pennsylvania and Tianjin, China

Philadelphia, Pennsylvania and Tianjin, China reached an agreement to "work toward the goals of arranging extensive mutual exchanges and cooperation in the fields of economics, foreign trade ... science and technology, city planning and administration."³⁹

Boston, Massachusetts and Hangzhou, China

In a similar proposed agreement, the cities of Boston Massachusetts and Hangzhou, China included the promotion of "extensive exchanges and co-operation in the fields of economy, trade... science and technology, city management and city construction." Long range goals included the facilitation and expansion of import/export trade, exchanges of commercial, technological and scientific information and the formation of joint venture projects.⁴⁰

Other communities which include formal statements agreeing to promote the prosperity of each community by having extensive exchanges in trade, science and technology, and business and industry include:

1. New York, New York and Beijing, China
2. Chattanooga, Tennessee and Wuxi, China
3. Toledo, Ohio and Qinhuangdao, China
4. Boston, Massachusetts and Hangshou, China
5. Long Beach, California and Qingdao, China

6. Harrisburg, Pennsylvania and Luoyang, China
7. Denver, Colorado and Kunming, China
8. Pittsburgh, Pennsylvania and Wuhong, China

Agreements or Business First?

One might ask, "Which comes first, the agreement for friendship relations, or trade?" Although this study is intended to show how friendship relations help to generate business relations, the reverse can occur. Occasionally, existing trade relations between businesses may act as a catalyst for establishing friendship community relations. The following examples suggest that business relations can precede the establishment of friendship relations.

San Francisco, California and Shanghai, China

In the case of San Francisco, California and Shanghai, China, the friendship relationship came before significant business activities. The friendship agreement was initiated in November, 1979 with a formal anniversary date of January 29, 1980.⁴¹ Since then, China's national airline, CAAC, has established air service between San Francisco and China, COSCO shipping vessels have utilized the San Francisco port facilities, and many California companies have initiated business relations. In the first five years of the relationship, Chinese ships brought in an estimated \$271 million in trade to the Port of San Francisco. Numerous exchanges have taken place among businessmen, technicians, and engineers. To make it possible, trade corporations,

economic development offices, and chambers of commerce have been actively involved.⁴²

Erie, Pennsylvania and Zibo, China

The friendship relationship established between Erie Pennsylvania and Zibo, of Shandong Province, China in 1985, began after AMSCO International (American Sterilizer Company) of Erie landed an order for product and technical assistance with China valued at over \$300,000.⁴³ In a letter dated October 2, 1982 to Mayor Louis J. Tullio of Erie, Pennsylvania, the General Manager of AMSCO International, Arthur J. Whelan, cited the value of a friendship relationship as a "strong link between our Erie industry and that of Zibo's in the People's Republic of China... which may open many areas of trade [between] Erie industry and [that of] the most industrialized areas of the People's Republic of China."⁴⁴

Later, in October, 1985, Chinese officials of Zibo visited Erie and signed a four-year agreement to promote friendship and trade between the two cities.⁴⁵ Shortly thereafter, one Erie company, Autoclave Engineers, Inc., asked Zibo officials to assist in establishing a small joint venture partner in China - thereby strengthening Autoclave's markets not only in the U.S. and Europe but also in the Far East. Autoclave would "design the plant, furnish design criteria for valves, fittings and tubings, provide manufacturing advice, train the workers, and work with the Chinese to start up the plants."⁴⁶

It is interesting to note that in late 1985 the General Electric Company of Erie, Pennsylvania made an agreement with officials in China to export 200 of their locomotives, and in late 1986 the GE plant obtained another contract to export an additional 100 locomotives. It is not readily apparent if the established friendship relations were factors in achieving these agreements or if the events were coincidental.

State of Oregon and Fujian Province

In the case of the State of Oregon and Fujian Province, one Oregon based firm - Nike - was already producing shoes when the Oregon state senate passed a non-binding resolution naming Fujian the friendship province.⁴⁷ After some brief political protocol adjustments (described later), a group from the Oregon-Fujian Friendship Association visited China and a formal friendship agreement was discussed. Final documents were later signed.⁴⁸

One article has suggested that Nike's presence in China cleared the way for its U.S. sports-shoe competitor Reebok International to establish successful operations in China. Nike had spent five years training Chinese management in their management of quality standards and cleanliness.⁴⁹ In 1985, Reebok established operations in a former Nike plant in Fuzhou, China and between August, 1986 and October, 1987 the plant produced 50,000 pairs of regular grade shoes.⁵⁰ Shoe production projections for Reebok's plant were expected to be three million pairs for the following

year, and were further expected to match Nike's output after year six.⁵¹

This business location and expansion scenario appears to suggest that existing business relations in some regions of China may be very strong and may precede the establishment of friendship relations. It may also suggest that, once friendship relations are established in those regions, subsequent successful business ventures may be the result of earlier U.S. corporate presence in the area rather than a direct benefit of the friendship relationship.

Roanoke County, Virginia and Zhangjiako, China

A pending relationship between Roanoke County, Virginia and Zhangjiako, China began after Roanoke County's Ingersoll-Rand Rock Drill Division established a joint venture in Xuanhua, China. When board members from Xuanhua-Ingersoll-Rand visited the Roanoke County plant to make final adjustments to their corporate agreement, they brought the Deputy Mayor of Xuanhua's neighboring city Zhangjiako. Discussions between Roanoke County officials and Zhangjiako's Deputy Mayor Yang in November, 1987 included verbal agreements to pursue the establishment of friendly relations. The two parties felt that a friendship agreement could provide a means to develop student and technical exchanges, enhance trade relations, and promote further business to business relations.⁵² At the time of this writing an invitation to sign a proposed agreement is pending.⁵³

Friendship Relations and Existing Industry Programs

When the friendship relationship is established after business agreements have been made, the setting can support an existing industry retention program. Mr. Bev Fitzpatrick Jr., an economic development representative for Dominion Bank in Roanoke, Virginia, has noted that cultural norms and business ties characteristic of China can help to build more permanent industrial relations. When existing trade or joint ventures between companies located within a community are established, there is an inherent corporate commitment between the companies. Yet when the communities which surround the respective companies go one step further and establish friendship relations, the same companies have a sense of community commitment.

According to Mr. Fitzpatrick, if community friendship relations result after a local U.S. industry has established corporate ties with a respective Chinese industry, the local company would risk the "loss of face" and future business relations in China if they were to move to another locality which had no established relationship.

Similarly, in a report developed by a task force of the City of Wichita, Kansas to study the feasibility of establishing a friendship city relationship in the Henan Province (Kansas' Counterpart) it was noted that existing business could greatly benefit. In the report, Jerry Mallot, President of the Wichita Chamber of Commerce, noted that because of the trade possibilities, the local business

community had a great deal of interest. He stated that an official friendship relationship "is almost a requirement before the Chinese feel comfortable doing business with local companies." Mr. Mallot added that the relationship "legitimizes the arrangement in the minds of the Chinese and thus greatly enhances the possibilities for building business relationships."⁵⁴

These examples suggest that the friendship relationship can provide the means to build stronger business ties in China and may assist a community's commercial-industrial retention program.

Potential Pitfalls Within Friendship Relations

A number of communities with established friendship relations experienced awkward relations or narrowly avoided difficult situations. A few examples are described in this section.

Washington-Sichuan vs. Seattle-Chongqing

Seattle and Chongqing are the respective capitals of the State of Washington and the Province of Sichuan. Both the capitals and the state-provinces are paired with each respective region. In 1983, Chongqing was granted new autonomy by the Chinese government. This new autonomy allowed Chongqing more freedom in conducting trade which subsequently led to perceived tensions between the capital authorities of Chongqing and previously more centralized provincial authorities. It effectively created a rivalry situation where Chongqing specialists would either be

intentionally excluded from programs and exchanges being carried out by the friendship communities or would choose not to participate at all.⁵⁵ These tensions led some business people of the State of Washington, who desire to work within both the Capital of Chongqing and the Province of Sichuan, to believe that doing business in either place is made more difficult.

Illinois-Liaoning vs. Oakland-Dalian

The State of Illinois established a friendship agreement in 1982 with the Province of Liaoning. According to one article, one of the main reasons for Illinois' selecting Liaoning Province was because of the great potential for business between companies in the City of Dalian and companies in the State of Illinois. However, the City of Dalian already had a friendship relationship with the City of Oakland, California and had recently been given new autonomy by being granted the status of a Special Economic Zone (SEZ) by the Chinese government. One article inferred that because the City of Dalian had Oakland, California as its counterpart friendship community, Illinois trade officials encountered difficulties trying to make appointments or make contacts through the proper authorities in the City of Dalian.

The Taiwan Question vs. Colorado-Hunan and Oregon-Fujian

The Peoples Republic of China embassy has described Taiwan as "a major obstacle" to most friendship relations.

One embassy official was quoted to say that whenever discussions about relationships have been started, the "Taiwan Province intrudes and starts drawing on past business relations to promote the Republic of China."⁵⁶

For clarification purposes, please note that although Taiwan has declared its independency from China, China still considers Taiwan, the Republic of China, to be part of China. This situation requires sensitive political balances to be recognized and handled with proper protocol when working with both countries.

In the State of Colorado there have been strong pro-Taiwan appeals to establish business relations there.⁵⁷ Yet, Colorado business executives have managed to have significant successes in establishing and building upon a Colorado-Hunan relationship. The origin of building this relationship dates back to the late 1940's when a Colorado businessman established a number of small industrial projects under a United Nations program in the Hunan village of Shaoyang.⁵⁸ Later when the Communists came to power, the project funds consisting of gold and silver were hidden in the village water tower. These funds were later used to establish heavy industrial enterprises.⁵⁹

When Colorado businessmen later searched for a sister province, they found "old friends in high places" in Hunan. The mayor of Shaoyang, for instance, had since become governor, and one engineer associated with the UN projects

had become chief engineer of the Hunan Machine Building Bureau.⁶⁰

In the fall of 1981 a group of Colorado businessmen, among others, met in Changsha to plan a conference in Denver. From that visit, fifteen preliminary agreements were signed and trade relations were initiated on products ranging from oil gear equipment to satellite receivers and fishing equipment.⁶¹

The State of Oregon experienced problems when establishing their relationship with Fujian Province of China because of proposed relations with Taiwan. Shortly after the Oregon state senate passed a non-binding resolution naming Fujian as its friendship province, the governor declared his own proclamation for friendship relations naming Taiwan. Shortly thereafter, Fujian withdrew from discussions for establishing a friendship relationship with Oregon. The governor of Oregon later supported the Fujian proposal, delegations visited Fujian, and final documents were signed establishing friendship relations on December 7, 1984.⁶²

Los Angeles-Guangzhou: Flying Taiwan's Flag on PRC Day

Within three years from signing their friendship agreement the Los Angeles-Guangzhou relationship achieved significant economic benefits. Many California companies had bid on and signed contracts related to offshore oil exploration in the South China Sea.⁶³ Additionally, the Los Angeles Trade Corporation was created between the two

cities (ownership being 60 percent Los Angeles: 40 percent Guangzhou) to act as an agent for U.S. companies.⁶⁴ Once established, the Los Angeles Trade Corporation set up a China Trade Center in Los Angeles' business district to enhance mutual business ties between the two cities. All this occurred despite the fact that Guangzhou almost withdrew its friendship community participation when Los Angeles flew the national flag of the Republic of China (Taiwan) on a national holiday of the People's Republic of China (China).⁶⁵

It should be noted that Sister Cities International discourages multiple relations with the same community to minimize duplication and protocol problems that could occur.⁶⁶ For instance, the State of Washington and the State of Michigan have the same friendship province, Sichuan. Although the relationships among them have fared well, the potential for difficulties lingers. For example, should Sichuan Province fly both state flags of Michigan and Washington if both states attempted to send trade delegations at the same time? If Sichuan officials visited the State of Washington to build business relations and returned to China without visiting the State of Michigan, would Michigan officials think this action unfair to their relationship, or that the terms of their formal friendship agreement were made less sincere?

It is for these complex protocol purposes that multiple relations with the same community are discouraged. Yet, because of the economic nature of China's more developed regions, including the Special Economic Zones (SEZs) and the Fourteen Coastal Cities, multiple relations with specific Chinese communities by U.S. communities seeking links with somewhat developed areas seems likely to occur.

FOOTNOTES

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CHAPTER III

EVIDENCE OF CONVERGENT ECONOMIC INTERESTS

This chapter looks at China's fundamental policies shaping economic reform, the Special Economic Zones (SEZs) and the Fourteen Coastal Cities. Included in this section is a discussion about recent PRC government activities and general business relations between the U.S. and China. This section gives the reader a better understanding of regional development in China and U.S.-China relations. It shows how China is moving from a development strategy of self-sufficiency to one of active participation in the world market.¹

China's Open Door Policy

In 1949, the People's Republic of China was founded. The established government advocated a policy of self-reliance and minimized its attention with the rest of the world. In the early 1950's, China adopted an economic format which was based on centralization. The central government exercised control over many commercial-industrial activities and required most companies to produce and sell products according to an annual plan. The basic responsibility of most state-run enterprises was to achieve a quantitative output. This situation created a nationwide

stagnancy among corporations. Companies had little initiative to improve or become more competitive.² Similarly, up until the early 1970's, 20 year old barriers against U.S. - China trade effectively stopped business negotiations and trade relations. Few exceptions were made to U.S. businesses. Companies seeking approvals for goods were lectured on the "evils of American capitalist imperialism."³

In 1978, China shifted its attention from this policy of self-reliance to that of open internal and external economic construction.⁴ China's leaders learned that if the country is to modernize, it must promote the introduction of advanced technology, equipment and management expertise.⁵ The Chinese government understood that a planned economy and a market economy should be complementary to each other.⁶

China established the "open door policy" to actively pursue foreign economic cooperation while making extensive domestic reforms. This policy has been written into the Constitution of the People's Republic of China.⁷ It was designed to be carried out in three phases, the first phase to take place during the 1980's, the second throughout the 1990's, and the third for the period between the years 2000 and 2050.⁸ It should be noted that the basic principles of the open door policy include the promotion of equality and

mutual benefit for all.⁹ These principles are similar to those of the sister cities program.

This open door policy has repeatedly been described as one which will last and will never be repealed. Aware that China could not develop during decades of isolation, Deng Xiaoping has stressed the need for China to remain open.¹⁰ In October, 1984, Deng Xiaoping publicly committed China to the open door policy for the next 50 years stating "that it can hardly be changed in the second 50 years." He added that "it will be simply impossible to change it [the open door policy] when China's economic and trade ties with other countries have developed and become closer."¹¹ Similarly, during a visit to the United States in January, 1984, Premier Zhao Zhiyang said that "China has opened its door, and will never close it again."¹²

Opponents to the concept of the continuation of the open door policy have pointed out that they are skeptical about making long-term commitments because of the uncertainty of what could happen when Deng Xiaoping is no longer China's leader.¹³

However, there is evidence that China is committed to making economic and political reforms. In September, 1985 Deng Xiaoping retired 131 officials from power.¹⁴ China replaced the "echelon structure," with younger, pro-reform officials who will assist in maintaining the continuity of China's open door policy.¹⁵ In addition, China's five year

economic plan, announced in September, 1985 included four main goals: "A seven percent annual economic growth rate, technological expansion, strengthened national infrastructure and improved standard of living for China's one billion people."¹⁶ Similarly, in the first phase of the open door policy, the goal for the 1980's was to double China's national product and build upon the people's standard of living.¹⁷ This goal was regarded by some as overambitious, yet it was achieved three years ahead of schedule.¹⁸

Phase two of China's socialist modernization effort is designed to once again double its national product and improve its standard of living to a moderate level of prosperity in the decade of the 1990's.¹⁹ Although this program is ambitious for China, some believe the objectives will be reached.²⁰

China's Movement Toward Foreign Investment

There is evidence to suggest that during the eight year period between 1979 and 1987 in which the open door policy had been at work, China was successful in attracting foreign investment and contributing to a prosperous world economy. During this period approximately 3000 whole or partial investment ventures worth U.S. \$17.4 billion were signed.²¹ In 1989, trade between the U.S. and China reached a record high of U.S. \$12.25 billion.²² According to one writer, "U.S. firms have funded more than a thousand projects in

China, with a pledged investment exceeding US \$4.2 billion."²³ Because of this active investment and trade relationship, China has brought in new technology, new markets and product development, while foreign businesses have gained profits and experience.²⁴ There are some who believe that this period is only the initial experimental period, and that Sino-foreign economic cooperation will become even more stable.²⁵ New reforms and adjustments are planned which may lead to even greater economic cooperation.²⁶

One major component of these reforms included opening internal regions and allowing for more flexible foreign investment policies.²⁷ Statistics in 1986 showed that economic reform in China was made easier when working with small enterprises than with medium to large industries. Small enterprises, able to respond quickly to changes in market demand, achieved an annual growth rate of about 14% while large companies only 7%.²⁸ China then recognized that in order to fulfill its modernization effort it needed to import advanced technology and equipment and acquire management expertise from the West.²⁹ As one researcher has pointed out, China intends to promote the continual improvement and technological update of several thousand existing enterprises providing "excellent prospects for foreign entrepreneurs to carry out economic and technical cooperation with China."³⁰

Because of the above reasons and other factors, China opened internal regions referred to as the Special Economic Zones and the Fourteen Coastal Cities for enhanced new development and economic growth. These special regions are one representation of China's movement toward allowing joint venture contracts and attracting direct foreign investment.

The Special Economic Zones

In 1979, China established the first of four proposed Special Economic Zones (SEZs).³¹ At the time of this report, a fifth SEZ, the island province of Hainan, had been added to the four SEZs.³² All are located along China's southeast coastal regions. The purpose of the SEZs are to attract foreign direct investment by allowing foreigners an opportunity to establish enterprises, hire labor, and import duty-free goods for processing and re-exporting.³³ The goal of the SEZs is to promote the attraction of high technology industry which exports at least 70% of its output.³⁴

China sees the Special Economic Zones as a means to build industrial strength for all of China. One article has pointed out that China can maintain a controlled environment among the SEZs where the economic gains of technology, knowledge and management could be transferred to China's interior.³⁵ In addition, because China wants to show Hong Kong and Taiwan that it is capable of committing to its stated policy of "one country, two systems," the success of

the established SEZs is important for building future Hong Kong and Taiwan relations and assuring one China.³⁶

The following is a brief glimpse of each of the Special Economic Zones:

Shenzhen

The City of Shenzhen, taking advantage of Hong Kong's infrastructure and technology has grown extensively within just a few years from a population of 30,000 to almost 200,000.³⁷ In the same period, over US \$900 million in capital improvements were made.³⁸ As a result, established industries, numbering only 20 in 1980, have grown extensively to include electronics, bicycles, textiles, chemical, machinery, building materials and food processing. It is now a major industrial base "second only to Shanghai among the coastal cities" with total export earnings in 1989 of US \$1.85 billion.³⁹

Zhuhai

The Zhuhai SEZ, located northwest of Macao, has experienced significant economic growth and decline in period before and after the Tiananmen Square incident respectively. Before the incident, exports in the predominantly rural area had risen 56 percent and foreign investment grew 67 percent. After the incident, both exports and foreign investment growth slowed significantly with foreign investment increasing by only 14 percent in 1989.⁴⁰ Many factories in the zone have closed and one

fifth of those remaining are reportedly operating below capacity.⁴¹ Although Zhuhai has four major industries which manufacture textiles, electronics, building materials and food stuffs, one report attributed the experienced economic volatility to the zone's heavy dependence on tourism and consumer oriented products.⁴²

Shantou

Shantou, once a rural undeveloped area, developed, within the first ten years of its SEZ status, highways, port facilities, electrical power utilities, water utilities and telephone utilities among other basic infrastructure facilities.⁴³ Newly established Shantou, with the economic and tax incentives of the SEZ is now building a reputation as the "ideal place" for the foreign entrepreneur.⁴⁴

Xiamen

Xiamen, located opposite of Taiwan, has attracted a significant share of foreign investment including a third of all Taiwanese capital invested in China in recent years.⁴⁵ Infrastructure improvements have included deepwater port facilities at Dongdu Harbor, an international airport and an international direct-dial telephone network.⁴⁶

Hainan Island

Hainan, now a sister "friendship" city with Oahu Island, Hawaii, has a new 400,000 kw thermal power station.⁴⁷ In 1989, foreign entrepreneurs invested US \$200

million and established 300 joint ventures. Additional infrastructure facilities are now being built.⁴⁸

The Fourteen Coastal Cities

Following the establishment of the Special Economic Zones, China opened fourteen coastal cities. The coastal cities differ from the SEZs in that the technological and economic development areas are set up to develop new technologies, new products and new industries; whereas the SEZs are more comprehensive in nature allowing for agriculture, animal husbandry, tourism, housing, and other areas of common interest.⁴⁹ However, like the SEZs the Fourteen Coastal Cities allow enterprises seeking a China location or market area a more simplified look at deciding upon comparative advantages of one area over another, rather than filtering through the complex evaluation of all of China.⁵⁰

Within the first four months of opening the Fourteen Coastal Cities, 420 foreign investment contracts were signed for projects within them.⁵¹ Effectively, "80 percent of all the outside investment in China and 60 percent of imported technical projects [in China]" took place between the Fourteen Coastal Cities and the SEZs in the 1980's.⁵² China is taking steps to improve business and industrial relations with the rest of the world. An indicator of China's commitment to the open door policy is China's

establishment of the Special Economic Zones and the opening of Fourteen Coastal Cities.⁵³

But China has a long way to go. Technology is building steadily, while industrial capacity lags. China's efforts to commercialize have been hindered by problems in mass production, internal communication links and a scientific manpower shortage.⁵⁴

The Tiananmen Square Incident and Its Effect On Friendship Relations

In late May 1989, Chinese students settled in Tiananmen Square in Beijing, China to pay tribute to Hu Yaobang, the General Secretary, forced out of office after a 1986-87 student movement. The students condemned government corruption and requested that Deng Xiaoping and Li Ping resign. On June 4, 1989, Chinese troops attacked the masses, reportedly killing hundreds.⁵⁵ This event had a profound effect on China's economic growth, but many believe that market reforms will continue to move ahead with balances created by supply and demand.⁵⁶

The questions at hand are how will supply and demand be controlled? And what changes will take place in China's leadership? One editor, Mortimer B. Zuckerman, has pointed out the significance of having a presence in China in order to influence the country's future reforms. He states a "stable China is as vital as ever to the security of the U.S. and the peace of the world. We may not be listened to

on all occasions when we are inside, but if we withdraw outside the wall, we will surely not be heard at all."⁵⁷

The Tiananmen Square incident had an immediate halting affect on friendship community relations, but within thirteen months after the incident, some activities related to friendship affiliations, including delegate exchanges, were taking place. According to an official at Sister Cities International, immediately following the Tiananmen Square incident "there was a definite suspension of exchanges between communities and many curtailed plans for the summer and fall of 1989. Most communities, however, have resumed exchange programs on a limited basis. Official delegations are once again visiting and some United States communities are still interested in establishing friendship city relations in China."⁵⁸

FOOTNOTES

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CHAPTER IV

DISCUSSION AND CONCLUSION

This section discusses the fit of each hypothesis to the findings. It describes the limitations of the study and the general conclusions reached. Presented also is a review of relevant information gained from the research which may be of use in future studies.

The first hypothesis was that friendship relations can be described. The findings show that friendship relations can be described. The information can be organized and categorized to display the specific activities of friendship community relations, particularly as it relates to economic development. This research has shown that it is possible to gather information which describes economic development related activities among communities with friendship community programs. The research has shown that the information can be organized and can be categorized to show the kinds of economic development activities taking place.

The second hypothesis was that some of the established affiliations will have economic development related activities as part of a formal agreement between the two communities.

The study shows that almost all of the communities with established affiliations have economic development related activities as part of a formal agreement between the two communities.

The third hypothesis was that a substantial portion of communities with a statement promoting economic development activities as part of a formal agreement will have local businesses participating in trade or joint ventures as a direct or indirect result of the friendship affiliation.

The study shows that nearly all of the communities with formal friendship relations including statements promoting economic development activities have participated in some type of exchange and have enhanced business relations. For some communities, it is too early to learn if the economic development benefits derived from their friendship relations went beyond initial exchanges of public officials. However all the U.S. - China friendship affiliations are relatively young having less than 11 years to get established. Yet, of the communities studied in this report, almost all had some type of economic development benefit to local business created as a result of the friendship relationship.

Limitations

The limitations of this study were as follows:

1. Because of the complex nature of interactions within a community and between communities themselves, the complete effects of a friendship community program on local

economic development can only be inferred. Informational exchanges within a community about its friendship counterpart contribute to additional economic development activities, yet these activities may go entirely undocumented. Similarly, there may be some economic development activities which may have developed independently without any assistance of a friendship program, yet are described herein as a product of a program.

2. The lack of technical means for evaluating the many variables in each community have compounded the limitations of causality. Thus, there may be a great deal of bias when making statements about associations and correlations between events.

3. Without further research, we cannot say that the economic development activities between friendship communities described in this paper are characteristic of other sister relations among communities outside of China. However, the applied projection of this research seems to be a reasonable assumption, since many communities have economic development objectives as part of their formal statement or agreement of community relations.

For instance, Louisville, Kentucky has a joint agreement with Montpellier, France to "increase import and export capabilities and to promote economic growth in each community." Their program promotes the exchange of business

information, international trade including cross-licensing, and the establishment of trade shows.

Similarly, the projection of this research may apply to even one sided community relations. In an effort to pursue foreign trade and foreign investment, the City of Phoenix established an Office of Protocol, funded in part by the Phoenix Sister Cities Commission. Their objectives included "to stimulate community and business awareness of and interest in Japan; to educate executives from medium and small-sized firms with export and joint venture potential on how to do business with Japan; and to demonstrate that to do business with Japan, one must also demonstrate an interest and understanding of that country's culture."¹

Conclusions

The primary goal of this research was to examine how friendship relations between communities of the U.S, and China can enhance economic development. Its subsequent objective was to address and examine the types of trade relations and business activity generated as a result of friendship relations.

This study of the establishment of friendship relations for economic development purposes has provided insight into some of the multifaceted functions of friendship relations. These functions include delegation exchanges, information exchanges, technological exchanges, new business ventures, joint ventures, product purchases, etc.

The research showed that those communities with friendship agreements which included stated goals and objectives for economic development, generally had some type of economic development activity occur with their counterpart. These activities were also shown to have occurred within an eight to ten year time period. It was learned that friendship communities gain exposure to their counterpart which can assist in generating new business. Also learned was that communities which displayed some success in building business relations often have coordinating economic development groups, agencies, and trading companies ready to assist that business growth. Finally, it was noted that a friendship relationship can assist local business expansion and retention by providing the means to do business in China while encouraging companies which have joint ventures in each respective community to remain in the community.

Measurement of Economic Development Activities Among Friendship Communities

A unique opportunity to track the development and growth of economic development as a function of friendship relations has presented itself during this research. Since economic development activities are often newsworthy topics, local successes and business ventures that occur as a function of friendship relations are often documented. Because of this, information is often available to describe

these friendship relations as they relate to economic development. The information can be used to build a data base for future explanatory studies on friendship community relations and economic development.

We now stand at the threshold of a potential increase in trade relations and joint efforts with the People's Republic of China. We also stand at the embryonic stages of friendship community relations between communities in the People's Republic of China and the United States of America, the earliest formal relationship being established in the year 1979 between Hubei Province and the State of Ohio.

Future studies can build upon this base study by evaluating how these first few communities develop over time and compare their development with other additional friendship communities. In other words, this study is a basis for future studies to compare the level of economic development activities generated over time as new friendship communities are established and as China's government policies change. Additionally, this study may serve to suggest the development of trust and trade relations between friendship communities over time.

Summary

Of the 42 communities with established friendship relations many have been quite active in areas related to economic development. This research has shown that the establishment of friendship community relations can be

useful in achieving local economic development objectives. Friendship community relations can help local industry enter the international markets by providing a means of knowing who the players are, who does what at what stage, where to go to get things done, what kinds of business opportunities are available, etc.

Community affiliations, as shown in this report, are not easy to maintain and require continual analysis of protocol and cultural understanding. The research indicated that a number of communities unknowingly entered into community relationships which caused a difficult situation. Some of these potentially awkward relationships can be made less difficult by observing potential problems and clarifying community goals and objectives at the outset.

Similarly, community relationships will take time to cultivate and require long-term, if not permanent, commitments. Research shows that communities can benefit if they are willing to make these kinds of commitments and carry out their agreements.

Finally, both the United States and China seek advanced stages of economic growth and development and both have their own competitive advantages.² China's policies of reform and opening to the outside world have been described as an "effective accelerant" in building qualitative and quantitative improvements to its industrial base.³ The friendship community program can serve as a means to assist

each regional area in identifying business opportunities, cultivating individual business relationships, and building international trade. All in all, friendship community relationships between communities in the United States and communities in the People's Republic of China can have positive mutual economic development benefits and can serve to enhance local economic development programs.

FOOTNOTES

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APPENDIX A

PROCEDURE FOR ESTABLISHING A SISTER CITIES (FRIENDSHIP) AFFILIATION WITH A CITY IN THE PEOPLE'S REPUBLIC OF CHINA

1. U.S. cities desiring a sister city in China should submit their request in writing to Sister Cities International. The letter should be on official stationery of the U.S. city and the letter should be signed by the Mayor of the U.S. city. The letter should indicate that there is city council/government and community support for the affiliation.
2. The letter may address the major areas of exchange that the U.S. city is interested in pursuing with its Chinese sister city (technical, industrial, educational, cultural and others that may be appropriate). This kind of information will aid in the selection of an appropriate counterpart in China.
3. Enclose with the letter materials and information about your city. Generally a packet of materials from the local economic development office is very helpful to the Chinese. Also include a completed U.S. City Profile form which is enclosed.
4. Send all of the above to:
Sister Cities International
Attention: Affiliations Coordinator
120 South Payne Street
Alexandria, Virginia 22314
5. Once Sister Cities International receives this formal request, it will contact the national association in Beijing and the "wheels will be set in motion." A copy of your formal request will be sent to the Beijing association and a copy will be sent to the Embassy of the PRC in Washington, D.C. You will receive a copy of all correspondence that SCI has with appropriate parties regarding your request for a sister city in China.

Source: Sister Cities International, 1988.

APPENDIX B

U.S.-CHINA "FRIENDSHIP" CITY AND STATE-PROVINCE RELATIONS

CITIES

St. Louis	Nanjing	(November 2, 1979)
Philadelphia	Tianjin	(December 6, 1979)
San Francisco	Shanghai	(January 29, 1980)
New York	Beijing	(February 25, 1980)
Los Angeles	Guangzhou	(December 8, 1980)
Oakland	Dalian	(March 30, 1982)
Boston	Hangzhou	(May 1, 1982)
Pittsburgh	Wuhan	(September 8, 1982)
Chattanooga	Wuxi	(October 12, 1982)
Seattle	Chongqing	(June 3, 1983)
Washington, D.C.	Beijing	(May 15, 1984)
Harrisburg, PA	Luoyang	(November 1984)
Long Beach	Qingdao	(April 12, 1985)
Sacramento	Jinan	(June 1985)
Flint, MI	Changchun	(June 8, 1985)
Detroit	Chongqing	(July 23, 1985)
Anchorage	Harbin	(August 1985)
Des Moines	Shijiazhuang	(August 8, 1985)
Midland, TX	Dongying	(September 1985)
Denver	Kunming	(Fall 1985)
Wilmington, NC	Dandong	(October 1985)
Erie, PA	Zibo	(October 30, 1985)
San Diego	Yantai	(Fall 1985)
Chicago	Shenyang	(September 5, 1985)
Toledo	Qinhuangdao	(October 28, 1985)
Baltimore	Xiamen	(November 7, 1985)
Wichita	Kaifang	(December 3, 1985)
Orlando	Guilin	(May 14, 1986)
Syracuse	Fuzhou	
Spokane	Jilin	(May 29, 1987)
Jersey City	Wenzhou	
Paramus, NJ	Huainan	
Tulsa	Beihai	

U.S.-CHINA "FRIENDSHIP" CITY AND STATE-PROVINCE RELATIONS

STATES

Ohio	Hubei	(October 31, 1979)
Maryland	Tianjin	(June 6, 1980)
Kansas	Henan	(May 1, 1981)
New Jersey	Zhejiang	(May 11, 1981)
Illinois	Liaoning	(September 30, 1982)
Washington	Sichuan	(October 11, 1982)
Wisconsin	Heilongjing	(October 18, 1982)
Minnesota	Shanxi	(October 19, 1982)
Iowa	Hebei	(October 1982)
Michigan	Sichuan	(November 9, 1982)
Colorado	Hunan	(September 20, 1983)
Massachusetts	Luoyang	(November 7, 1983)
New York	Jiangsu	(May 23, 1984)
Oregon	Fujian	(December 7, 1984)
Alaska	Heilongjiang	(February 5, 1985)
Oahu Island	Hainan Island	(August 23, 1985)
Hawaii	Guangdong	(May 21, 1985)
Oklahoma	Gansu	(June 12, 1985)
Utah	Jiangxi	(September 10, 1985)
Kentucky	Jiangxi	(October 16, 1985)
Alabama	Hubei	(October 7, 1985)
Idaho	Shanxi	(October 28, 1985)
Connecticut	Shandong	(May 27, 1986)
Texas	Shandong	

Source: National Committee on U.S.-China Relations, Inc.,
1988.

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