



From Sister to Global Cities

Sister Cities New Zealand Conference 2019

Name of presenter	Laurence Kubiak, Chief Executive Officer, NZIER
Venue or event	Palmerston North
Date of presentation	21 March 2019

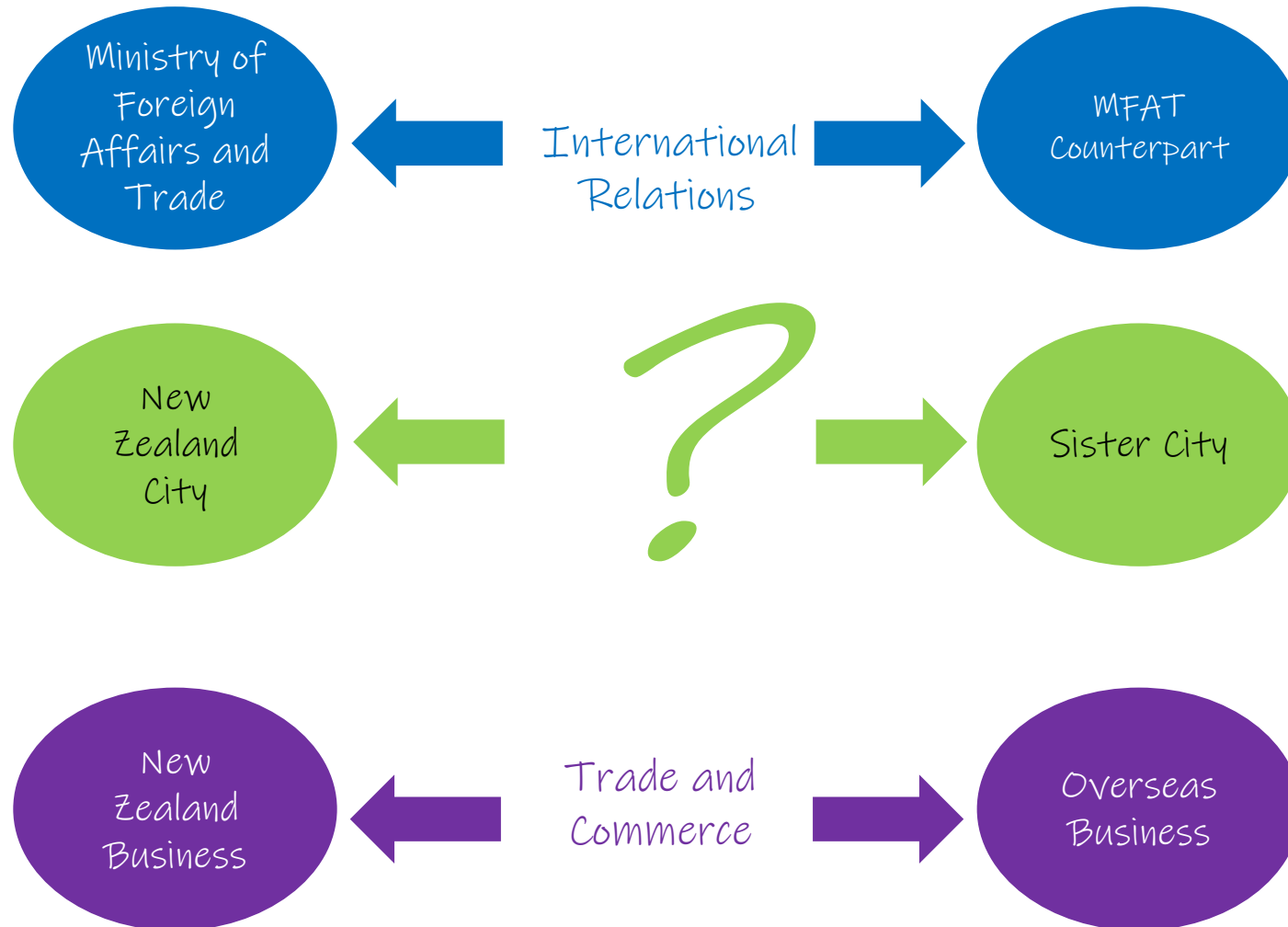
Structure of presentation

- Context around NZIER's involvement in Sister Cities
- Theoretical framework for thinking about Sister Cities
- Stylised Sister City Growth Paths
- Sister Cities, Trust and Transaction Costs
- Learnings from 2003 and 2019 reports

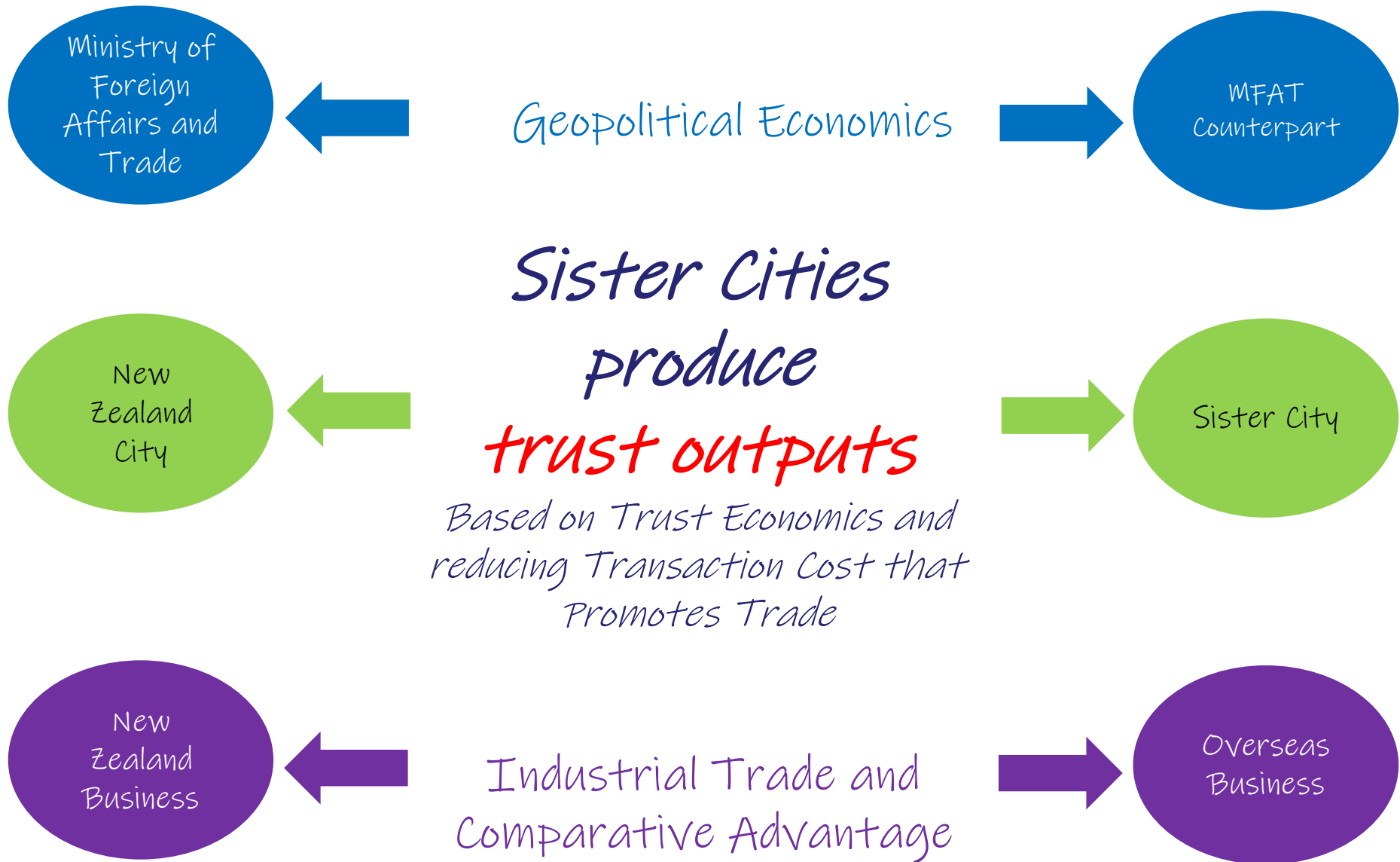
Context around NZIER's involvement in Sister Cities

- NZIER commissioned in 2003 by Sister Cities New Zealand to:
 - Investigate the economic benefits of Sister Cities relationships
 - Explore their potential for supporting regional economic development
 - Interviewed 40 respondents in 15 businesses, 5 Councils and 3 Schools
- Recommissioned in 2019 to follow up with the original interviewees and find out how their businesses have changed

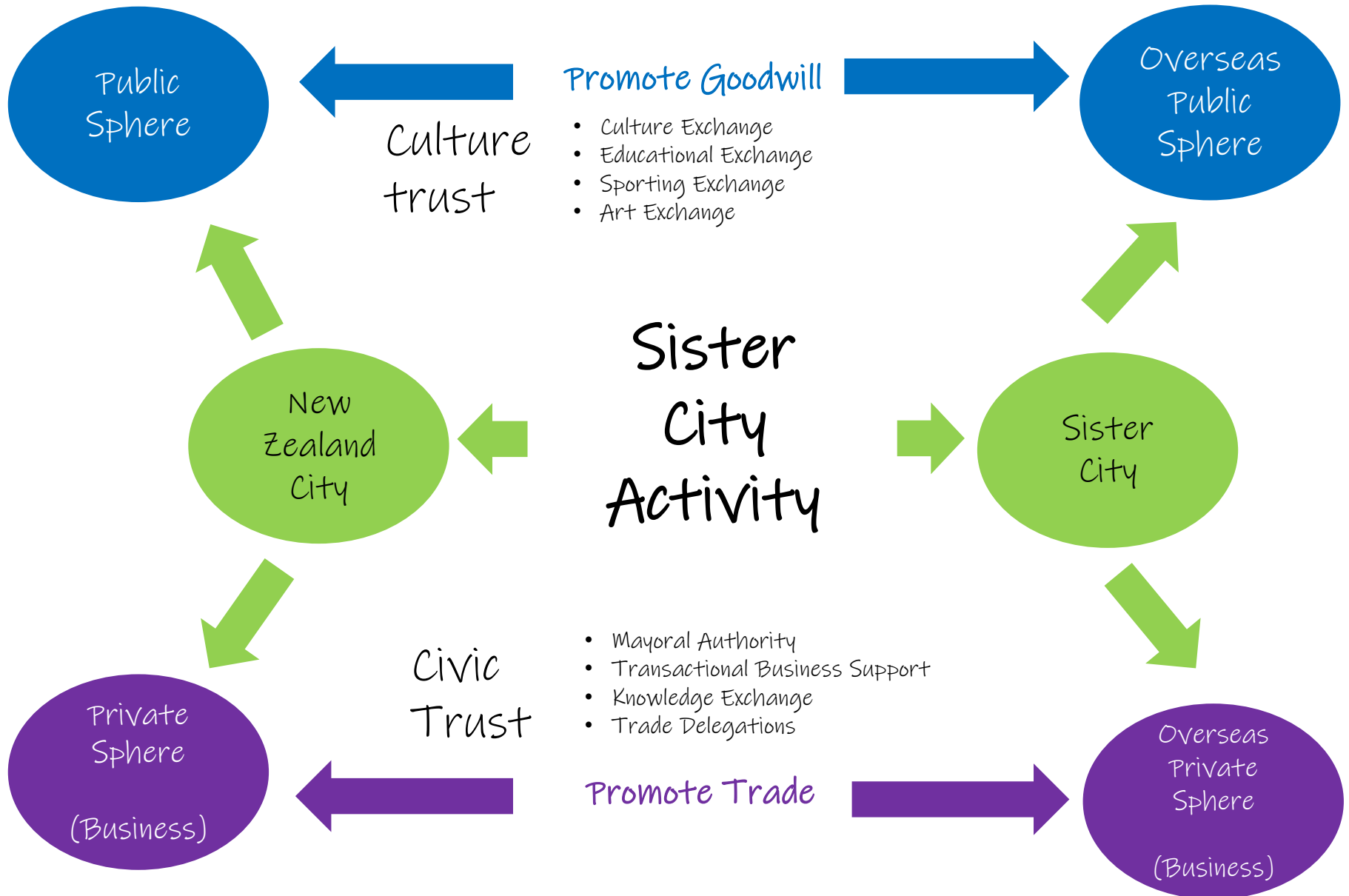
Where does Sister City Theory Sit



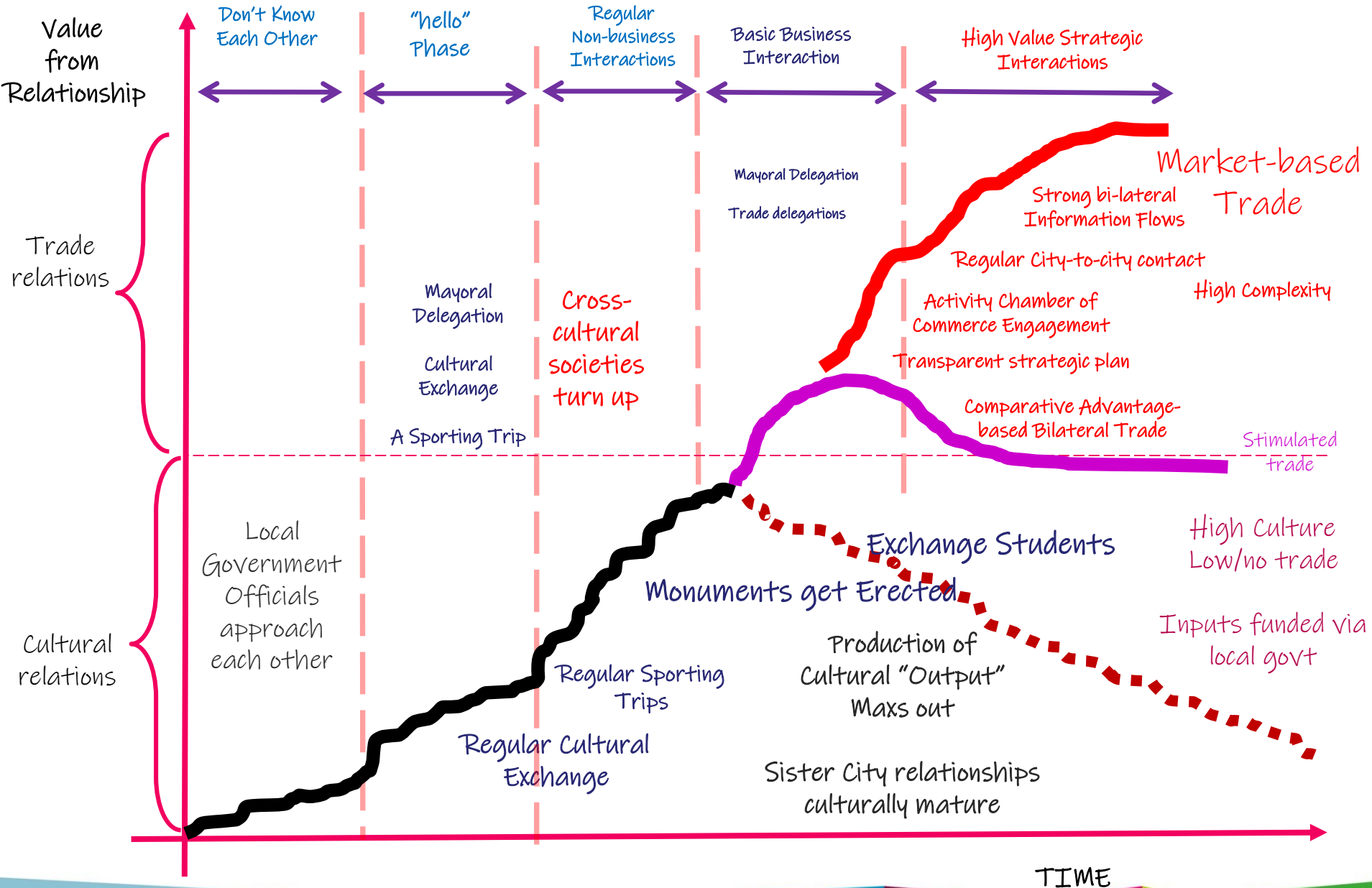
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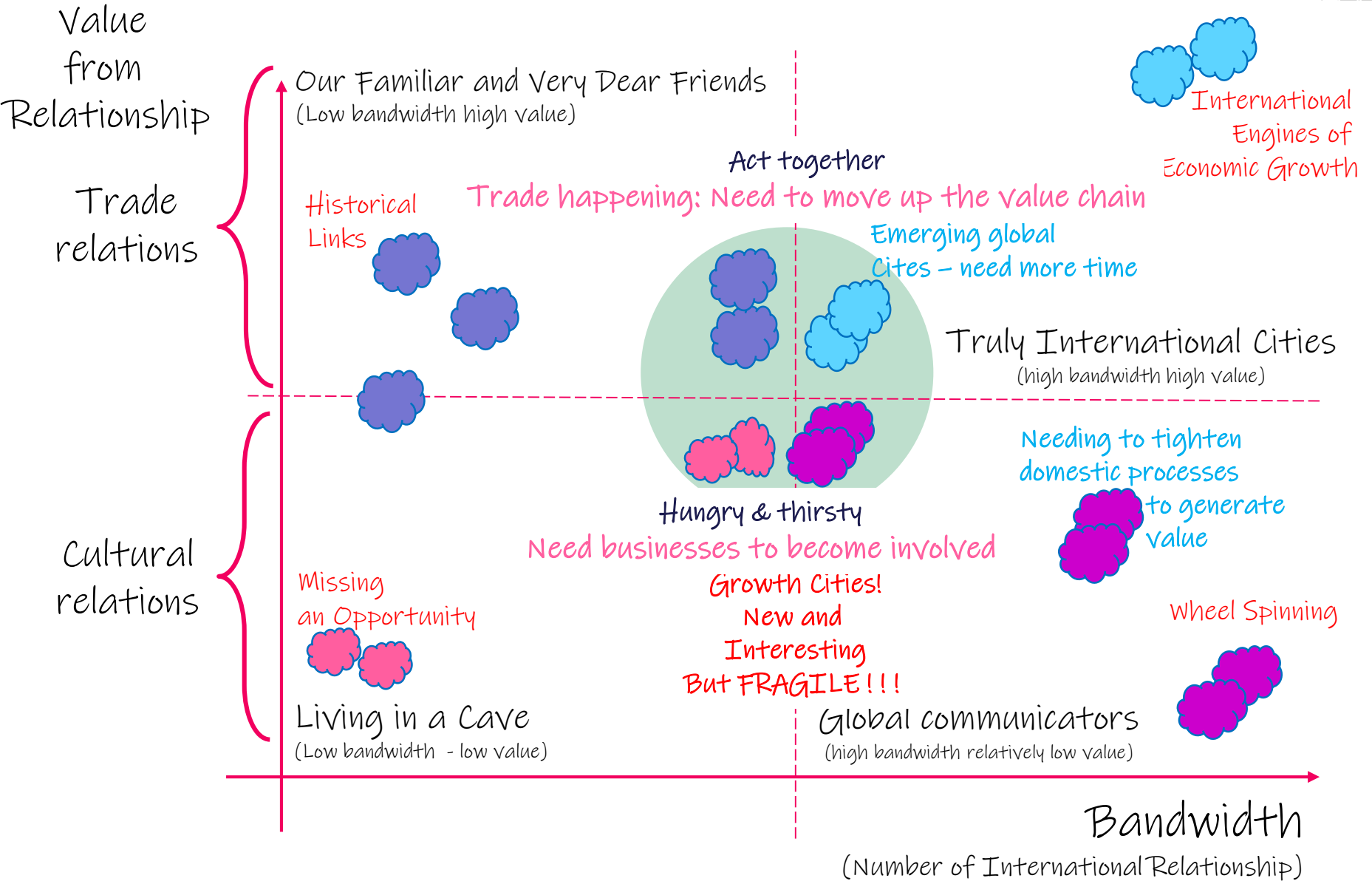
Where does Sister City Theory Sit



Stylised Sister City Growth Paths – Over Time



Stylised Sister City Growth Paths – by value and Bandwidth



Sister Cities, Trust and Transaction Costs

- Sister Cities are *relationships* between pairs of Councils and their communities.
- Councils and the Sister City Societies (or similar) engage in cultural-relationship “gift-giving” that, over a long period of time, *creates* goodwill high-trust relationships between the cities
 - Overseas city can *observe* the strength of commitment, and that *accelerates trust*.
- With goodwill trust established, Sister Cities can:
 - Move the engagement with their overseas partners beyond the exchange of cultural gift; and
 - Have commercial conversations without being seen to be exploitative or insensitive to the overseas culture.
- High trust relationships:
 - helps correct expectation differences between the parties;
 - open opportunities to business that would otherwise not occur;
 - ultimately leads to stronger trust relationships between cities; and
 - Lowers the cost of finding economic opportunities: the “transaction” costs of business.

Learnings from 2003 and 2019 reports

- Key findings in the Conference Handout material
- Make TRUST
 - **Cultural outputs matter:** exchanges are *credible and visible* commitments to an enduring relationship with the Sister City. They create shared cross-cultural understanding.
 - **Personal relationships matter:** there is no substitute for regular face-to-face contact between Mayors, and more regularly operational communication between cities.
- Wanting to Commercialise your Relationship?
 - **Got Trust yet?**
 - **Business networks matter:** The best Councils can do is build the setting - provide assurance and promote trust. Only businesses can commercialise a relationship.
 - **Be strategic:** Have a plan for what you want to achieve from a relationship and how you're going to achieve it.
 - **Focus on regional Comparative Advantage:** Avoid scattergun delegations, and promote what your region is regionally best at.
 - **Bring a team and pitch to each member's comparative strength:** part of being strategic.

Thank you 😊

Any questions?