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MUMBAI-SHANGHAI SISTER CITIES AGREEMENT: CHALLENGES & OPPORTUNITIES

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**Mumbai-Shanghai
Sister Cities Agreement:
Challenges & Opportunities**
A Gateway House Report

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Executive Summary

Key Findings:

- No collaboration initiated as yet between the Municipal Corporation of Greater Mumbai (MCGM) and Shanghai Municipal People's Government (SMPG) after the "Mumbai-Shanghai Sister City Agreement" was signed over two years ago [1] (on 18 September 2014, in New Delhi, by the mayors of the two cities).
- The SMPG is akin to a Chinese provincial government that can have representation at international bilateral and multilateral forums, but the MCGM, in turn, is not a nodal agency that can facilitate this Agreement. The Maharashtra government can do so.
- Sister City agreements are an important tool of para-diplomacy, useful in attracting FDI, financial and other technology, and fostering cultural understanding.

Key Recommendations:

- Maharashtra Chief Minister, Shri Devendra Fadnavis, will be the appropriate mentor from Mumbai to facilitate this Agreement. The state's chief protocol officer, using the framework of Joint Working Groups (JWGs), can unite the various departments of the MCGM and state government to meet their counterparts from Shanghai. Such a working model can enable the state government to directly liaison with the central government, particularly the East Asia Division (Ministry of External Affairs), and Indian missions abroad.
- The successful completion of one or two projects will give city-twinning a fillip. A short list of worthwhile projects can be devised in consultation with think tanks, secretaries of state ministries concerned, and civic administrators.
- Cultural liaisons, like the theatrical version of Raj Kapoor's film, *Awaara*—a collaboration between the Indian Council for Cultural Relations (ICCR), New Delhi, and Shanghai International Arts Festival—that will premiere this year in Shanghai, can be a part of this Agreement too to fast-track the relationship.
- A **Mumbai-Shanghai Forum**, launched by Chief Minister Fadnavis and mayor of Shanghai during the CM's forthcoming visit, can facilitate not only the Sister Cities Agreement between the two municipalities, but enlarge the discussion on urban planning and development in emerging markets, to involve think tanks, business and manufacturing, financial technology, transportation, the film industry, and Mumbai and Shanghai varsities.

[1] The official title is "Agreement on the Establishment of Sister City Relations between Mumbai, Republic of India and Shanghai, People's Republic of China" (18 September 2014)

Mumbai-Shanghai Sister Cities agreement: challenges and opportunities

2.1. Introduction

Mumbai and Shanghai were declared Sister Cities on 18 September 2014 during the state visit of Chinese President Xi Jinping to India. Tu Guangshao, executive vice mayor, Shanghai, and Snehal Ambekar, mayor of Mumbai, signed an agreement to this effect in New Delhi. [1]

Mumbai currently has 15 Sister City relationships [2], its most active one being with Stuttgart, Germany. The city of Shanghai, China, on the other hand, has 76. Some notable ones are with Gothenburg, Sweden, the City of London, UK, and Yokohama, Japan. [3]

2.2. Objectives of report

This report explains the rationale behind Sister City agreements and what makes Mumbai and Shanghai a perfect pair. What challenges do city administrations face in taking such agreements forward? There are successful templates to follow to enable these objectives to be achieved. Gateway House's Recommendations are included.

2.3. Meaning of Sister Cities

There are two reasons for cities to enter into twinning agreements:

1. Local economic development. This facilitates trade, investments, infrastructure development, and sharing of climate and financial technology. This is broadly based on an exchange of experience and knowledge between the public and private sectors of the two cities.
2. The main aim of these agreements is to foster understanding of different cultures through people-to-people contact. These interactions are usually conducted within the framework of a country's foreign policy.

2.4. Shared history: Mumbai and the making of Shanghai

Mumbai and Shanghai share a common colonial history. When Shanghai was opened to foreign trade under the Treaty of Nanjing (1842), Mumbai merchants, mostly Parsis and Baghdadi Jews, were among the pioneers who settled on the banks of the River Huangpu and were pivotal to the early financial, social and cultural history of Shanghai. This is still evident on the Shanghai Bund [4], most of which was developed by the Mumbai-headquartered Sassoon firms and a few of their Jewish employees, such as Sir Elly Kadoorie, who set up businesses of their own. Two historic Mumbai families stand out in Shanghai's history: the House of Tata, which has the biggest Indian corporate presence in China today, and the erstwhile Sassoon family.

The existing historical fluencies between the two cities span:

1. A parallel financial background: both cities were international financial centres (IFCs) from the 1870s to the end of World War II. Today, Shanghai and Mumbai are once again aiming to become IFCs by 2020 and 2019 respectively.[5]
2. Trade links: they were once part of an axis of trade, following the route of London-Mumbai-Shanghai-Kobe. Even today, they are their countries' largest ports besides being their major international entrepot. They are also home to sizeable ship-building yards.
3. Their cosmopolitan milieu has made them home to jazz music, the Shanghai and Mumbai varieties of it; the film industry; similar colonial-style buildings dating to the 1920s to 1940s, like the British Palladian elements visible on the Shanghai Bund buildings and Mumbai's Ballard Estate; a colonial club culture, and horse racing.

2.5. Challenges in furthering the Sister City relationship

*SMPG = Shanghai Municipal People's Government; *MCGM = Municipal Corporation of Greater Mumbai

Challenges	View of SMPG	View of MCGM
<p>1. There has been no collaboration between the two city administrations since the agreement was signed in September 2014.</p> <p>This is due to an asymmetry in power vested in the SMPG and MCGM.</p>	<p>The mayors of Shanghai and Mumbai do not have the same executive powers; hence, the misunderstanding by the SMPG. Shanghai is one of four Chinese cities directly under the central government of the People's Republic of China; its status is equivalent to that of a province (state).</p>	<p>Mumbai's mayor and the MCGM are <u>not empowered</u> to introduce themselves at an international level in trade, business and industry. Only the chief minister of Maharashtra can initiate negotiations for direct collaboration with the SMPG.</p> <p>The Maharashtra chief minister is the equivalent of the mayor of Shanghai, who has executive powers equal to those of a governor of a Chinese province.</p> <p>This is not a hindrance because though the Agreement is signed by the two mayors, it enables collaborations/projects that are a mix of public-private partnerships. This includes business chambers, private companies, cultural associations, and think tanks, with which the Mumbai mayor can engage.</p>

	In China because of a highly centralised governance structure, Sister City activities and projects are implemented only after prior consultation with the China International Friendship Cities Association (CIFCA) [6]	Final sanctions when dealing with foreign governments are given by the Ministry of External Affairs (MEA) of the government of India, and for Shanghai, by the MEA's East Asia Division. [7]
2. Identifying a mentor	Shanghai needs to assign a mentor in Mumbai to ensure regular meetings between joint working groups (for identifying projects, setting time-lines, and assessing progress).	Chief Minister Fadnavis and the Mayor of Mumbai can only initiate the Mumbai-Shanghai dialogue/forum as chief mentor, but Mumbai also needs a citizen diplomat in Shanghai as mentor. For example, Mumbai's twinning with Stuttgart (Germany) is mentored by Honorary Indian Consul, Andreas Lapp, a German businessman and industrialist.
3. The biggest challenge in this relationship is inertia: no collaboration between the cities has taken place since the Agreement was signed over two years ago (September 2014).	The SMPG is keen to begin engaging with the MCGM on city-centric projects. Some examples it offered were: 1. The introduction of the Shanghai method of teaching in London schools; 2. Yokohama City brought the barcode to Shanghai. [8]	The reasons for no collaborations fructifying are: 1. Expertise offered may not have matched Mumbai's needs due to: <ul style="list-style-type: none"> • size and density of its population • topography of the city • sheer quantum of waste generated per day • grassroots issues, such as, the Shanghai method of teaching not being suitable in Mumbai's municipal schools because of the students' socio-economic background. 2. All infrastructure projects have to go through a tendering process, irrespective of the fact that a foreign sister city possesses a special expertise. 3. MCGM officials need two

		months' intimation prior to official travel to Shanghai because permissions need to be obtained from the municipal commissioner, chief minister, and the central Ministries of Home and External Affairs.
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2.6. Successful templates followed by other countries in Mumbai and Shanghai

2.6.1 Government to Government (G2G)

1. Formation of a Joint Working Group at state government level

This format has been very successful in implementing the sister-state relationship between Maharashtra and New South Wales (NSW). It requires the passing of a government resolution (GR) to institute this process.

In the case of New South Wales, former chief minister Prithviraj Chavan was the chief mentor, but ensuring momentum and continuity by convening Joint Working Groups (JWGs) twice a year is done by the chief protocol officer of the government of Maharashtra.

- The JWGs identify projects, set timelines for completion, and assess progress.
- #### **2. Mumbai-Shanghai can implement this format successfully as there are points that favour it and some that limit it.**
- The MCGM faces a limitation when initiating projects with any foreign government.
 - The Maharashtra state government's chief protocol officer [9] has the authority to bring together all departments of the MCGM and state government, including urban development, tourism, the Mumbai Metropolitan Region Development Authority (MMRDA), and the Maharashtra State Road Development Corporation (MSRDC), to meet their counterparts from Shanghai as a JWG.
 - Also, the establishment of the new States Division at the MEA, which facilitates centre-state relationships in the sphere of para-diplomacy and that between state governments and Indian missions, will make it easier at the state government level to coordinate

getting the requisite permissions from the MEA for city-centric projects between Mumbai and Shanghai.

2.6.2 Business to Business (B2B) relationships

B2B initiatives world over have tremendous traction under Sister City agreements through two basic models:

1. Foreign cities with offices in Mumbai:

Many cities, some of which are in a sisterly partnership, have opened offices in Mumbai to bid for MCGM and state government projects. They include: the city of Hamburg (Germany), Province of Quebec (Canada), Province of New South Wales (Australia), and recently, Mumbai's sister city, Yokohama (Japan). Setting up a city office requires permission from the government of India. These offices market their city's or province's expertise and are largely business organisations.

2. The Stuttgart model:

Stuttgart has a workable and holistic template for its ties with Mumbai. Though the connections are multifarious, covering business, education, health, infra projects, and culture, the relationship itself is mentored by a citizen diplomat, Honorary Indian Consul in Stuttgart, Andreas Lapp.

There are some signature events, like the annual town-twinning meetings in Stuttgart since 2002, and the "Bollywood and Beyond" film festival (since 2004), which has grown into Europe's largest Indian film festival. The yearly Stuttgart Wine Festival celebrates the ties between the two cities. Government to government interactions are frequent and Indo-German business forums numerous: the Stuttgart model is largely driven by business. [10]

3. Gateway House Recommends

3.1 Launch a Mumbai-Shanghai Forum jointly mentored by the Maharashtra chief minister, mayor of Mumbai and mayor of Shanghai

This Forum (made up of government, business chambers, think tanks, corporates and NGOs) can be launched as the centre piece of Chief Minister Fadnavis's impending visit to Shanghai (in 2017). The following four recommendations can fast-track the Agreement and engagement between the two cities.

As an alternative to the Forum, recommendations 3.2 to 3.6 can be taken as five separate suggestions. The objective of the Forum should be to mix-and-match expertise from Shanghai and Mumbai to achieve each city's individual goals in climate change, education, socio-economic areas, health, Smart Cities and urban development goals.

3.2 Collaboration between the two city governments through JWGs to facilitate innovative projects, such as:

- Shanghai's use of ferries for transport of garbage;
- collaboration in mangrove conservation and forestry in which Mumbai has the expertise;
- expertise sharing in urban planning and infrastructure building, particularly bridges and tunnels, in the light of MCGM's recently initiated Coastal Roads Project;
- Shanghai's successful incubation of an international institution, like the BRICS Bank, can be replicated if Mumbai hosts the BRICS Research Institute. [11]

3.3 Bring ongoing projects under the Agreement

There are projects that the two cities have initiated through the Indian mission in Shanghai, but none of them specifically under the Sister City Agreement. If MoUs and scheduled events are brought under its aegis, the relationship could reach the public's notice too.

- 2017: The Shanghai Library will set up a project, 'Window of Shanghai', in Mumbai. [12]
- 2017: The Confederation of Indian Industry (CII), which has had a branch office in Shanghai since 2003, is initiating a Mumbai-Shanghai CEOs Forum. [13]
- 2017-18: An MoU has been signed in October 2016 between the ICCR and the Shanghai International Arts Festival to put up in 2017 a theatrical version of Raj Kapoor's 1950s film, *Awaara*, which is still popular with the Chinese. Both organisations will host cultural performances across India and China during this period. [14]

3.4 Initiate cultural exchanges

- The Mumbai-Shanghai Forum, when launched, can achieve a larger cultural footprint through participation in local arts festivals. Shanghai is China's filmmaking hub and a Chinese film segment can be included in the forthcoming Mumbai International Film Festival (MIFF), and vice versa, an Indian section can be made part of a Shanghai film festival, or be featured as a standalone event.
- Jazz and Blues bands from Shanghai can participate in the annual Mahindra Blues Festival of jazz music at Mehboob Studios (Mumbai).
- City literary festivals, like the Kala Ghoda Arts Festival (literature section), the Times LitFest, or Tata Literature Live in Mumbai, and likewise, literary festivals in Shanghai, can host both fiction and non-fiction writers and poets who write on their cities.

3.5 Think tank to think tank (T2T)

- Gateway House and Observer Research Foundation (ORF), both Mumbai-based think tanks, have ongoing interactions, collaborations, and dialogues with Chinese think tanks.

The Mumbai-Shanghai Forum could serve as the auspices for some T2T meetings and conclaves. Gateway House hosted the first 'India-China Think Tank Forum' on bilateral economic relations on 7 December 2016 in Mumbai, which had participants from China's leading think tank, the Chinese Academy of Social Sciences (CASS), Beijing. This event was initiated by Prime Minister Narendra Modi and Chinese President Xi Jinping during Mr Modi's official visit to China from 14-16 May 2015. [15]

Gateway House has been the India host for the Think20 regional consultation meeting since 2015, which was attended by Chinese think tank scholars. This was officially hosted under the aegis of the Chinese G20 Presidency. [16]

Gateway House also has an ongoing collaboration with the National Institute of International Strategy, a part of CASS, since 10 April 2015, to jointly undertake research projects, conferences, cultural programmes, and exchange of research scholars, and implement other mutually agreed upon programmes.

ORF (Mumbai) is scheduled to open the Ji Xialin Centre for India-China Studies, at Mumbai University's Kalina campus, sometime this year. Named after the Chinese Indologist Ji Xialin, who translated the Ramayana into Mandarin, the institute's focus will be the study of the shared 2,000-year-old historical, cultural, literary, and artistic legacy that underpins India-China relations.

- Mumbai and Shanghai are not merely financial capitals, but aspire to be IFCs by 2020, and T2T interactions in the spheres of (a) currency, (b) an alternate global financial architecture, (c) expertise sharing in fin-tech, (d) and the Blue Economy, are important conversations to orchestrate.

3.6 Sisterly gifts to Mumbai

MCGM has an articulated policy and the funds to host delegations from its Sister Cities as its first twinning arrangement was with the city of Los Angeles over 52 years ago. It faces challenges (refer 2.5.) in the initiation of projects with a financial element, requiring use of either its own or borrowed funds.

Many sister cities have given gifts to their sibling. Mumbai has the Los Angeles Municipal School in Matunga. In 1986, a team from Yokohama developed the Japanese Garden at Veer Jija Mata Udayan (formerly Victoria Gardens), in exchange the MCGM gifted two baby elephants to Yokohama Zoo. The sister city of Amsterdam sent a team of art conservationists to restore the Dutch Masters Collection at Mumbai's Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (formerly Prince of Wales Museum) under its twinning relationship.

Endowments under the umbrella term of ‘Sister City Agreements’ can thus also be made to city museums, Mumbai University, the Nehru Science Centre, and Sanjay Gandhi National Park, where the ancient Kanheri (Buddhist) Caves are located.

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