Chapter 3
Channelling Foreign Policy Through Local Activities in China: City of Guangzhou Case Study
(Dominik Mierzejewski)
3.1. Introduction

The reform era and post-Mao political, social and economic changes has brought new dynamics to the Chinese political system. After the previous Maoist period the leadership took a pragmatic, rational and thoughtful approach in China’s interaction with the external world. This contributed to China’s economic growth and poverty alleviation, with not only China as a whole but with peculiar regard to the People’s Liberation Army (PLA), state-owned enterprises (SOE) and provinces, autonomous regions, and municipalities. With the openness the regional actors competing with each other and thus the central government was forced to react to local government and community needs in their foreign activities. The chapter aims to answer the quandaries of whether, and if so to what extent Chinese provinces, autonomous regions, municipalities, and in what field do they possess freedom and can act independently in planning, organizing and managing their internationalization processes. In fact the opening up and reforms resulted in intense competition among local authorities. The clashes between local governments were visible between Chongqing and Chengdu over rail connections with Europe. The central – local tensions were visible during the conflict with Japan, when the Chinese Ministry of Foreign Affairs took a very strong position, while Shandong, dependent on Japanese investments and trade cooperation, has tried to soften the central government’s position. Under such circumstances the central government with then President Hu Jintao proposed the concept of “bridgeheads.” In 2006 and 2009 respectively, Hu Jintao named two Chinese provinces Yunnan, Heilongjiang and the autonomous region of Xinjiang as a “bridgehead” (qiaotoubao 桥头堡) in Chinese foreign policy. What is relevant to mention is that the term used by Hu Jintao is of military origins and is used most commonly by staff during military planning. The second term recently used by the Chinese leadership and in common narrative is “paitoubing” (排头兵) – the pawn.
This was used in the particular context of the city of Guangzhou’s role in Chinese external actions.

The question arises whether business oriented relations between regions or cities might impact on the central level relations? On the other hand to what extent could the negative central relations impact the smooth regional cooperation? What administrative bodies are responsible for paradiplomatic activities and how can Chinese local governments act in a de iure unitary system? In the case of Guangdong and the city of Guangzhou, by taking the internationalization issue the author answers the question of Southern China basic conditions, determinants and premises of the region international activities. As the leader of China’s international efforts, Guangzhou is placed as one of the most important cities in China’s regional internationalization processes.

This particular case of study was chosen due to its historical traditions of interactions with the external world, having the biggest volume in foreign trade together with Dongguan and Shenzhen: two times higher than the second Jiangsu province, being the capital of the province with the second highest investment rate after Jiangsu province. The economic factor is understood as the most important, however, important part of internationalization are foreign consulates, tourist movement and foreign students. In the capitol of Guangdong province there are 40 consulates general, the tourist movement due to Guangzhou activities e.g. Guangzhou International Fair is ranked the 2nd in China, and the number of foreign students is ranked 6th, after Jiangsu and Zhejiang provinces respectively. The final decision of taking the province’s capital as the case study was driven by the fact that during the urbanization processes in China the metropolis and big cities plays important role in shaping domestic and external relations. From this point of view Guangdong has the highest rate of urban inhabitants and counts for 68% of the whole province’s population.

3.2. Chinese legal framework of paradiplomatic activities

In the context of the legal framework of paradiplomacy we need to differentiate two bodies responsible for international cooperation. The first, the commission of foreign affairs at People’s Congresses and International Departments placed as departments of local governments.
Moreover, an important role has been played by government organizations with economic background such as the China Council for Promotion of International Trade and Chinese People’s Association for Friendship with Foreign Countries. Due to the complexity of the administrative system of the People’s Republic of China this subchapter discusses the provincial, autonomous regions and municipalities levels. China is de iure a unitary state, but in fact as discussed by Zheng Yongnian (2006) it acts more as federation than a unitary state. The whole system is divided into four parts: the provincial (province, autonomous region, municipality, and special administrative region), prefecture, county, and township and village. Four basic levels of administrative divisions in China mainly consist of: provincial level (31 units), prefectural level (300 units), county level (3000 units), and township and village level (40000 units). In this regard there are two important characteristics of local authorities international activities. First, China remains the country of a one-party system. Second, after 1978 and especially after the second round of reforms in 1984, the local governments received more space for their own international actions. The process of decentralization and division of power should be understood as the outcome of reform and opening up steps taken by the Chinese government. Decentralization and the subnational empowerment of the local governments were the primary features of reform and were regarded as a mechanism of reforms and empowerment of local leaders. In this regard the economic, international cooperation has been considered as a very important pillar of China’s economic development and growth and China’s external activities (Donaldson 2010, p. 35–37). The reforms undertaken in the late 1970s and early 1980s are characterized by three peculiarities: decentralization, transformation, and merging. The first is understood as the central governments were decentralized more and granted more autonomy for business people. The second means that the lower level were allowed to transfer more power to local organizations like NGOs or government-affiliated organizations. The last issue of merging means that many government branches were merged or abolished to enhance bureaucratic efficiency and effectiveness (Tse-Kang Leng 2010, p. 53).

The formal structure of the local governments at the province and city level reflects the institutional framework of the central government (see Table 3.1). The people’s government is responsible in front of local people’s congress, and local People’s Political Consultative Conference plays an advisory role. (Rowinski, Jakobiec 2002). Moreover, what should be noted is that the local governments are not only responsible in front
of local legislative institutions but are subordinated to the administrative upper level. Similarly to executive bodies, the legislative bodies of people’s congresses and consultative conferences are subordinated to the upper level. From this perspective we cannot use the framework of self-governments in China, but rather talk about local governments. In case of international cooperation of local governments the important role in shaping the direction of cooperation is played by the Ministry of Foreign Affairs.

Table 3.1. The Structure of local and central governments

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<tr>
<th>Local government of Sichuan Province</th>
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<td>Provincial Development and Reform Commission</td>
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<td>Provincial Industry and Information Technology Commission</td>
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3.2.1. Foreign Affairs Office (Waiban)

The Foreign Affairs Office (FAO) is crucial in shaping local international cooperation. Being part of the government structure the FAO is subordinated to foreign affairs leading a small group at the provincial level (waishi gongzuo lingdao xiaozu). The basic role of the FOA is to implement and supervise the action taken at the city and provincial level earlier charted by the central government. Moreover the FOA usually is also responsible for the relations with Hong Kong, Macau, and Chinese abroad.

The major tasks taken by the FAO are two types: directed for Chinese citizens and directed for foreign citizens and institutions staying in China. From the perspective of local governments internationalization, the important duty is to issue the allowance of Chinese citizens to travel abroad. It creates a solid basis for controlling its own citizens’ foreign activities. But from the point of view of internationalization, the relations between the FAO and foreign institutions like multinationals or consulates are more important.

From this perspective the administrative role should be placed as the core of conducting internationalization of the local governments. The FAO administers and issues the residence permission, foreign journalist cards etc. Moreover, the FAO is responsible for planning and conducting international
initiatives like conferences, forums or fairs, organization of foreign trips of local policy makers, strengthening international relations based on the sister cities or regions formula and guides the work of Guangdong People’s Association for Friendship with Foreign Countries. Furthermore, the FOA are responsible for local initiatives that fit the local needs of international activities. In the case of Sichuan Province the local government is responsible for the Yangzi-Volga Forum while Guangdong local authorities are working through international organizations, such as UN-Habitat. An important issue is that there is no central law or regulation that organizes and formulates the work of the FAO. The work of the FAO is regulated by separate laws on passport issues, crossing borders, residence of foreign journalists etc. Furthermore the work of the FAO is regulated by local laws and regulations. The FAO is based on departments (chu), with a special branch of the Communist Party of China. The number of departments and the divisions of competences is regulated by the local governments. Apart from functional departments, as in the case of Tianjin or Jiangsu, there are geographic departments: Asia, Euro-Africa, and America. The inner organization of the FAO reflects the local conditions. For example in Guangzhou where there are more than 50 consulate generals, the city needs to organize the cooperation with foreign representatives. Moreover, the inner organization is dependent on the level of internationalization and foreign activities. In the case of Guangzhou there is a special bureau for cooperation at the city multilateral cooperation. Apart from the inner organization the FAO possesses the rights to open and run commercial bodies, such as special agencies for providing translations and organizing foreign travel and visits. Moreover the FAO can open special Visa Application Centers for Chinese citizens and issue special permissions for foreign travel for Chinese citizens. The last group consists of conference centers, or as in Chengdu, a Sino-Japanese House dedicated for mutual understanding and strengthening relations.

In 2003 the Ministry of Foreign Affairs approved the special regulation on conducting foreign activities in China. First, as stated in the regulation all international events should be organized according to guidelines from the central government. Second, special application forms should be sent to the upper level body responsible for organizing international event. Third, the delegation travelling abroad were asked to be registered and allowed to travel [State Council, 2003]. In 2011 the regulation was issued by Ministry of Finance and Ministry of Foreign Affairs. The major issue touched upon was related to the budgetary
problems. In term having the project accepted the organizers need to present special itinerary. International events, e.g. conference, fairs, meetings etc., organized by the local governments must be accepted at two levels, central and provincial by (shenpi zhidu) an examination and approval system. Moreover, it must be held in accordance to 16 characters principles “serving economic development, giving prominence to the key points, regulating administration, downsizing and focusing on practical matters” (MFA, 2003).

In debating paradiplomacy in the Chinese legal framework one of the most important issues is the ability of sub-national actors to set up their foreign offices. In 2004 the Shenzhen government passed a special regulation on establishing city trade offices abroad. The offices can be opened in accordance with the national and provincial laws and regulations. At the city level, the body that is responsible for supervising foreign offices is the Shenzhen Trade and Industrial Bureau. The foreign office staff might serve for five to seven years, and every six months the chairperson is obliged to send special reports to the local Trade and Industrial Bureau (Shenzhen, 2004).

3.2.2. Chinese Legislative bodies and Foreign Affairs

Although the organization patterns of Local People’s Congresses (LPC) reflect those of the central level, at the local level there is no Foreign Affairs Commission. According to article 70 of the Chinese Constitution the National People’s Congress, there is a special commission dedicated to foreign affairs. Contrary to this at the local level foreign affairs in the hands of different commissions. In the case of different regions there are different organizational patterns. In Chengdu the foreign affairs are handled by the Minorities Commission and Chinese Overseas and Foreign Affairs Commission, in Guangzhou there is the Chinese Overseas, Foreign Affairs, Minorities and Religions Commission. In the city of Tianjin the international relations at the legislative level are conducted by special Bureau of Minorities, Religions and Chinese Overseas. The Congress’s Commission, apart from being involved in the legislative process, possesses competences in supervisory roles and controlling the work of local administrations. The most important are listening and approving the local governments’ yearly reports, reports on foreign activities prepared by the FAO and providing necessary comments and advice. There is also a possibility to set up ad hoc commissions that deal with particular problems. The LPC has a decisive
voice in setting up local international partnerships, such as building relations within the sister cities formula.

The second important body is the Chinese People’s Political Consultative Conference (CPPCC) which plays an advisory role in the decision-making process in China. This upper house plays an important role in shaping China’s public diplomacy. According to the CPPCC constitution, this special Committee is dedicated to foreign affairs. At the central level the CPPCC sponsors a special think-tank, the Charhar Institute, who provides information, analysis, policy reports, and thanks to its strong relations with academia, it is perceived as a public diplomacy tool. This central format is also recognized at both the local provincial and city level. The basic area of activities are related to foreign affairs, Taiwan, Macau, and Hong Kong with overseas Chinese citizens.

The majority of international activities are mainly based on strengthening economic ties and building a strong position of local actors in the global economy. In the case of Guangzhou, the primary of goals of local “zhengxie” are to attract: more foreign investments, more talented people (rencai), and advanced technologies. The Commission cooperates with other bodies in charge of international economic, cultural, tourist, and sport cooperation. Moreover the control functions are limited to the area of the relations with the cities that have Chinese overseas citizens. (Guangzhou, PPCC 2012).

3.2.3. Other bodies of local administration

Not only the FAO and special commission in legislative bodies are responsible for external actions. Within the framework of governments the most important bodies responsible for planning are cities or provincial Development and Reform Commissions and departments of trade and economic cooperation. Moreover there are special institutions responsible for attracting and securing foreign investments.

In shaping local governments’ internationalization an important role is played by two institutions: China Council for Promotion of International Trade (CCPiT) and Chinese People’s Association for Friendship with Foreign Countries (CPAFFC). In Chinese discourse both bodies’ foreign activities are described in terms of public or people-to-people diplomacy (民间外交 minjian waijiao). The first CCPiT was opened in May 1952 as the organization that organized the work of policymakers, business people, as well as industrial and trade associations. Currently it is the biggest
organization for the promotion of Chinese trade abroad. Its major task is to promote trade and Chinese exports, accumulate foreign investments, and introduce new technologies to China. Since 1988 the CCPiT has also gone under the different name of China International Trade Chamber. This follows the Chinese principles of *yigejigou liang kuipaizi* and the two names have been used interchangeably. According to the CCPiT constitution the association can set up branches at the local level as well as in companies. The Sichuan bureau might serve as a good example. At the local level the bureau is supervised and controlled by the local party committee and local government. Apart from the abovementioned functions the local bureau of the CCPIT is responsible for public diplomacy and by its international economic cooperation coordinates the actions in foreign affairs. At the local level the CCPIT is responsible for the coordination of foreign business visits, securing Chinese companies rights abroad, initiating foreign cooperation with business institutions at the provincial level, as well as promoting foreign investment and issuing special permissions for foreign companies to operate at the local level. Moreover the CCPIT is responsible for cooperation with Taiwan, Macau, and Hong Kong. The CCPIT chairperson is ranked as bureau director at the central level. (Sichuan CCPIT, 2015).

The second important body is the CPAFFC, established in 1953. The CPAFFC is responsible for international cooperation at the regional level. In the case of Poland when the strategic partnership with China was announced both governments acknowledged the importance of regional cooperation and set up regional forums. The major goal of the association is rooted in China’s socialist rhetoric and is declared as a “supporting of action of socialism with Chinese characteristic.” The upper goal of promoting socialism is realized by: conducting friendship relations at the central, regional and local levels, promotion of trade, investment, intercultural, science, academic exchange, and people-to-people relations. According to the central level chart (article 22, 2012) the CPAFFC can open local branches at the provincial and city levels (Statues, CPAFFC 2012). In the case of Sichuan Provence the CPAFFC was opened in 1981 and since then has been responsible for local international activities. What should be noted is that the local organization’s chart is not the same as at the central level. International cooperation is conducted by organizing foreign visits for social, economic and educational exchanges, organizing conferences, lectures, and cross regional events. At the local level the CPAFFC is allowed to open its offices at the county level, that is, in those counties that are interested in international cooperation. The CPAFFC
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in Chengdu has the right to open branches at the district level (Statues, Sichuan CPAFFC 2015). Comparing the organizational structure of local branches there are some small differences. Taking Guangdong and Sichuan CPAFFCs under consideration, there are four major differences: 1. the office in Guangdong is a member of the CPAFFC at the central level, while in Sichuan it is not; 2. the office in Guangdong acts according to directions given by the central level, while in Sichuan these regulations do not exist; 3. in both cases the major executive body is the Board but in case of Guangdong the directions of foreign activities should be identical of those at the central level, while in case of Sichuan the chart states that the directions should be set down and not necessary identical; and 4. in the case of Guangdong the board can point out the member of the board while in the case of Sichuan it cannot. What is typical for the Chinese political system is that the persons responsible for the FAO are usually members of the local CPAFFC. In case of Guangzhou the director of the FAO is also the party secretary at the FAO and chairperson of the city CPAFFC. This structure allows the party to have at least three levels of control over the activities of local governments in their foreign actions (FAO Guangzhou 2015).

3.3. The Chinese debates over paradiplomacy

In the context of China only a few scholars touch upon the issue of local government involvement in China’s foreign affairs. In Chen Zhimin’s (Fudan University, Shanghai) book, published in 2001, he referred to the division of labor concept, discussed the level of autonomy of local governments and explored the roles that are played by local governments. Interestingly, he predicts that due to the processes of globalization and regionalization the role of locality will be strengthened. Chen Zhimin named this process as a “new medievalism.” The second Chinese scholar to publish on paradiplomacy is Su Changhe, currently based at Fudan University. In his papers he mainly discusses the phenomena of globalization, regionalization and cross-border cooperation as the preconditions for paradiplomatic activities. The last recognized scholar is Zhao Kejun of Qinghua University in Beijing. Contrary to Western notions, Chinese scholars, e.g. Chen Zhimin, Su Changhe, failed to use paradiplomacy. Paradiplomacy, understood as pingxing waijiao (平行外交), is only used by scholars from Hong Kong, Taiwan, and Macau. In Mainland China paradiplomacy has been replaced by: subnational
governments’ foreign affairs activities (ciguo zhengfu waishi huodong 次国政府外事活动) and local government actions in foreign affairs (difanzhengu dui waishi xindong 地方政府对外事活动). The term diplomacy is reserved only for the central government as it is the only single body for conducting foreign policy. Contrary to scholars from Fudan University, Zhao Kejun from Qinghua University in Beijing used the term “city diplomacy.” Along with the urbanization processes in China, big cities such as Beijing, Shanghai, or even Guangzhou, became an important part of China’s foreign policy strategy. He prolifically published on city diplomacy and regards this process as an important one in international relations.

Due to this fact Chinese provinces in paradiplomatic actions are quite natural, but only as long as those actions are aligned with the central government’s foreign policy. In the Chinese context, the realist explanation should be taken as the primary, since the constituent diplomacy of regions is strongly encouraged by the government in Beijing. But even by taking the realist approach the research team will emphasize the complexity of paradiplomacy in China. It is worth considering the research approach proposed by Singapore-based scholar Zheng Yongnian. He describes that along with the reforms and opening up of the local governments, they now have a stronger bargaining position and the Chinese political system is named as a “unitary state, but de facto federalism.” Taking this assumption as priority the research team will test the hypothesis mentioned in the first part of proposal.

As observed by Cui Shaozhong and Liu Shuguang (2012) in Waijiaopinglun, the local governments are only the executors of the central government’s recommendations in economic diplomacy. Moreover the local governments play as “information desks” for the local business communities. The best example of the role is in Yiwu – a city in Zhejiang province. This economic diplomacy sponsored by the local government leads to more decentralized and more open actions in foreign activities of the local governments. What should be observed is that the model of European’s regions representatives offices in Brussels should have been perceived as model for Chinese local authorities’ offices in Europe. They sum up with the conclusion that the local actions in foreign affairs should be perceived as not contradictory with Beijing’s policy, but rather makes this policy more efficient. For Su Changhe (2010) the basic factors that strengthen the local authorities’ actions are globalization and regionalization. The basic issue for local governments is economic development and in order to achieve more effective economic development international cooperation was perceived as one of the major
pillars for achieving the abovementioned goals. This brought the issue of competence and division of labor among the central and local governments. The local governments are in charge of economic, cultural, educational, and human exchange cooperation. What is important – Su Changhe states, is that the different regions or provinces have a different role in shaping China’s economic cooperation. Provinces at the coast are mainly focused on foreign investment and new technologies, the southwestern part of China works with ASEAN countries, the north-west with the Shanghai Cooperation Organization, and the north-east with countries in the Tumen River Initiative. The basic argument behind local government in China is the size and potential of provinces or municipalities. As said by Su Changhe (2010), Henan province ranked in China 5th, in the world 24th, while Guangdong (the leader in China) is placed 16th in the world. Chen Zhimin (2011) treats the paradiplomacy as an extension of central government’s policy. Contrary to the liberal approach, the basic feature of central-local authorities in foreign affairs is synergy in both sides’ actions. This view is backed by Yang Jiechi (2012), a former Minister of Foreign Affairs who during the meeting with Guangzhou policy makers praised the “service” role of the city in China’s foreign policy. In this context Shandong’s capital, Jinan, presents itself as an interesting case study. When Papua New Guinea established relations with Taiwan in 1995 the government of Jinan city paid an official visit to Port Morseby. Through this channel the actions taken by the local government opened a door for the central governments’ checkbook diplomacy. (Li Min, 2007, p. 100). This particular case does not necessarily prove the role. As observed, the local governments conduct internationalization, while the central government conducts foreign affairs through diplomatic channels. These two different processes might provide grounds for a conflict of interests. During the crises with Japan the abovementioned Shandong province hopes to keep positive relations with Japan, while the central government goes towards open conflict with its neighbor.

But in general the local authorities focus mainly on social and economic aspects of international cooperation. More to the point, the local governments are treated by the central government as trial zones. In the early 1980s the central government asked the local to open special economic zones, in 2013 it asked to open a free trade zone in Shanghai Fujian, Guangdong, and Tianjin. As stated by Zhao Kejun (2013) from Qinghua University, the new dynamic will provide the basis for the new division of labor among the central and local governments. These local politics should have been accepted by the central government but not in very official statements, rather in the moren
way – that is, quiet permission, as said by Chen Futao from the Party School of Shaoxing in Zhejiang province (Chen Futuo, 2003, p. 28). The whole activities from the local governments should be perceived as Brain Hocking's (1993) concept of multilayered diplomacy. Not only multilayered diplomacy but also new medievalism should be described as an important approach towards paradiplomacy. Along with the huge urbanization processes, cities and regions play an ever-greater important role in shaping external affairs. Following the statement by Yu Keping, this role was paradoxically strengthened by international bodies, such as the World Bank or Asian Development Bank. The major step towards the internationalization of local China was taken after China joined the World Trade Organization (Chen Zhimin, 2008).

As discussed by Zhang Peng (2015) from Shanghai International University, the role of local governments in China’s external actions is limited. She develops the concept of “limited participation” which has been rooted in the local governments’ role of executing foreign policy decisions and traditional subordination relations to the central government. Although the “limited participation” has been perceived as the major approach, local governments implementing the “go global” strategy possess more and more space for their own moves and initiatives. As far as they work only for economic, material benefits the central government cherishes their actions. Moreover, in order to be more effective the Chinese central government allows local authorities to open foreign trade offices. In Germany there are eight offices opened by: Hong Kong, Jiangsu province (2), Shandong, Shanghai, Shenzhen, and Shenyang. The second important pillar of Chinese local governments’ international cooperation are forums with their foreign counterparts such as the Sino-American Governors Forum, 16+1 Local Leaders Forum, or Sino-Polish Regional Forum.

Similar to Su Changhe’s (2010) approach Zhang derived paradiplomacy from the processes of globalization and that the role of local governments in China’s foreign policy has been strengthened. On the one hand global process allow local authorities to be a part of the process, on the other, it presents a signal for the central government to strengthen management and control over local actions.

According to Wu Jianmin (2012), the local governments diplomacy is part of public diplomacy. The local governments interaction with foreign counterparts plays an important role in shaping China’s international image. This view is shared by the local bureaucrats who perceived paradiplomacy as public diplomacy, people’s diplomacy, and even “ping pong diplomacy.” They rarely use the term diplomacy, due to the fact that diplomacy is reserved for the
central government. Moreover, they prefer to describe their foreign activities
in terms of “international cooperation” or “international exchange.” But still
the problem of coordination and management remains unanswered. As was
said by Liu Bingxian (2012), the first attempts towards institutionalization
was establishing The Public Diplomacy Association sponsored by cities
such as Shanghai, Tianjin, Guangzhou, Wenzhou, Zhuhai, and Xinning and
supported by the Foreign Affairs Commission of the People’s Consultative
(The Public Diplomacy Association, 2016). This body should be perceived
as a platform for looking for common interests and common initiatives
in shaping foreign actions. Through the local channels China realizes the
strategy of “go global” and “bringing in” – says Liu Bingxian.

3.4. Paradiplomacy in action: the case study
of Guangzhou

Guangdong and its capital Guangzhou became an important pillar
of China’s foreign policy. Starting with the Opium Wars, through the
republican period up to Deng Xiaoping’s reforms in 1978, Guangdong
settled as a vanguard of internationalization in China. Taking into account
the recent trends in China’s domestic urbanization process we need to
acknowledge the growing role of Chinese cities in the foreign activities of
sub-national governments. The history of city-to-city relations is rooted
in the period of the 1920s, when Keighley, in Yorkshire, Britain, and
Poitou in France, became the first pair of sister cities in the world since the
modern city association officially began. After World War II, with the rapid
development of the world economy, so that cities or local governments had
a certain ability to conduct themselves in the international arena, these
types of international relations in sub-government forms had a significant
impact. In 1973, having acknowledged the need of local cooperation,
China established two pairs of sister cities with Japan, namely Tianjin and
Yokohama, as well as Shanghai and Osaka. In the decade of the Cultural
Revolution, apart from Richard Nixon’s visit to China (February 1972)
the international interaction between local authorities strengthened the
technocrats group with Zhou Enlai as its leader.

The interaction between the East and West occurred in this southern
part of China and played a crucial role in shaping China’s economic and
social development. In the era of reform after 1978, it was Guangdong that
would take the lead in opening up and reforming China. Then governed by
Xi Zhongxun (father of Xi Jinping) Guangdong was responsible for setting up economic zones and strengthening China’s ability in the global economy. In this context close relations and geographical position (as it bordered Hong Kong) gave opportunity to develop its own economic power and structures. Hong Kong has become the biggest investor in Mainland China and through this channel Guangdong benefited the most, in particular when it comes area of Pearl River Delta. Throughout exercising the relations with the former British colony Guangdong became a place for foreign investments in manufacturing industries, for example the high-tech industry in Shenzhen (80%), and some to high-value added agriculture, real estate, construction, transport, telecommunication, as well as other sectors (Cheng, Zheng 2001, p. 586–587). All this means that the Pearl River Delta, with Guangzhou as its leader, became dependent on investments from Hong Kong, Macau, and Taiwan. In the late 1990s more than 42% of gross industrial input value of enterprises was dependent on investments from Hong Kong, Macau, and Taiwan. The interdependent on Chinese investments in Southern China should not be perceived as extraordinary. The power of local communities, e.g. Hakka or Hokkien, are well known in China and through this channel Guangdong was internationalized (Interview, Guangzhou 2016).

Being one of most internationalized areas in China Guangdong and Guangzhou became an important pillar of China’s foreign policy. In the Chinese political system and planned economy the foreign policy actions are also planned at least in the midterm perspective. Interestingly Guangdong and Guangzhou was named a “pawn” or “checker” – a contrary tole to Yunnan, Heilongjiang, and Xinjiang, where these three was dedicated to play “bridgehead” roles (Zhang Jiping 2010, p. 4–5). Three major areas were designed for the “bridgehead” regions: help the central government in strengthening its abilities in combating non-traditional threats, help the central government in strengthening regional cooperation (cross-border cooperation) and help the central government in opening China’s West and Central regions. A similar meaning was given to the “pawn” that refers to opening China up to the international market and play the bridge role in bringing international markets to China interior (san dianyixian). The most important advantages of playing Guangdong and Guangzhou was to strengthen the ability of exports for special economic zones. The classic example can be seen in the Shenzhen Special Economic Zone. At the begging of the 1990s, and Jiang Zemin’s earlier period, playing the “window” role was about curing the planned economy’s diseases and “peasants disease” (refers to TVE) (Lu, 1994). The pawn’s definition also has a different
meaning. In the second meaning Guangdong and Guangzhou are perceived as being ahead, being leaders and in fact being better than any other region in China. This implies that the Cantonese see themselves as the vanguard of reforms, opening up, internationalization and even a vanguard of political changes. In fact being the checker means exceptionalism and playing the most important role [Interview, Guangzhou 2016].

As was pointed out by William Turley and Brantly Womack (1995), the city of Guangzhou went through four stages: incorporation, consolidation, exceptionalism, and reform vanguard. The first stage refers to the initial establishment of the Communist government. The second was to redirect policy toward an internally-oriented pattern of socialist development, in other words, to revalue existing urban resources in terms of new national goals. In the third stage – exceptionalism – the city was derived from the national norms on an experimental basis, as was given by the central government. The last stage is when the localities took on major roles, in alliance with reformists at the center, to push for deepening of reforms. The Guangzhou exceptionalism was not given outright by the central government, rather, it was the outcome of bargaining with the political center. In the context of the paradiplomatic scope of research, the five types of the central-local relations in China should been discussed. First, bargaining with the center for the most favorable policies through which the provincial government sought to obtain greater autonomy in investment implementation and policies. Second, negotiating with the center for more direct central support, in the form of central resources injections, such as budgetary or extra budgetary fiscal resources. The third type of discretion is flexible implementation of central politics, provinces using feigned compliance as a cover whilst engaging in various creative interpretations of central policies in order to attain provincial objectives. The fourth type is developing new horizons of investment expansion. In this type of discretionary behavior provincial governments move beyond the state budget and conventional sectors, which are more closely monitored by the center towards the burgeoning market in their pursuit of investment expansion. The fifth type of discretion may be described as internationalization. This refers to the strategy to attract additional investment resources from beyond the national borders and the skillful maneuvers by provincial leaders to bargain for greater autonomy and resources from the center as a result of growing participation of foreign resources in provincial economies [Li 1997, p. 801–804]. In the case of Guangdong, as pointed out by Li Chenglan (1997), the local government skillfully maneuvers and conducts flexible provincial implementation of
central policies, de facto amendments to central policies within the province, post hoc advocacy/justification, and official amendments to central policies.

For Guangdong and Guangzhou the internationalization processes and paradiplomatic activities are an inherent part of Southern China’s development plans. Regarding international cooperation, as pointed out in the 13th five-year plan for Guangdong, the province should strengthen relations with the most advanced countries, namely Germany and Israel. The Five Year Plan indicates the challenges coming from the international arena: re-industrialization of some countries, and the TPP and TTIP agreements. By using the “belt and road” framework Guangdong and Guangzhou should build its international competitiveness and position in international relations. The most important project to be realized by Guangdong province is to build scientific, innovation- and production-based international alliances (guoji chanxue yan chuangxin lianmeng). According to the development plan for the Pearl River Delta this part of China is planned to be the vanguard of new technologies and most advanced products. As stated in the development plan, until 2020 Guangdong is meant to meet the designed target of a well-off society. That is, an economic structure with more than 60% of shares in services, GDP growth per capita to 135,000 RMB, average lifespan increased to 78 years, and the level of urbanization at 85% of the whole area. Guangdong will change its nature from “made in Guangdong” to “invented in Guangdong.” More to the point, the plan encourages the government to be an “international door” (guoji menhu) for the whole country. In order to achieve the above planned goals there is a division of labor among cities in the Pearl River Delta. Guangzhou is responsible for trade cooperation and small- to medium-sized company cooperation, Zhuhai plays a role in promoting and establishing the aviation industry and exhibition, while Shenzhen is placed as an important place for new technologies and high-end products. Furthermore, as stated in the plan, Hong Kong, Macau, and the CEPA framework are named as important pillars of the Pearl River Delta’s future development. The second pillar is the relationships with the most advanced countries of ASEAN. By using the framework of China-ASEAN Free Trade Agreement, Guangdong’s cities should build positive relations with their counterparts from Southeast Asia (Pearl River Delta Plan 2008).

Guangzhou exercises its paradiplomatic capacity through two channels: bilateral, with the sister cities framework, and multilateral, by shaping multilateral cities agreement and taking part in international organizations. The sister cities cooperation has been carried out as an important channel
for Guangzhou’s opening up and foreign exchanges. The reform taken by Xi Zhongxun, then the secretary of Guangdong’s government, was about strengthening Southern China’s economy. The first step was taken toward Japan. Since 1979, Guangzhou and Fukuoka in Japan had established their first sister city relations. According to China’s relevant regulations, the choice of the sister city generally corresponded with a city similar status, geographical position, urban development, and structure of the local economy. The precondition for have sister’s cities relations is the decision taken and approved by the CPAFFC and the local’s People Congress.

In its international activities Guangzhou works closely with its partner cities as well as with international organizations. In this case Los Angeles and Guangzhou presents itself as an important case study. Both places are located on the southwest coast and southeast coast of the Pacific, though with a great distance in between them. Guangzhou is one of the three “central cities” (zhongxin chengshi 中心城市) in China, and aims to be the international metropolis in the ongoing reform and opening up. Greater Los Angeles, for over the past twenty years, has become the second largest city (surpassing Chicago) in the US and plays an important role in the Pacific economic zone together with Tokyo in Japan. On the reality of urban development, Guangzhou and Los Angeles have more similarities. Both parties are port cities, though on opposing Pacific coasts. Moreover, both areas are developing high-technology and by this means through cooperation and competition of e.g. Apple and Huawei relations are built at the regional level (Yang Yong 2008, p. 146).

As is acknowledged from the literature and local authorities documents, the cooperation of sister cities is a systematic project. It includes high-ranking leaders exchanges, economic exchanges, cultural exchanges, social interaction, and mutual investments. First, “head of cities diplomacy” is the main form of inter-city exchanges, with the performance of bilateral or multilateral exchange. In other words the top-down signal stimulates further cooperation. For instance, the former member of Guangdong Provincial Committee, Party Secretary of Guangzhou, the chairperson of Guangzhou Municipal People’s Congress, the Mayor of Guangzhou, Lin Shusen, during eight years of his tenure had six foreign visits and paid 11 official visits to Guangzhou’s sister cities with government delegations. At the same time, he received 13 mayors and delegations from friendly cities visiting Guangzhou. The second point is the economic exchanges and cooperation. The sister cities exchanges and cooperation is perceived as a vehicle of economic cooperation between
the states at the central level. Through shaping the concept of “Friends of the city economy” phenomenon, the local governments seek self-development, self-improvement, and an effective way to improve the comprehensive competitiveness. Based on the 36 sister-city partnerships Guangzhou has differentiated its partners into four categories: well-developed with high-tech basis, being commercial partners, being a place for natural resources, and having limited cooperation respectively. The first group includes Fukuoka, Japan – (well-developed with commercial and retail development), Los Angeles (automobile industry as well as high-technology industry), and Tampere (its clusters represent several different advanced technology sectors). Going further Guangzhou authorities use the relations with the second group, for example, Frankfurt to strengthen local financial industry relations, and Lyon to strengthen its chemical industry and pharmaceutical industry. Throughout the relations with Bristol, Guangzhou works on aerospace engineering, industrial, pharmaceutical and R&D. The third category of partners like Surabaya in Indonesia, and the Peruvian city of Arequipa is the use of its resources, and primarily focus on opening up new markets. The fourth category classifies the cities that economic and trade exchanges temporarily inactive, such as Bari in Italy, Durban in South Africa, or Oita in Japan (Ibid., p. 146).

Apart from business cooperation the cultural exchange is an important part of sister city exchanges. Through exchanges could make inter-city people better promote mutual understanding and create conditions for further economic cooperation. Cultural exchange could get identity from other countries and establish a good international image. Therefore, based on the construction and use of the sister city cultural exchange platform, the local governments pragmatically use this platform to further promote foreign trade and economic development. For example, in 2003, during the French Culture Year organized in Lyon, Guangzhou held trade promotion activities, in 2004 with Arequipa in Peru and with Munich in 2005, etc., which organized a series of economic and trade activities and cultural promotion, and received a warm welcome from local residents and enterprises, expanding the city’s visibility and reputation. It clearly shows that in the case of Guangzhou and other cities in China the prime importance is given to economic cooperation and cultural exchange plays an auxiliary role in shaping the Guangzhou economic landscape.

Overall, during the past 30 years, through city diplomacy Guangzhou promoted exchanges in economy, trade, science and technology, culture, education, sports, health, and many other areas cooperation. The sister
cities gradually became the most important channel for Guangzhou’s external activities relations. In addition to the formal establishment of sister cities, but also attaching importance to the development of potential cities to foster cooperation and exchange, that the two sides have reached a consensus to further the establishment of sister cities and friendly relations in the development stage.

Although Guangzhou presents itself as a successful story, various problems should be mentioned. First, a lack of continuity of developing relations with sister cities. The leadership changes creates a certain level of uncertainty and lack of continuity. Some leaders attached great importance to the development of the international cooperation not only by its institutional support but also with personal characters. However, some leaders put the economic development in first place, but lacking the necessary awareness of foreign exchanges shapes a negative impact on the city or province internationalization. Second, the limitations of creating a new platform for international cooperation of regional actors. Until 2005 the policy of sister city in China was shaped based on the “one to one” principle, which meant that if one Chinese city could establish friendship with a foreign city, other cities in China could not set up such relations. That is, every city could not establish over 15 pairs or relationships, which seriously affected the enthusiasm for such relations. But in September, 2005, the National Conference for Sister Cities approved the new policy, that abolished the “one-to-one” policy, now a city could establish friendship relations with other cities without limitations, this would bring enormous opportunities for Guangzhou, a “golden period” one could say. Third, the innovation needs to be improved. As a representative of local interest groups and the general public, it should highlight the work of sister cities as the “right for the people, for the people, the situation is the people, the benefit of the people for the people,” which really make sister cities an effective channel for local enterprises, associations and public outreach. Fourth, the lack of human resources. As mentioned by Yang Yong (2008) “…staff shortages, staff quality should have to be improved and nowadays is a common problem in many cities foreign affairs” (p. 144). For example, at present of the 42 civil servants in the FAO of Guangzhou Municipal Government, only nine are responsible for the work of sister cities. This is the development of China’s external actions work in a city to be addressed problems [Yang Yong 2008, p. 144–148].
But along with the new generation of leadership in the post-2012 period the ongoing processes of centralization were revealed in the lower number of foreign visit of Chinese dignitaries. In December 2013 the Guangdong provincial government limited the number of foreign visits by the party secretary to only one per year. This regulation severely limited contact with the foreign countries at the local level (Guangdong News 2015). Going even further, at the provincial level the central government decided to open Foreign Affairs Leading Group (sheng wei waishi gongzuo lingdao xiaozu) with the party secretary as the leader in order to have more coordination and more influence on the local external action. Since 2015, Guangdong Party Secretary Hu Chunhua has conducted four meetings (Nanfang ribao, 2015). This step should be considered as looking for the mechanisms of coordination local actions with the central policy planning. Although the limits of interaction at the higher level was limited, Guangzhou international activities remain stable. According the data analysis the basic destination of Guangzhou international destinations are: Los Angeles, Vancouver, Birmingham, Lyon, and Auckland (see Table 3.2).

**Table 3.2.** Direction of foreign visit of Guangzhou government and Guangdong Party Secretary

<table>
<thead>
<tr>
<th>Outgoing</th>
<th>Incoming</th>
<th>Outgoing by party secretary Guangdong</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 Jakarta Durban Sydney</td>
<td>Madrid Lisbon Frankfurt 2 Cairo Melbourne Vancouver 2 Istambul2 Houston Fukuoka Tokyo Hanoi Auckland 2 Singapore (North East district) Los Angeles Tampere Bing Duang (Vietnam)</td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>City 1</td>
<td>City 2</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>2012</td>
<td>Barcelona, Morocco, Manila, Durban, Buenos Aires, Mexico City, Vilnius, Gwangju, Bari, Bristol, Birmingham, Surabaja, Los Angeles, Noboribetsu</td>
<td>Fukuoka, Buenos Aires, Costa Rica, Los Angeles, Tampere, Yekaterinburg, St Petersburg, Auckland, Wellington</td>
</tr>
<tr>
<td>2013</td>
<td>Hong Kong, Macau, Rabat, Lyon, Singapore, Sri Lanka, Hambontata, Indonesia, Surabaya (UCLG), Boston (Harvard), Dubai, Amsterdam, Prague, Pokhara</td>
<td>Binh Duong (province), Bangkok, Vancouver, Birmingham, Lyon, Milan, Incheon, Gwanjiu, Fukuoka, Frankfurt, Lodz, Los Angeles, Petaling Jaya</td>
</tr>
<tr>
<td>2014</td>
<td>India (with official delegation of president), Auckland, Los Angeles, Yekaterinburg, Singapore</td>
<td>Bristol, Birmingham, Frankfurt, Tampere, St. Petersburg, Noboribetsu, Rabat, Tbilisi</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td><strong>San Diego</strong>&lt;br&gt;Tel Aviv Haifa&lt;br&gt;[delegation of&lt;br&gt;Party Foreign&lt;br&gt;Affairs Leading&lt;br&gt;Group]&lt;br&gt;Havana&lt;br&gt;Gwanju Fukuoka&lt;br&gt;Bangkok&lt;br&gt;Ho Chi Minh&lt;br&gt;City 2&lt;br&gt;Phnom Penh&lt;br&gt;Fukuoka&lt;br&gt;Georgia Tbilisi</td>
<td>Incheon&lt;br&gt;Ahmadabad&lt;br&gt;Guanjiu&lt;br&gt;Amsterdam&lt;br&gt;Lyon 2&lt;br&gt;Sri Lanka (local gov. delegation)&lt;br&gt;Lodz&lt;br&gt;Saragossa&lt;br&gt;Sydney&lt;br&gt;Marbella (Spain)</td>
</tr>
</tbody>
</table>
Regarding developing the world, mainly Africa, Guangzhou has only two sisters cities: Durban (South America), and Harare (Zimbabwe). This low level of relations is contrary to the high number of Africans working and living in the city of Guangzhou. Besides the official representation in Guangzhou, the foreign business community plays an important role in shaping the internationalization of the city. The majority of African people in the city work as businesspeople (87%), traders (9%), artists, education service officers, housewives, and lecturer (1% each). Regarding nationalities the largest population is represented by Nigerians, Malians, Ghanaians, and Guineans. In fact this community plays as a bridge between Chinese business people and African companies – 90% of Africans in Guangzhou act as some kind of intermediary between local business in Africa and China (Bodomo 2010, p. 693–695). At the beginning of the reforms Guangzhou opened the relations with developed world, but since 1991 the city has established relations with 17 cities from developing countries, and only eight with developed countries. [Li Xiaolin 2015, p. 70]. Along with the growing trade interaction with the developing countries, mainly in Africa and Latin America, Guangzhou will start to have more interaction with cities from these two continents. In 2015 Guangzhou’s foreign trade with Africa, Latin America and Southeast Asia has grows 22.38%, 19.50%, and 17.70% respectively [Zhu Minghong, Wu Qing 2016. p. 8].
3.5. Foreign representatives in Guangzhou and multilateral forums

Historically, Guangzhou is perceived as China’s “business consular.” In 1837, when the first foreign mission of the British Empire was opened and Elliot as the Government plenipotentiary arrived in Guangzhou, the city interaction with foreign countries began. Between 1837 and 1911, 20 countries had set up consulates in Guangzhou. During the Republic of China’s period, the number of consulates reached 25. With frequent exchanges by consular representations, Guangzhou attained an important role for Chinese diplomacy. With the deepening of China’s opening up in 1978, Guangzhou’s economic and cultural exchange activities with other countries have become increasingly frequent, the economic construction and social development has made remarkable achievements, and countries pay more and more attention to Guangzhou. Currently, there are 55 countries stationed in Guangzhou with Consulate Generals. In order to provide convenient services to foreign diplomatic staff and to attract more foreign consulates, Guangzhou is also dedicated planning a special area for these offices and it is already part of the consulates there stationed already. The number of foreign consulates means that Guangzhou is the most internationalized city in China.

By having the Consulates Generals, Guangzhou plays an important place for the local economic and social development and plays as a bridge and gate from the world to China interior. This trend has strengthened Guangzhou’s city diplomacy and ability to strengthen its role in shaping China’s foreign policy. The Guangzhou’s abovementioned goal could be reached by many avenues. First, the foreign consular in Guangzhou promoting exchanges between their government and business which should be perceived as an effective channel for reaching Guangzhou’s goals. In addition for the functioning as a consulate in Guangzhou with the sister cities, moreover, it carried out as an important medium for the foreign affairs, in recent years, the delegation’s visit from Guangzhou’s municipal government often choose the consulate’s countries as the main destination, not only because of the contributors familiar with the situation, as well as the reasons for wider connections, furthermore, the visa interviews and the going abroad process is facilitate to approve. Second, it is an important channel to promote both business and tourism. Currently, there are more than 20 consulates in Guangzhou, from the US, Europe and other developed countries, others are mainly Southeast
Asian countries. Needless to say that having consulates from the developed world is beneficial to Guangzhou’s enterprises to implement the “going out” strategy. Although the foreign central governments representatives are important, their role in playing a crucial and decisive role in shaping local governments cooperation is limited. Normally during the meeting they are placed in the back rows and their access to bargaining issues is limited (Interview with foreign representatives, Guangzhou 2016). Third, it is the main force for the direct flight with the consulate countries. According to the incomplete statistics, almost half of the 55 Consulate Generals in Guangzhou have opened flights with Guangzhou – people and logistics from contributors have become a major source of access to Guangzhou. Fourth, overseas education. Guangzhou is the main destination for foreign students, something that officials from consulates have attached great importance to. Students from countries such as Australia, the UK and other consulate countries come to Guangzhou to experience the education system, which no doubt creates more choices for Guangzhou’s citizens.

Since the 1990s, along with the process of economic globalization, as an important carrier of international cooperation and exchanges, the international non-governmental organizations have had unprecedented development. At the same time, the global trend of urbanization is also increasing, with many urban issues placed on the agenda by heads of governments. The international exchanges between the cities have become an important channel for international multilateral exchanges. So, the international multilateral city organizations have been emerging, the scale is increasing with more complete regulations, meanwhile, the international influence is rising. These international multilateral organizations are voluntarily organized by the local governments, aim to expand exchanges between cities, with cooperation and commitment to research and solve common problems of urban development and management.

Therefore, the sister city partnerships could promote friendly exchanges between the two cities, in particular, it is a great significance for Guangzhou’s urban development and play a more positive role in the Pacific Economic Zone as well as for the global economy. In this case Guangzhou will play a pivotal role in shaping relations with the US. In June 2015 the three ports of Guangzhou, Auckland and Los Angeles entered an alliance and for the first time, a so-called triangle-shaped relation (Guangzhou waiban, 2015). This formula supports the concept
of Cities Economy (Business) Association (chengshi jingji lianmeng). The issue was also discussed with the major of French city of Lyon and in June 2016 the agreement between Guangzhou, Lyon, Frankfurt, and Birmingham (three old friends) signed a joined declaration of cooperation in the field of economy as well as cultural and educational cooperation (Guangzhou 2016 Plan). This triangle or multilateral cooperation should be perceived as a very new dynamic in international relations.

Rising international city multilateral organizations not only reflects the development of economic globalization, integration, and urbanization, but also that of international civil multilateral exchanges that is understood as an important pillar of global affairs. As previously noted, such inter-governmental organizations have their own unique properties: from the organizational activities form, through the tight organizational system of regular meetings of the Regional Committee and membership of the General Assembly, to providing support and services for sustainable urban development through technical assistance, training, and other means. Since the 1990s Guangzhou has participated in four major international regional organizations: Metropolis, United Cities and Local Governments, UN-Habitat, and Asia Pacific Cities Summit and Mayor’s Forum. The government in Guangzhou has paid attention to the international multilateral international exchanges and has tried to be an active player at the international forums dedicated to local authorities. By participating in the activities of multilateral organizations, the city, on the one hand, expands exchanges with the world’s major cities in urban construction, management and development, and moreover, it widely absorbs the advanced experience of foreign urban management and construction, that could further improve the level of urban construction and management. On the other hand, it creates conditions that allows Guangzhou to effectively develop bilateral relations with foreign cities, with a multilateral international communication platform, extensively promote Guangzhou’s investment environment and develop bilateral friendly relations with other international cities with Guangzhou that improve Guangzhou’s visibility in the international community.

Metropolis – World Association of the Major Metropolises, is the leading international organization that gathers cities and metropolitan regions with more than a million inhabitants. Created in 1985, Metropolis is represented by more than 140 members from across the world and
operates as an international forum for exploring new possibilities in cooperation. The main objective of the association is to act as a forum for mayors, presidents and elected officials of metropolises, metropolitan areas and regions to exchange and discuss all policies related to their own development. The organization creates a platform that helps local governments to strengthen their voices on the international arena, to foster international cooperation and exchanges among political authorities, bureaucracies, and public or private bodies of major metropolises. In 1993 Guangzhou acceded to the World Association of the Major Metropolises and in 1996 became a member city of the Board of Directors of the Metropolis. Over the years, Guangzhou has attached great importance to developing its relationship with the Metropolis by proactively participating in the activities of the organization. Since the beginning of the 21st century, Guangzhou has twice held the Board of Directors Meeting of the Metropolis [Yang Yong 2008, p. 147].

The second important body is the Metropolitan Section of United Cities and Local Governments (UCLG). The organization was established for the purposes of: promoting and disseminating the knowledge acquired in areas related to the management, planning and development of major metropolises; sharing the experiences and policies implemented by the officials of major metropolises in order to meet the essential needs and aspirations of their inhabitants; encouraging and promoting all studies or research aimed at contributing to a better organization of urban space or to improving the environment and living conditions of the populations of major metropolises; and strengthening the bonds of solidarity forged between major metropolises in order to foster understanding among peoples and dialogue among metropolises from different countries. To achieve these objectives, the association offers means of contact, and will facilitate or encourage the exchange of information and ideas among all organizations or persons directly or indirectly interested in the issues affecting major metropolises and their future.

The association represents and defends the interests of local governments on the world stage, regardless of the size of the communities they serve. The organization’s stated mission is: to be the united voice and world advocate of democratic local self-government, promoting its values, objectives and interests, through cooperation between local governments, and within the wider international community [Ibid.]. Good examples of this fruitful cooperation is the Guangzhou Award, its Urban Innovation Community, and its Institute for Urban Innovation, which kicked off in
2012 with the support of both Metropolis and UCLG. Such initiatives demonstrate the outstanding role of Guangzhou in city-to-city diplomacy worldwide (Guangzhou Award, 2016).

The third organization dedicated to the urbanization processes is UN-Habitat. As we must acknowledge, much of the world’s urban growth has and is taking place in China. In a recent initiative, the central government of China strategized the urbanization as one of the four pillars for China’s new modernization drive. Furthermore, in 2013, China adopted its National Plan on New Urbanization 2014 to 2020, which formulated strategies to promote the harmonization of urban and rural development, integration of rural migrants in cities, optimization of urban forms and patterns, and improvement of local governments’ capacities for sustainable development through institutional reform. These actions show that China is giving sustainable urban development the thought and planning it needs and it is showed in the progress being made in China’s growing cities and towns. The Government of the People’s Republic of China and UN-Habitat have pledged to further strengthen the existing cooperation between both entities. UN-Habitat promotes a three-pronged approach that places emphasis on urban legislation, urban planning and design, and urban economy and municipal finance. These can be seen as the leverages for transforming cities and human settlements into centers of greater environmental, economic, and social sustainability. A fourth focus area of urban basic services, has also been prioritized, especially water and sanitation as well as reliable waste management services, sustainable mobility solutions, and safe domestic energy. We advise all urban planners around the world, including Guangzhou, to look at these aspects of urban planning and use them to influence their urban development plans and strategies (Clos, 2015). Within the cooperation with UN unit, Guangzhou shared its experiences with developing rural and urban areas. The case of three villages incorporated into the city structure became a case study for UN-Habitat seminar and policy papers (UN-Habitat 2015). More to the point, the Guangzhou Urban Planning Institute was an implementing partner in UN-Habitat sponsored program for Wuzhou District. The major idea of the project was to rethink and redraw the Wuzhou District Plan, in response to the policy to shift industrial development from the coastal areas of China towards Midwest China (Ibid.).

The fourth organization in the field of local governments cooperation is dedicated to the Asia-Pacific region. The region is highly dynamic,
with both rapid growth and urbanization. It is widely accepted that cities define a nation’s prosperity – cities have become the key means through which growth is promoted and progress achieved. The Asia Pacific Cities Summit and Mayors’ Forum aims to: create a deepened dialogue, shared learning, strategic partnerships and economic opportunities in partnership with business as the keys to strengthening cities’ prosperity; facilitate the exchange of information and ideas, and create a blueprint for future prosperity and shared solutions for sustainable living in the region’s cities; support the development of strategic and commercial partnerships between all levels of government, private and public sector agencies and business communities in the region; provide a platform that delivers long-term economic outcomes for cities and businesses seeking trade and investment opportunities in the Asia-Pacific region and beyond; and explore new models for city-development strategies that strengthen the ability of cities to serve their communities, contribute to regional prosperity and improve quality of life. In 1996, Guangzhou, hosted the Second Asia-Pacific City Summit. At the Summit, leaders from eleven countries and regions as well as twenty cities gathered to engage in a lively debate. Furthermore, the mutual friendship, cooperation and progress of participating cities was reconfirmed and the “Guangzhou Declaration” aimed at establishing the Summit’s international standing was adopted (APCS 1996).

Guangzhou takes part in more informal forums dedicated to regional and cities cooperation. One of them, among the others, is the World Cities Summit. The biennial World Cities Summit is a platform for government leaders and industry experts to address sustainable city challenges, share integrated urban solutions and forge new partnerships. In July 2016 taking part in the Summit in Singapore, the Guangzhou government facilitated the opening of a new project between the city of Guangzhou and Singapore. Sino-Singapore Guangzhou Knowledge City Investment and Development Co., Ltd (GKC Co) signed a Memorandum of Understanding with Siemens Ltd China, to jointly develop the Smart Eco Technology Demonstration Centre. This project became Siemens’ first urban sustainability hub in the Asia-Pacific (World City Summit 2016). But the whole project had been in discussion since 2008. At the beginning both governments with strong support from the local leadership and the joint development of the Sino-Singapore Guangzhou Knowledge City (SSGKC) started to operate in 2010. The project aims to foster closer cooperation between China and Singapore and expand Guangdong and
Guangzhou’s global outreach. In addition, the project was purposed to accelerate the industrial transformation and upgrading of the Pearl River Delta region, and represents Guangzhou and Guangdong’s future internationally competitive economic platform. The Guangzhou project became one of three joint projects with Singapore in Mainland China apart from Tianjin Eco City and Suzhou Industrial Zone (Ibid.).

3.6. Promoting Guangzhou through industries: exhibition, aviation and sport

Modern industrial division of labour increasingly has been refined and the emergence of many new industries like the exhibition industry, aviation industry, and promotion through sport has become important pillar of city global activities. Since the mid-18th century, when the first World Expo was successfully held in the UK, the exhibition industry developed rapidly and became an emerging industry, it is valued by all countries of the world. With the emergence of the exhibition industry, the exhibition economy has received increasing attention all over the country. With the support of the exhibition industry, through various forms of exhibitions, fairs and international conferences, various forms of information can be passed, services provided, business opportunities created. It can also use its industrial joint effect of related industries, such as transport communications, advertising, printing, and hotel catering. Currently, in developed countries, the exhibition is quite advanced, and constitutes an important indicator of international cities. For example Hannover, Frankfurt, and Singapore are famous “Exhibition Cities,” the international exhibition industry’s visibility and recognition of these cities played an important role in shaping their vision.

In recent years, the exhibition economy in China has been rapidly developing in the areas of trade, technology exchange, information exchange, economic cooperation, and increased employment, with Guangzhou once again at the forefront of the exhibition industry. Since 1957 China Import and Export Fair, also known as the Canton Fair, has been held biannually in Guangzhou every spring and autumn. Interestingly, even during the chaos of the Cultural Revolution, the Canton Fair was still held. The Fair is a comprehensive one with the longest history, the highest level, the largest scale, the most complete exhibit variety, the broadest distribution of overseas buyers and the greatest business turnover in China. The Canton
Fair attracts more than 24,000 of China’s best foreign trade companies with good credibility and financial capabilities, and 500 overseas companies to participate in the Fair (see Table 4). The Canton Fair is mainly a platform for import and export, with various and flexible patterns of trade. Besides the traditional way of negotiating against samples, the Fair also holds Canton Fair Online. Various types of business activities such as economic and technical cooperation and exchanges, commodity inspection, insurance, transportation, advertising, consultation, can be conducted.

Table 3.3. Number of buyers and countries at “Canton Fair”

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Buyers</th>
<th>Number of Countries and Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Spring Session</td>
<td>Autumn Session</td>
</tr>
<tr>
<td>2015</td>
<td>184,801</td>
<td>177,544</td>
</tr>
<tr>
<td>2010</td>
<td>203,996</td>
<td>200,612</td>
</tr>
<tr>
<td>2005</td>
<td>195,464</td>
<td>177,000</td>
</tr>
<tr>
<td>2000</td>
<td>98,005</td>
<td>105,031</td>
</tr>
<tr>
<td>1995</td>
<td>52,350</td>
<td>52,604</td>
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<td>1990</td>
<td>40,436</td>
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<td>24,588</td>
<td>26,911</td>
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<td>20,560</td>
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<td>1975</td>
<td>16,724</td>
<td>15,878</td>
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<tr>
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<td>7,290</td>
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<td>1965</td>
<td>5,034</td>
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<td>2,688</td>
<td>2,542</td>
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<tr>
<td>1957</td>
<td>1,223</td>
<td>1,923</td>
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Apart from being a trade hub for the global economy the government in Guangzhou is eager to develop its aviation industry to strengthen the city’s role in the modern economy. In this regard Guangzhou follows the central government’s plan of 1995 kejixingguo – developing country with science and technology. In this area Guangdong and Guangzhou were the winner of new tendencies in Hong Kong. In the 1990s and Onward, Hong Kong
manufacturing has been shrinking and the economy has been dominated by the services industry. From 1980 to 1996 the manufacturing sector shares of GDP dropped from 23.7% to 7.2% and the number of laborers decreased significantly (Cheng, Zheng p. 489–590). The Hong Kong business community placed its investment in six pillar industries of Guangdong: electronics, communication equipment, electrical machinery, petroleum and petrochemicals, textile and garments, food and drink processing, and construction materials. An interesting observation was made by Michael Porter (1990) who argues that a competitive edge in manufacturing industries in a modern economy must be based on a “diamond structure” and Hong Kong plus the Pearl Delta River possess this structure. According to people in Guangzhou it should accelerate the international flow of people, but also bring about economic development in its aviation industry.

Guangdong is known as “the southern gateway of the motherland” due to the fact that it is the first major economic province and by playing the role of checker, it became the vanguard in various fields in China. As the capital of Guangdong province, Guangzhou is one of China’s most important transport hubs. Guangzhou creates a precedent for the development of China civil airports. In the early 1930s, the Guangzhou Baiyun Airport was opened, and as China’s foreign exchanges gateway for a long period of time, Guangzhou has always been among the forefront of the development of China’s airports. On February 25, 2004, approved by the People’s Government of Guangdong Province, and in order to further promote the development of Guangdong, the Guangdong Airport Management Corporation was founded. The company started to operate and manage four major airports in the province: Guangzhou Baiyun, Shantou, Zhanjiang, and Meixian. Moreover, Guangzhou Baiyun, Shantou, and Zhanjiang airports were approved by the state aviation to be the first class foreign exchange trade port of Guangdong province. Guangdong Airport Group is under the supervision of the Civil Aviation Authority. Until the end of 2008, the four airports were connected with more than 40 airlines to establish businesses, had opened more than 130 regular domestic routes and more than 60 of international routes, to be accessible in more than 140 cities and regions at home and abroad. In 2009, the Guangdong Airport Management Corporation achieved 328,800 aircraft movements in total, carried 38,745,400 passengers and 966,000 tons of cargo and mail. Moreover, on July 13, 2005, FedEx Express signed a contract with the airport authority to relocate its Asia-Pacific hub from Subic Bay International Airport in the Philippines to Baiyun airport. The
new Asia-Pacific hub covers an area of approximate 63 hectares (160 acres), with a total floor space of 82,000 square metres.\textsuperscript{13} Fedex’s Guangzhou hub is its second-largest logistics center after its US headquarters in Memphis, Tennessee. Thus, Baiyun Airport’s mail throughput has grown at an astounding pace, and the Fedex hub may help Guangzhou to play its role as an international air logistics center (Development Plan for Guangzhou Airport Industry 2010–2020).

After experiencing big events such as the Beijing Olympic Games in 2008 and the Shanghai World Expo 2010, another big event, the Guangzhou 2010 Asian Games, changed the city fundamentally in many ways. Guangzhou is under the spotlight and enhanced in tourism and business, the two industries gaining direct benefit from the games. Regarding benefits from organizing the Asian Games, Guangzhou strengthened its economy, shaped the newly infrastructure projects and allowed Guangzhou to be recognized as a powerful global city.

The impact of the games on Guangzhou’s macroeconomic development was visible through the visitor numbers and tourist expenditures. During the 16 days and according to the Guangzhou Municipal Bureau of Tourism, the city attracted 8.7 million visitors representing a year-to-year growth of 42.1%. Total revenue of about seven billion RMB was generated from tourism during the period, and grew ca. 50.1% year on year. Moreover, the 2010 Asian Games received over 3 billion RMB of commercial sponsorship. Meanwhile, huge government expenditure on the construction of related infrastructure and organization of the event has benefitted Guangzhou. Local government invested about 109 billion RMB in infrastructure from 2005 to 2010, which not only activated the private sector and created jobs, but also strengthened consumer confidence and stimulated consumption among residents. Moreover, the Asian Games accelerated urban development in Guangzhou, speeding up its transformation from a single-center city to a multiple one, with the strategic development of two city centers. Guangzhou New City Centre in Panyu, a southern district of Guangzhou, has become the cultural and sports center of the city and promoted the development of modern service industries in the Pearl River Delta region. The second example here is Tianhe New City Centre in the East, which includes Tianhe North and Pearl River New City, and was designed as Guangzhou’s new commercial center.

Meanwhile, the local government has carried out a number of renovation projects across Guangzhou. The projects have greatly
improved the appearance of the city and strengthened its international reputation and status. Infrastructure has been greatly improved with the completion of 12 new arenas and the revitalization of 58 existing ones for the 2010 Asian Games. As a result, four sports hubs have been established, namely the Olympian Town, University Town, Baiyun New Town and Huadi New Town. Moreover, Guangzhou's transportation system development has entered a new era. Between 2005 and 2010, 54.7 billion RMB was invested in the construction of new underground railways and another 18.5 billion RMB was spent on roads, bridges, and other transportation infrastructure. Guangzhou Metro has been significantly enhanced with the additions of Metro Lines 2, 5, and the Guangzhou-Foshan Line, the extensions of Metro Lines 3, 4, and 8 as well as the completion of Pearl River New City Automated People Mover Systems (APM). Regarding the city transportation the Guangzhou Bus Rapid Transit (BRT) was launched – the first phase of which was launched in early 2010 and through further investment the overall accessibility in the city has been greatly enhanced.

Rapid economic growth, convenient transportation, an improved environment and infrastructure as well as the general increase of publicity has made Guangzhou more attractive and further boosted its real estate market. The construction of landmark buildings, such as Guangzhou Opera House, the new Guangdong Museum, and the new Canton Tower, has increased the value of nearby real-estate developments in Tianhe New City Centre. The Asian Games City project in Panyu, with a value of 25.5 billion RMB, has demonstrated the visionary urban planning and strong execution ability of the Guangzhou government. Spanning a total of 4.4 million square kilometers of gross floor area, the development includes residential, office and retail premises as well as schools, public areas, and a hospital. The scale and comprehensive scope of the project have set a foundation for the future development of Guangzhou New City Centre. Guangzhou has successfully strengthened its position as the third most prominent city in China and the most prominent city in the Pearl River Delta. With property prices considered undervalued, Guangzhou’s real estate market has great potential for growth.

The Asian Games held in Guangzhou, while promoting Guangzhou to the world, strengthened Guangzhou’s status as an international exhibition, conference, exchange and trade center. As Asia’s most important sport event in the region, the media paid great attention to the development of Guangzhou, as well as by global promotion of sports events, gave an
opportunity to show the international metropolis of Guangzhou. On the other hand, through the Asian Games the global community possessed a deeper knowledge and understanding of Guangzhou. Currently, through the Asian Games, Guangzhou carried out the “Asian Games diplomacy,” respectively with Doha, Dubai, and other cities in the Middle East, East Asia, and Southeast Asia. The abovementioned factors allow Guangzhou to be recognized as a global city.

3.7. Conclusions

The international activities of China’s regions are one of the driving forces behind Chinese reforms and opening up. After 1978, coastal areas such as Shanghai, Zhejiang, Fujian, and Guangdong played the most important role in building China’s economy. The important factors that shaped China’s local entities’ internationalization processes are shaped by three levels of bodies: central, local, and international. On the one hand, the major directions of international activities are given by the central authorities. In this process the most important bodies are within the party structures: the International Department of the Central Committee and Foreign Affairs Leading Group. The bodies in charge of implementation are both at the central level, Ministry of Foreign Affairs, and at local level, the International Departments of local governments. Moreover, at the local level paradiplomatic activities are carried out by local People’s Congresses and finally the level of interaction is shaped by local entities’ participation in international agreements – both at the bilateral and multilateral level. From this perspective all activities should been understood as sub-national multilateralism.

From the abovementioned perspective the case of Guangzhou presents itself as not exceptional, but having the longest tradition of interaction with the outside world. Since the era of reform and opening up, Guangdong and Guangzhou was placed as an important place for China’s modernization and internationalization. Due to its geographic position and historical tradition of interaction with the Western world, the region has become a vanguard of local relations with the outside world. Going even further through the growing interactions, Southern China plays a key role in the further decentralization of power, fiscal reforms, and testing new economic, social, and political solutions (Cheng 1999, p. 16). Due to its own peculiar traditions, Guangzhou has very rich experiences and its own practices. Having experienced the Opium Wars, the republican
period with Guangzhou government, going through the Maoist era, up to today, Guangzhou constantly enhances the city’s international interests and optimizes its development of the external environment. Following the guidelines from the central government the city of Guangzhou plays its unique geographic advantages, and has made some achievements in economic construction and social development. In this regard Guangzhou’s international activities reflect the current needs of urban development and its economic needs. To fulfill the abovementioned goals the local government uses a variety of bilateral and multilateral platforms. Being subordinated to the upper provincial level, however, Guangzhou fails to send its own missions abroad. But the local government uses global or regional forums to send representatives, and through these channels secures its own interests. Guangzhou city diplomacy, sister cities, a foreign Consulate in Guangzhou, international multilateral organizations and city conferences and events, which constitute the main ways and channels of Guangzhou city diplomacy, is characterized by being institutionalized and long-term planning. Needless to say that at the city level paradiplomatic activities face dozens of challenges: fluctuation of cadres and leaders, drifting different concepts and ideas, and naturally human resources. The abovementioned shortages are fully covered by Southern China’s cultural factors. The first, the Chinese overseas of Hakka, Hokkien, and Guangdong origins play a tremendous role in shaping Guangzhou and Guangdong’s economic performance. The strong family ties and clan network should be considered as a very important pillar in shaping Guangzhou’s relations, mainly with Southeast Asia. Following this dynamic we recognize the importance that Chinese citizens overseas have played a critical role in Guangzhou and Guangdong’s internationalization processes. The second, the Lingnan culture, allows Guangdong to have better access to Vietnam. Being built on the same cultural platform, sharing the same language group with Vietnamese, Guangdong should be considered as an important pillar of China’s foreign policy towards ASEAN countries and Vietnam in particular. Moreover Guangzhou’s foreign actions should be understood within domestic affairs. From this perspective the independent role of local authorities in foreign activities should be perceived as limited and centrally driven. In the case of Sino-American relations (Guangzhou-Los Angeles, Michigan, or New York state), these are simply viewed as “public diplomacy channel.” The Chinese local authorities compare their own actions on the international arena as a past “ping pong diplomacy.” Understanding the role of the visit of US table tennis team in April 1971,
needless to say that paradiplomacy in China tends to be used as a political channel for communication in the time of rising tensions and even open crisis. This implies that even during times when the central government is undergoing certain crises, be it economic, cultural, or social relations, they have been managed at a stable level. Moreover in the era of the Pacific Ocean and China’s maritime strategy, the city-to-city diplomacy should be approached as a mechanism for easing tensions and looking for possible solutions in the years of crisis.

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