City-to-city and region-to-region economic partnerships are on the rise. Economic development leaders from St. Louis have partnered with Rosario, Argentina to form a business and research exchange between the two agricultural regions. The mayor of Los Angeles inked a deal with Guangzhou, China and Auckland, New Zealand to support mutual trade objectives. Virtual reality incubators in New York and London now collaborate to offer resources and co-working space to firms expanding across the Atlantic.

These are just some of the examples of these partnerships initiated by a burgeoning cadre of mayors, economic developers, scientists and sector leaders, researchers and academics, and tech entrepreneurs partnering with city halls, universities, business associations, and incubators from Xi’an to Mexico City. They aim to spark new market opportunities, draw foreign investment, advance economic specializations, support industry collaborations, and enhance global visibility for city-regions.

City-to-city or metro-to-metro connections are nothing new. Building on a 1930s collaboration between the cities of Toledo, Ohio and Toledo, Spain, Sister Cities International emerged in the 1950s and has since spawned thousands of global exchanges and relationships. Centuries earlier, during the much-heralded eras of the Hanseatic League and 16th century Mediterranean trading cities, storied Venetian sailors and Northern European guilds led global commerce at the city-state level.

But the global economy has changed a lot since the 1950s, not to mention the Renaissance. It has become more complex and competitive, reinforcing and accelerating the need for cities to invest in core economic specializations and assets to prosper in an age of agglomeration. Succeeding in global markets today is less about incidental connections and episodic efforts and more about strategic investments in competitiveness and systematic implementation of smart, data-driven trade strategies.

City leaders developing these strategies face a number of challenges: wrangling with tariffs and trade wars; the everyday nuts and bolts of doing business with partners a world away, speaking different languages and operating under foreign, and sometimes byzantine, customs and regulations; and the responsibility of executing high-level strategic activity with limited time and resources. Amid this complexity and challenge, city leaders are increasingly shifting from a sometimes scattershot approach pursuing opportunistic or headline-grabbing global opportunities to a more proactive, deliberate, and data-driven approach concentrating resources in markets and sectors best poised to deliver global growth for the region.

In this environment, reinventing city-to-city or metro-to-metro relationships as economic partnerships offers a tantalizing proposition: Apply the idea of direct city-to-city relationships that have fueled thousands of cultural exchanges and built goodwill between regions and countries to the imperative of global economic exchange and standing out in an increasingly complex world economy. Make some bets and pick a few markets with some apparent commonalities or complementarities. Stop scattering resources and attention across an overwhelming number of places. Work with your new foreign partners to plan a few business networking opportunities, trade missions, and collaborations between local incubators, universities, and others. Get on a plane to an exciting foreign location and make time to tour the local sites. Watch economic ties, deals, and growth bloom.
But practice proves that it’s not that simple. Relationships take a lot of time to nurture and maintain. High-profile memorandums of understanding don’t necessarily translate to high-impact results. Partnerships can fray as staff move on. Deals can fail to come through.

The stakes are high given scarce resources. The opportunity costs of a partnership with one city could be another with a region better suited to the core regional economic cluster. Or the cost could be staff resources devoted to managing a world-class export assistance program preparing 30 local firms to enter global markets. Or a follow-up visit with a foreign firm uncovering a multi-million dollar expansion opportunity. Or working with local education partners to design a workforce program that strengthens an industry sector that disproportionately drives local growth.

Given all that, how can city leaders know if the bet is worth it? Can metro-to-metro economic partnerships deliver real, lasting economic value? Or are they just a global form of ribbon-cutting, creating a flashy moment with little to follow? If they do make sense, how should they be organized? Who should manage them? What, realistically, can they achieve?

This brief, based on a survey of metro-to-metro partnerships and experimentation with several markets through the Global Cities Initiative, argues that in order to deliver clear results that enhance regional competitiveness, city-regions need to prioritize, design, and operationalize metro-to-metro economic partnerships to advance an evolution from global exchange to strategic economic collaboration. Economic partnerships should be driven by the goal of extending and strengthening global specializations and managed regionally to support that objective.
THE ATLANTA EXPERIENCE

With headquarters for Coca-Cola, UPS, Delta, and several financial services companies, along with Hartsfield-Jackson Atlanta International Airport, Atlanta has steadily climbed in recent decades from a regional capital of the New South to a major American economic center. Its next move is adapting those strengths to reflect new demands, connecting those industries to world markets, and firmly planting Atlanta’s flag as a major global city.

That includes accelerating transformations in digital supply chain management: applying the dense concentrations of firm expertise, regional assets, and infrastructure honed from decades of logistics activity to new applications that reinforce and expand Atlanta’s global advantage.

But Atlanta isn’t the only player in the game. In Amsterdam, similar clusters of firms are pursuing similar innovations, applying new data and ideas to established industries. Ensuring Atlanta’s global foothold in these emerging global specializations—and the networks and value chains that link them—will require engaging with counterparts like these. This includes leveraging and building upon each other’s distinctive technologies, talent base, and expertise and establishing exchange, bilateral investment, and mutual market access that benefits both parties.

In June, Hartsfield-Jackson Atlanta International Airport and Amsterdam Airport Schiphol announced an agreement outlining a “trade and logistics corridor” between the region’s airports, prioritizing the respective regions for cargo shipments headed to Europe and parts of the United States and establishing data sharing processes to improve supply chain operations and efficiency. The agreement builds on a broader partnership signed in 2017 between Global Cities Initiative stakeholders in Atlanta and the Holland Logistics Network to collaborate on logistics innovation, as well as a long-standing relationship between Georgia Tech and the Dutch Institute for Advanced Logistics.

These partnerships and others like it that Atlanta leaders have formed around financial technology with London, film with Toronto, and health services with Haifa, Israel, strategically apply Atlanta’s unique foothold in certain industries to the world stage to be tested, refined, and ultimately grown into globally dominant specializations. These partnerships and others like it that Atlanta leaders have formed around financial technology with London, film with Toronto, and health services with Haifa, Israel, strategically apply Atlanta’s unique foothold in certain industries to the world stage to be tested, refined, and ultimately grown into globally dominant specializations. (See sidebar). They draw on concentrations of innovative firms, a specifically trained workforce, applications being developed at Atlanta’s universities, and the global connections from Hartsfield-Jackson. They also establish Atlanta and its partner regions as gateways for foreign investment and connections from the two regions and broader countries.
ATLANTA’S METRO ECONOMIC PARTNERSHIPS

With the Metro Atlanta Chamber as a regional lead and organizer, Atlanta has brokered several metro-to-metro economic partnerships focused on supporting key local industries identified through a strategic market prioritization process.

With London & Partners, regional leaders have collaborated on strategies to expand connections in the burgeoning financial technology and digital payments industry, catalyzing private-sector leaders in the two regions to organize an annual international conference, alternating between the two cities, highlighting mutual assets. Building on relationships between Georgia State University, Clayton State University and the Toronto-based Sheridan and Seneca Colleges, Atlanta organized a film and creative media partnership with Toronto, resulting in several events bringing together creative leaders in the regions and a film exploring global issues around diversity and identity. And with Haifa, Israel, the region has organized partnerships bridging better global connections in the health IT and medical device industries, connecting health care systems in the two regions for research exchange, establishing the two regions as gateways to their respective national economies, and launching a medical device accelerator bringing Israeli startups to Atlanta.

Across these partnerships, the Metro Atlanta Chamber has served as a catalyst and convener, with other organizations often leading implementation on specific activities. These include industry organizations, other partners (such as Hartsfield-Jackson Atlanta International Airport) and groups spun out from the chamber (such as FinTech Atlanta).

A NEW ROLE FOR ECONOMIC DEVELOPMENT

Metro-to-metro partnerships are emblematic of the exchange—or trade—that is the cornerstone of how successful cities function and compete in the modern economy. Drawing on unique industries and economic clusters, people and firms in cities sell their goods and services to people and firms in other cities, both in the United States and to the growing number of consumers and businesses in markets around the world. This brings new wealth into cities, supporting additional growth and investment and benefiting local workers and communities. Like Atlanta and Amsterdam, London, and Haifa, it also exposes domestic firms and industries to new global expertise, connections, and practices that can strengthen domestic operations and help local economic clusters move up the value chain.

As a result, successful economic development is increasingly focused on identifying, investing in, and elevating these unique industry strengths to the global stage. A new practice of economic development piloted in a growing number of cities around the country focuses on approaches including:

► supporting and building capacity among the existing local firms that drive regional growth
► investing in strong workforce, infrastructure, and innovation capacities that fuel globally competitive industries
► maximizing the potential of all local workers and
► collaborating across jurisdictional boundaries and sectors to strengthen regional assets and project a cohesive identity.
This evolution has also been advanced and enabled by the evolution of regional civics and governance itself, with regional economic development organizations emerging as “collaborator-generals,” increasingly pulling together partners across sectors, organizations, and jurisdictions to collaborate on big things and set a vision for the region.⁷ (See sidebar).

THE EVOLVING ROLE OF REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS

Through the Global Cities Initiative and other regional strategy and planning efforts, regional economic development organizations (EDOs) have increasingly emerged as key conveners and catalysts for local action on topics ranging from global competitiveness to inclusive economic growth. This represents a shift from a traditional role focused more exclusively on marketing and coordinating business attraction across the region.

In the Global Cities Exchange, regional organizations like Columbus 2020 and Milwaukee 7 organized local stakeholders and provided guidance and technical assistance on specific programming to boost exports and other elements of global competitiveness. In Portland, Ore. Greater Portland, Inc. organized regional leaders such as local jurisdictions, the Port of Portland, state leaders, and tourism officials to align global priorities, set performance measures, and identify further opportunities to collaborate.

Though EDOs rarely lead across all strategies or tactics of a large-scale effort, such as a global trade and investment plan or a metro economic partnership, they provide a platform for leaders across geographies and sectors to communicate, collaborate, and align efforts for maximum effectiveness and impact.

Because trade plays an essential role in strengthening local industries, dozens of U.S. cities have taken proactive steps in recent years to expand their international connections and competitiveness, including through the Global Cities Initiative. These efforts have not only produced new signature regional initiatives to connect specific industries and economic clusters globally, but also more broadly mainstreamed global engagement into conventional economic development activities such as business retention and expansion.⁸

Metro-to-metro economic partnerships are a natural component of this new field of practice. Operationally, they reflect the fact that local leaders don’t have unlimited resources to engage with global markets and need to make choices to direct their efforts.⁹ Strategically, they reflect the fact that in a global economy increasingly driven by distinct regional specializations—and connected by global value chains—creating linkages between different nodes offers opportunities for mutual growth, investment, learning, innovation, and visibility. If bound to a region’s broader economic strategy, these global benefits can support and bolster the very industries and specializations that drive the region’s global competitiveness.
Benefits of metro-to-metro economic partnerships

- Stronger investment connections to support key regional industries
- Better export opportunities to grow local firms and bring wealth into region
- Investment and technology exchange to boost regional industries
- New visibility and influence in global markets and industry value chains

Ensuring that these partnerships are truly strategic and deliver on these objectives is, however, far from given. Traditionally, metro-to-metro partnerships and relationships have been driven far more by political or cultural affinities than economic imperatives. While these cultural exchange trips and signing ceremonies offer important benefits for international relationship-building, they are unlikely to produce the same benefits of a deliberate economic strategy.

(See sidebar). Further, while a growing number of universities, incubators, and other local actors are smartly expanding engagement with international counterparts through new agreements and partnerships, these efforts are typically siloed and aligned to specific institutional priorities. On their own, they are unlikely to produce the same comprehensive industry and economy-shaping results as a broader, more comprehensive partnership tied to a region-wide strategy.

The practice of metro-to-metro economic partnerships is far from established and results are not guaranteed. Nonetheless, a select number of regions are experimenting with models—and realizing real investment and benefits—that offer a guide for other cities and regions to enhance, upgrade, and more strategically approach existing and future partnerships with other global cities.

METRO-TO-METRO PARTNERSHIPS IN HISTORICAL CONTEXT

From 16th century Mediterranean trading cities to the Hanseatic League, cities have interacted across borders through rivalry and cooperation for centuries. A more modern analogue of these trading relationships emerged in the 20th century with the introduction of Sister Cities in 1956 as a powerful postwar tool to foster cross-border cultural exchanges between communities. Today, more than 2,000 cities, states, and counties in over 140 countries around the world engage in Sister Cities relationships.

Despite their cultural significance, however, these relationships have limited efficacy in delivering economic outcomes. Because their primary lens is social and cultural ties or geographic affinity, these partnerships have historically focused less on business goals and complementary economic assets. Partnerships are also often operated by staff, such as international affairs directors and protocol officers, without significant economic development experience and networks. These partnerships are also typically costly, lack expiration dates, and require significant resources to deliver.¹⁰

There is some evidence that this is shifting. In some cities, such as San Jose, economic development offices are managing these partnerships.¹¹ Sister Cities International has also started promoting a business and trade component of the relationships, introducing metrics on economic exchange.¹² Despite these promising efforts, however, most of these partnerships do not currently reach the threshold of deliberate multi-actor efforts supporting broader strategies around regional competitiveness.
## Economic Benefits of Metro-to-Metro Partnerships

### Result: Stronger Investment Connections to Support Key Regional Industries

**Objective:**
Metro economic partnerships help metro areas with complementary economic ecosystems become reciprocal “springboard” or “soft landing” destinations for business expansion in respective markets, cross-promoting and facilitating entry and expansion of firms in their ecosystems.

<table>
<thead>
<tr>
<th>Programs and Activities:</th>
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<tr>
<td>Provide reciprocal benefits for firms moving from one city to the other: access to free or discounted office space in co-working space; structured short-term business accommodation; local and international discounts for transport and accommodation.</td>
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<td>Provide reciprocal benefits that facilitate entry procedures for investors; regulatory support and advice on legal steps to establish a business in the country; mutual soft-landing benefits with white-glove, concierge-style services.</td>
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<td>Provide connections to prominent actors across the ecosystems and network facilitation.</td>
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<tr>
<td>Provide investment leads and refer local companies considering expansion in the partner’s region; identify companies with potential complementarities to ecosystem in either region.</td>
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### Result: Better Export Opportunities to Grow Local Firms, Bringing New Wealth into Region

**Objective:**
Metro economic partnerships foster stronger goods and services trade in key sectors by facilitating matchmaking and referrals for companies looking for export markets or value chain linkages.

<table>
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<th>Programs and Activities:</th>
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<tr>
<td>Conduct regular and sector-specific trade missions and hosting of partner delegations; launch export grant competitions; facilitate supply chain mentorships.</td>
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<td>Develop dedicated procedures facilitating bilateral trade in cooperation with Customs, Special Economic Zones, and other inspection authorities.</td>
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<td>Connect airports and seaports, key cargo operators, and logistics service providers.</td>
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<tr>
<td>Engage small and midsized firms in key sectors that are actively exploring exporting to and investing in the partner metro area and explore what connections can be made to further those efforts.</td>
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<tr>
<td>Co- and cross-promote partners’ ecosystems.</td>
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RESULT: Innovation and technology exchange to boost regional industries

**OBJECTIVE:**
Metro economic partnerships promote growth of priority sectors through exchange of expertise, innovation, and technology.

**PROGRAMS AND ACTIVITIES:**
- Incubators provide reciprocal membership benefits, including access to each location’s physical space and network of mentors and investors. Both locations facilitate orientation to local technology and entrepreneurial communities, mentoring sessions, workshops, and seminars.
- Research universities foster joint research, academic exchanges, and the development and commercialization of key technologies. They enhance the parties’ ability to co-produce cutting edge products and services. These partnerships sometimes involve firms.
- Data-focused organizations and initiatives co-develop open source products and services, execute publicly run data science exercises, create tech-related policy, design tools to promote city services and share data-driven initiatives.
- Other organizations facilitate exchange on key economic areas including water, sustainable technologies, tourism, workforce development, energy, and culture. These can include work sessions and visits for investigation and evaluation of operations, and/or maintenance of projects.

RESULT: New visibility and influence in global markets and industry value chains

**OBJECTIVE:**
Metro economic partnerships raise the international visibility of a metro area by increasing its connections and global fluency and elevating its global identity.

**PROGRAMS AND ACTIVITIES:**
- Promote the partner through brand and marketing and build general awareness of its assets and identity.
- Collaborate with counterpart to align policy (e.g. jointly advocate for changes to federal rules and regulations that may affect the mobility and employment of immigrants in the partner metro).
THE MINNEAPOLIS-ST. PAUL EXPERIENCE

With the Mayo Clinic, the medical technology conglomerate Medtronic, the health insurer UnitedHealth Group, and sophisticated cluster organization Medical Alley, Minneapolis-St. Paul and surrounding Southeastern Minnesota are a formidable global hub for the development and deployment of medical technology.

To build on this strength, GREATER MSP (the region’s economic development organization) and Medical Alley have jointly partnered with several global regions to strengthen the local industry with new global connections and growth opportunities.¹³

Five years ago, an inquiry from the Australian cluster organization BioMelbourne Network illuminated key commonalities between the two global medical device development regions, including specializations in specific implantable devices. Medical Alley and Minneapolis-St. Paul’s dense network of industry assets were also attractive to the Australian organization looking for easier paths for Melbourne firms to enter the U.S. market.

That inquiry ultimately resulted in an agreement between the two regions where Minneapolis-St. Paul and Melbourne firms access resources, programming, and connections from the two cluster organizations in the respective regions, easing their path for expanding into and realizing growth opportunities in the two national markets. Medical Alley and BioMelbourne also refer local firms interested in expanding to Australia or the United States to each other.

The partnership, which has resulted in several Australian companies locating in the region, is now being replicated with other regions. Earlier this year, Minneapolis-St. Paul and Danish officials signed an agreement to establish a Danish Med-Tech Bridge, backed by a $1.3 million investment from the Danish Industry Foundation.¹⁴

Both tie into a broader regional economic development strategy led by GREATER MSP to build on the strengths of Minneapolis-St. Paul’s med-tech industry by expanding global investment and connections in the sector.¹⁵

This includes identifying and prioritizing foreign markets with industry synergies and collaborating with sector organizations who are already trusted in these global industries.

While Medical Alley provides medical technology-specific expertise, resources, and connections, it plugs into a broader regional vision for advancing a globally competitive medical technology cluster articulated by GREATER MSP. GREATER MSP also provides services related to site selection and incentives for foreign medical technology companies identified through the partnerships. This approach is now being replicated around other key clusters, such as food and agriculture.

ORGANIZING FOR ECONOMIC PARTNERSHIPS

Ensuring that metro-to-metro partnerships serve these broader economic goals and connect to larger economic strategies has important implications for how they are organized. Regional or city economic development organizations (EDOs) which, by design, aggregate and convene disparate stakeholders and interests across local geographies and sectors to pursue broad economic goals are often best poised to organize and facilitate interactions among other local stakeholders.
From their position working across regional industries, they cultivate deep sectoral knowledge and relationships with the business community, industry organizations, and research institutions, enabling them to identify gaps and areas where global expertise and connections could accelerate local growth. Many have expanded export assistance services, foreign direct investment attraction activities, and other programming to support global engagement, developing further insights and intelligence on global activity and firm needs in their regions. And because of their broad scope and civic position, they are well poised to organize, network, and maximize the value of other regional actors across public agencies, the private sector, academic institutions, incubators, and others in advancing and supporting global partnerships.

In some cases, EDOs can catalyze and initiate partnerships. Examples include New York City, where the New York City Economic Development Corporation (NYCEDC) manages an agreement with Berlin focused on innovation and health tech, and San Diego, where World Trade Center San Diego (part of the San Diego Regional EDC) manages a partnership with London providing mutual services to firms looking to expand in each other’s regions.

In other cases, EDOs can orchestrate, manage, or complement implementation of partnerships initiated by other entities. As with any regional effort, cluster strategy, or large-scale initiative, metropolitan economic partnerships benefit from the leadership and expertise of a variety of actors (see sidebars):

- **Mayors and core city agencies** contribute political gravitas to international outreach, while commerce, culture, and tourism bureaus play crucial roles in advancing global visibility and connections.

- **Sectoral groups**, business leadership associations and other cluster organizations understand the global dynamics of their industries, the local needs of their firms, and how these can be bridged.

- **Incubators, R&D accelerators, and other intermediaries** often support early connections between firms in partnering cities and foster key investment and technological exchange.

- **Universities and academic institutions** also advance technology exchange and commercialization, while supporting international connections through joint research programs, foreign students, and more.

- **Finally, airports and seaports** facilitate the physical exchange of people and goods between global locations and are increasingly collaborating to improve the efficiency and sophistication of these movements.

On their own, all of these actors play important roles in boosting the global connections of U.S. cities, building relationships, boosting visibility, and sparking potential business opportunities. But to truly advance the global competitiveness of their regions, partnerships must connect to cohesive, comprehensive strategies in the service of coordinated regional economic goals.
GLOBAL PARTNERSHIPS

GlobalSTL, the international business promotion arm of BioSTL, the St. Louis bioscience cluster organization, signed a memorandum of understanding (MoU) focused on agriculture technology and food technology with AgrOnov, an agricultural innovation accelerator in the Dijon area of France. The relationship was also developed over the years between leaders in St. Louis, Business France, and the Consulate General of France in Chicago. In addition to the business-led MoU, the St. Louis Economic Development Partnership also entered into an MoU with the Regional Economic Agency of Bourgogne-Franche-Comté (AER BFC) to align government and business priorities and increase international connectivity. The agreement also defined a role for local agricultural technology innovation district 39° North and the Helix Center Biotech Incubator.

Toronto MaRS Innovation (MI) and Korea Health Industry Development Institute (KHIDI) signed a five-year agreement in 2016 to promote the co-development and bilateral commercialization of medical technologies between Ontario and South Korea in concert with industry and government. The first joint research initiatives were announced in April 2017.

UNIVERSITY-LED PARTNERSHIPS

Arizona State University partnered with Tecnológico de Monterrey (Monterrey Tech) in a multiyear agreement, collaborating on an exploration of energy reform through the Binational Laboratory on Smart Sustainable Energy Management and Technology Training. ASU also collaborates with Universitat Bremen, Peking University, and Waseda University on cybersecurity and digital forensics.
A 2014 summit in Guangzhou provided an opportunity for Los Angeles Mayor Eric Garcetti, Guangzhou Mayor Chen Jianhua, and Auckland Mayor Len Brown to leverage the three regions’ Sister City partnerships into a more strategic economic alliance focused on key clusters including transportation, biomedical technology, retail and consumer products, development and design, and more. Managed by World Trade Center-Los Angeles (WTC-LA) on behalf of the city of Los Angeles, the partnership also draws on activities and resources from the LA Area Chamber of Commerce, the Port of Los Angeles, AECOM, and other public, private, and civic entities.

This broad agreement—termed the Tripartite Economic Alliance—is complemented by several additional, more specific agreements between other regional stakeholders. A memorandum of understanding between the Guangzhou Urban Planning and Design Survey Research Institute, the Auckland Council, and the Los Angeles Business Council Institute commits the regions to exchange on urban design practices and business opportunities and has led to several trips highlighting design assets across the three cities. In 2015, the ports of Los Angeles, Auckland, and Guangzhou also established a Tripartite Ports Alliance supporting sharing of best practices and collaboration on investments, technologies, and environmental policies. Officials estimate that these partnerships have facilitated business opportunities worth millions of dollars for participating companies from the three cities.

WTC-LA and the city of Los Angeles have since replicated aspects of the Tripartite Economic Alliance to form a separate partnership with Hong Kong tied to financial technology, digital media, and advanced transportation, which includes annual exchanges of firms between the two regions.
THE HALIFAX EXPERIENCE

Five years ago, economic development officials in Halifax, the capital of the Canadian province of Nova Scotia, were at a crossroads. Incoming requests and invitations to partner with other global cities, including through Sister Cities International, kept flooding the region. Leaders lacked the resources or capacity to follow through on all the requests, in addition to maintaining existing partnerships, but still wanted to identify promising leads.

In response to this dilemma, leaders at the Halifax Regional Municipality and Halifax Partnership developed a three-part framework to vet requests, distinguishing more intensive ongoing economic partnership agreements aligned with key sectoral objectives from culturally based friendship partnership agreements and lapsed historical partnerships.

Based on these considerations, regional leaders initiate a “comprehensive diagnosis” when considering a new economic partnership, weighing alignment between the opportunity and the region’s economic growth plan and established values and goals for these partnerships. Community buy-in and existing connections with universities, the port, and other regional actors—which are often the impetus for opportunities themselves—are also heavily weighted, with leaders favoring partnerships with “multi-layered” connections to the region.

Since implementing this framework, Halifax has prioritized relationships with regions including Aberdeen, Scotland; Norfolk, Virginia; and Zhuhai, China that represent clear economic objectives. In Aberdeen, through its participation in the World Energy Cities Partnership, the Halifax Partnership collaborates directly with an equivalent economic development organization.
on research and business opportunities related to the energy industry. In Zhuhai, the region is amplifying long-standing relationships between Halifax-based St. Mary’s University and Beijing Normal University and the two regions’ provincial governments into a more expansive economic partnership giving Nova Scotia firms and institutions an accessible entry point into the Chinese market.

EVALUATING PARTNERSHIP OPPORTUNITIES

Like any business strategy, economic partnerships depend on sufficient investment on both sides of the deal, geared toward measurable, time-bounded results. To be worth the opportunity costs of forgoing other economic development and global competitiveness activities, they should also meet a minimum threshold of activity and impact connected to broader regional economic objectives, rather than be centered around one-off visits or trips.

Orienting metro-to-metro partnerships around these objectives and impact leads to a more stringent lens for evaluating both new opportunities and maintenance of existing relationships, centered around establishing economic alignment and capacity.

To aid this process, regional leaders can apply a market prioritization framework (such as indicators and data sources established through GCI’s market prioritization exercise) to identify markets with aligned traded sectors and opportunities for investment and exchange within global production networks. Factors for consideration include sector alignment (i.e. strong economic similarities, complementarities, and other strategic connections) and market accessibility and connectivity (i.e. national and global economic trends, regulations, distance, size, business norms, cultural linkages, language, and existing awareness).

In addition to establishing economic alignment, regional leaders should carefully probe for and verify signs of capacity and enthusiasm in partners before securing a deal (e.g. an existing local consulate or other current partnerships with the region). Depending on the depth, actors, and objectives involved in a region’s partnerships, leaders may also consider capping the number of deals active at any given time.
PRIORITIZING ALIGNMENT AND CAPACITY IN WICHITA

After initially being connected to the Chinese city of Wuxi through the U.S. State Department’s EcoPartnership program in the late 2000s, Wichita deepened its engagement with Chinese cities in 2012 by signing aviation and aerospace-focused agreements with the cities of Xi’an, Shenyang, Zhengzhou, and Zhenjiang. The agreements, which spanned support for bilateral investment, exports, supply chain connections, exchange on education and training, and more, leveraged complementarities between the aviation industry in Wichita, Xian, Shenyang, Zhengzhou, and Zhenjiang at a time of rapid growth in the Chinese market. They resulted in dozens of visits between the cities and several contracts involving local firms.

In the years since, leaders at Kansas Global Trade Services, a private lead for global economic development activities in Wichita, have also applied lessons from these experiences to strengthening the region’s approach to building metro-to-metro partnerships. That includes collaborating with public and private partners to develop a sophisticated multi-step framework for assessing opportunities, which has been applied to new partnerships with Mexican and Canadian cities. Criteria include:

- certifying that potential agreements truly focus on trade objectives
- assuring a sufficient level of interest on the part of the global counterpart
- vetting that local industry leaders see potential and are invested in the relationship
- securing mayoral commitment
- planning an “inbound delegation” of the partnering city to Wichita, with several required elements
- development of an initial memorandum of understanding outlining the terms of the partnership, to be approved by both economic development organizations and city officials in both regions
- formal approval of the MOU by the Wichita City Council
- establishing a framework for quarterly reporting of updates
OPERATIONALIZING PARTNERSHIPS

In addition to thoughtfully selecting markets, local leaders should carefully structure partnerships to ensure conditions for success. This includes:

► 1. Setting clear and manageable objectives

To ensure that activities are strategic and goals are met, regional leaders and their global partners should develop a clear, reasonable scope that aligns with available capacity and the identified economic opportunity. In the absence of this framework, some metro-to-metro partnerships have faltered under an overly ambitious concept and unclear expectations.

Aligning scope with capacity

Signed in 2013, the Global Cities Economic Partnership (GCEP) between Mexico City and Chicago outlined an ambitious framework for metro-to-metro collaboration including an expansive array of partners and joint trade, innovation, and education initiatives to boost jobs, advanced industries, and overall global competitiveness. In practice, owing in part to capacity, the partnership’s activities mainly focused on several more discrete objectives, including a successful collaboration between the regions’ 1871 and Startup Mexico incubators.

► 2. Establishing roles and responsibilities

Partnerships are a clear commitment to deliberately work together toward specific objectives, requiring extra time and effort to cultivate sufficient human, material, and financial resources to deliver. Oftentimes, agreements fail due to ill-defined outcomes and unclear division of labor between partners.

To ensure these expectations and responsibilities are clear, regional leaders should consider a memorandum of understanding, contract, or some structured agreement addressing these and other operational considerations.

The challenge of formality

Though some formal structure is necessary to establish clear goals, expectations, and responsibilities, formality may also present challenges for local leaders, and some partnerships need to remain flexible and respond to business cycles rather than to binding contracts. A Metro Atlanta Chamber leader noted that successful metro economic partnerships may not always need a formal structure like a memorandum of understanding. Leaders from a major West Coast life science accelerator similarly remarked: “We have bullet points about forging international relationships, but these are higher-order in nature. We don't get into the nitty-gritty details by saying, for example: We are going to do X, Y, Z with this partner in 2018.”

► 3. Assigning a duration

Leaders should also be realistic about the fact that, like any relationship or deal, metro-to-metro economic partnerships have a natural lifespan—with some shorter than others if objectives are not being met. Acknowledging situations like this and avoiding “zombie relations” where ineffective partnerships continue to be partially maintained is key to maximizing resource efficiency.

Leaders should structure a clear, defined time frame (e.g. 3 to 5 years) in their partnership agreements, providing for review and amendment of the deal and exit if sufficient results are not achieved or counterparts are not meeting partnership obligations. Even successful partnerships should be reviewed periodically to ensure they are still delivering value, or to determine if they need to be
adapted or ultimately sunset in favor of other activities. This evaluation also encourages transparency by requiring documentation of project milestones and conclusions. The agreement can outline the frequency of conversations between parties to discuss items such as progress review and planning for exchanges or in-person visits.

4. Defining performance metrics and showcasing results

To incentivize progress and enable course correction, leaders should set and track performance metrics for the partnership. These metrics can apply to the entire partnership, as well as more granular activities.

Each area should include specific technical characteristics associated with deadlines. Anticipated outcomes can fit a ‘SMART’-type model: specific, measurable, assignable, realistic, time-bound. These include:

- Process metrics (number of trade missions, initiatives, events, workshops, allocation of resources to metro economic partnership, etc.);
- Outcome metrics (growth rate of economic exchanges, investment, trade, etc. with partner location compared to other locations; benefits gained from metro economic partnerships, etc.);
- Specific and technical characteristics of the joint initiatives; and
- A timetable with specific deadlines and accountable officials.

Not all metro economic partnership outcomes are measurable

Leaders from the Metro Atlanta Chamber also highlighted that the success of a partnership is not always directly linked to job creation. Instead, relationship development and the growth of the broader ecosystem are central outcomes of metro economic partnerships. EDOs should focus on expanding the network of relations with foreign businesses, universities, and innovation centers, in addition to trying to maximize the number of firms they connect with.
Like much of economic development strategy, metro-to-metro economic partnerships are an attempt to assert agency, create structure, and drive results amid large-scale global macroeconomic forces that dwarf the toolbox of any given leader, organization, or region.

Over the last seven years, the Global Cities Initiative has empowered leaders with data, research, frameworks, and guidance on how to orient their regions to take advantage of global trends, lest regions be taken advantage of themselves.

As this brief describes, cities can adapt their mindset and methods to advance this objective. Like so many elements of business—both domestic and international—metro-to-metro economic partnerships sit at the confluence of where dollars and cents meet the intangibles and incidental connections of relationships and deal-making. The principles and practices outlined here are intended to help city-region leaders best position themselves to succeed at that intersection of uncertainty and potential.


9. For an attempt to address this issue, see Max Bouchet, Marek Gootman, and Joseph Parilla, Six steps for metro areas to prioritize global markets, Brookings Institution, September 5, 2018, available at: https://www.brookings.edu/research/six-steps-for-metro-areas-to-prioritize-global-markets/.

10. San Jose describes the following expenses: “Agreements with the six active Sister City committees amount to $15,000 annually, and the other expenses associated with the program amount to between $5,000 and $15,000 depending on the activities occurring within a given year. (...) At any given time, the Sister City program alone can consume 15-20 percent of one FTE, rising to 80-100 percent during peak event times, such as Sister City trips or when facilitating visits by Sister City delegations.” (Joseph Hedges, City of San Jose, Memorandum, September 19, 2016, available at http://sanjose.granicus.com/MetaViewer.php?meta_id=592686). Also see Pratiksha Ramkumar, “Sister Cities best buddies, but pacts yield little”, The Times


13. For instance, Medical Alley and Greater MSP partnered to connect with European medical devices cluster organizations. Accessible at: https://medicalalley.org/2019/05/european-medtech-clusters-choose-medical-alley-for-u-s-market/.


The Metropolitan Policy Program at Brookings would like to thank JPMorgan Chase for its generous support of this analysis through the Global Cities Initiative.

The findings in this report reflect years of learning and exchange with the 45 U.S. and international city-regions that participated in the Global Cities Initiative, as well as leaders in several other regions who also generously shared lessons and reflections. The authors thank in particular leaders from the participating cities of the market prioritization and metro economic partnership cohorts: Atlanta, Columbus, Louisville-Lexington, Milwaukee, Philadelphia, Phoenix, San Antonio, San Diego, and Wichita.

At Brookings, Elizabeth Patterson played a fundamental role in gathering insights and shaping the framework that underlies this brief and Noah Nelson provided key research assistance. The authors would also like to thank Alan Berube for offering feedback and critiques on an earlier draft. Julia Kraeger, David Lanham, and David Jackson provided valuable support in producing the report and contributing to outreach efforts. Thanks to Luisa Zottis for layout and design.

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