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Metro-to-Metro Economic Partnerships: How to Network Global Assets to Fuel Regional Growth

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.

Download the report.

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