Options to Expand Region-to-Region Cooperation between the United States and China

The United States and China are large countries with distinct regions. Both countries have entities that promote collaboration among governments at the sub-national level similar to the functions of U.S. regional governors associations. In China, these organizations are strongest in the Northeast, the Center, and the West.

Though many U.S. states and Chinese provinces maintain bilateral relationships a deliberate effort to establish institutional relationships with these regional agglomerations of these sub-national governments on both sides can further increase economic activity between the United States and China in the areas of: (a) investment promotion, (b) trade promotion on an industry-specific level, (c) tourism promotion, (d) agricultural promotion, and (e) university exchange.

There are distinct benefits to a region-to-region approach for international sub-national government engagement. From an efficiency perspective, regional governors associations can help streamline and lower the costs of engagement between U.S. governors and Chinese provincial leaders, enabling U.S. states to gain greater access to potential Chinese investors, buyers, students, tourists, and consumers with less individual effort.

The Chinese government has expressed interest in this concept and is anxious to expand sub-national government-to-government contacts on a region-to-region basis. The U.S. Federal Government is can help U.S. sub-national entities initiate and coordinate activities. To begin this process a number of different options could be considered:

- A U.S. regional governors association could send an invitation to respective Chinese counterpart to attend an annual meeting at a designated protocol level. This could be at any level: Governor, Lt. Governor, or Economic Development Office. The invitation should expressly note which activities the Chinese guests would be allowed to attend.

- A U.S. regional governors association could invite its Chinese counterparts to visit the United States for an inbound investment mission from its analogous region. This could be linked to a specific industrial sector in which a number of the constituent States would welcome such inbound Chinese investment.

- A U.S. regional governors association could send a signal (through the Federal Government) that it would welcome an invitation to attend the Chinese regional association’s meetings. If appropriate, this U.S. (state or federal) government-led delegation to China could include a U.S. exports trade mission focused on a specific theme: agriculture, tourism, university education, etc.

- A U.S. regional governors association could send a delegation of EDOs to the analogous region in China for an inbound investment (FDI to the U.S.) promotion tour through the regions cities. If this tour were accompanied by a list of perspective investments
produced by individual U.S. state EDOs, it would generate even greater interest on the Chinese side.

- A U.S. regional governors association could, in coordination with major U.S. ports and airports, offer to sponsor discussions on enhanced logistics capabilities. This type of program is appealing to both investors and traders. It is especially timely as companies prepare for the widening of the Panama Canal and subsequent disruptions to traditional shipping routes.

Region-to-region cooperation with China is a powerful tool to expand U.S. exports and inbound investment, creating jobs and economic opportunity for years to come. The approach summarized above affords and open platform for U.S. regional governors associations to engage their Chinese counterpart organizations with as much or as little support from the U.S. government as they deem necessary.