

Edited by Adriana Skorupska and Justyna Szczudlik

The Subnational Dimension of EU-China Relations



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POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

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INTRODUCTION

This report is the result of a three-year project conducted by the Faculty of International and Political Studies at the University of Łódź and the Polish Institute of International Affairs and funded by the National Science Centre.¹ The aim of the project was to understand the role of cooperation between European and Chinese regions in the politics of the European Union as regards China. The study involved the phenomenon of paradiplomacy, i.e., relations of international subnational entities whose goal is to achieve economic, cultural, and political benefits. It is assumed that the growing independence of local governments brings new challenges to the foreign policy of the state.²

The report presents the specificity of relations with China at the subnational level of the six largest EU countries in terms of population: Germany, France, Spain, Poland, Italy, and the UK. It also analyses selected case studies of European regions cooperating with Chinese partners. The text also includes references to relations between the European Union and China. The conclusions are based on the analysis of the selected countries and cannot always be generalised to the entire European Union.

The analysis was based on a review of the literature and information gathered during a survey of regions in five EU Member States (France, Spain, Germany, Poland, and Italy) and selected local government units in the UK.³ In total, the data from 75 regions in the five countries (91% of all the regions in these countries) and 12 surveys from the UK were collected. The survey was conducted in December 2016 and in the first half of 2017.⁴ The questionnaire of the survey was distributed in paper and electronic version to representatives of regional authorities (the units responsible for international cooperation). Some regions did not respond and for others, the data was supplemented with information from the websites of the analysed local government units. In Germany, the survey was completed by eight out of 16 Länder. Information on the others was obtained from another survey.⁵

The second part of the project included interviews with EU officials and representatives of the authorities of selected regions from the six countries surveyed. In the EU, interviews were conducted at the European Commission in the Directorate-General for Regional and Urban Policy (DG REGIO) and Energy (DG ENER); in the European External Action Service (EEAS), with the person responsible for EU-China relations; with diplomats from Member States (Polish MFA; Germany). In the regions, 11 interviews were conducted: three in Germany, two each in Spain, France, and Poland, and one each in Italy and the UK. In total, in 2017–2019, 16 interviews were conducted, of which 12 were in the form of semi-structured extensive individual interviews, one was informal and two were in the form of an e-mail (written replies).

An extensive analysis of the issues presented here will be included in a book published in 2020 by the University of Łódź Publishing House.

The authors

¹ Projekt 2015/19/B/HS5/02534 "Rola regionów w polityce Unii Europejskiej wobec Chin," financed by the National Science Centre.

² A. Kuznetsov, *Theory and Practice of Paradiplomacy*, New York: Routledge, 2015.

³ The study covered administrative units at the regional level (most often classified by Eurostat as NUTS 2) that carry out paradiplomacy activities. In Poland, these are voivodeships, in Italy and France, regions, in Spain, autonomous communities, in Germany, Länder, that is, federal states. In the United Kingdom, which has a specific administrative division based largely on small counties, the questionnaires were sent to the governments of the constituent parts of the United Kingdom, as well as to major cities and metropolitan unions (agglomerations).

⁴ The survey from Île-de-France was the only one received in 2018.

⁵ In Germany, data obtained from the survey were verified and supplemented with information from the work of A. Goette, Gao Qianlan, *Deutsch-Chinesische Kommunalbeziehungen*, Bonn: Servicestelle Kommunen in der Einen Welt, 2018.

CHAPTER 1. VARIOUS LEVELS OF EU-CHINA COOPERATION

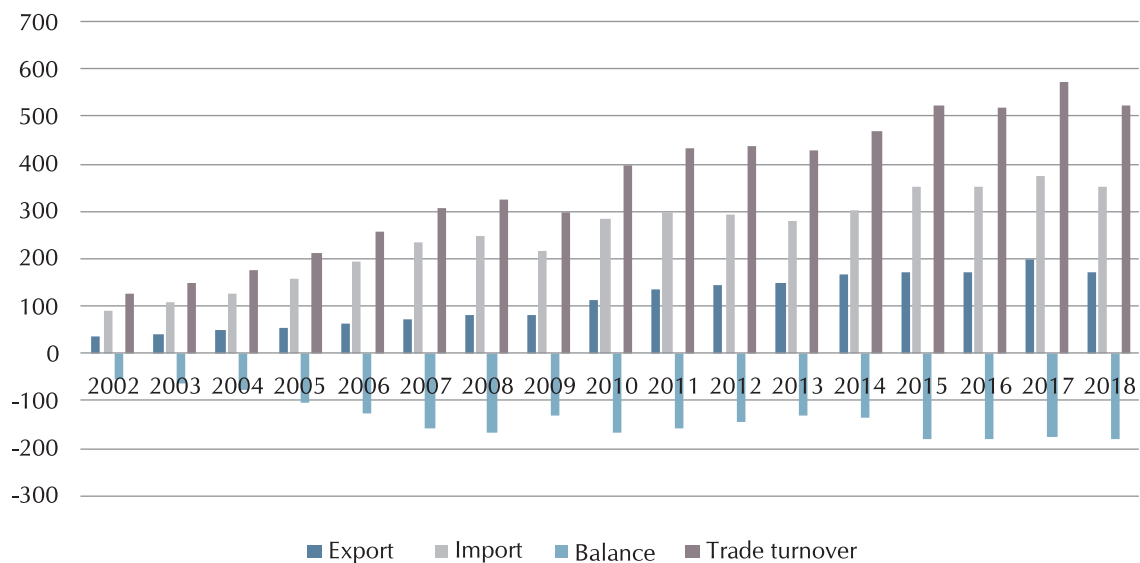
1.1. EU-China Relations

Relations between the EU and China occur at three levels—EU, national, and subnational (regions and cities)—which influence each other. For these reasons, the analysis of the regional level should be preceded by a review of relations at higher levels.

1.1.1. Political and Economic Relations at the EU Level

The first contacts between the European Communities and China can be traced back to the 1970s (the first visit of the European Commissioner to Beijing took place in 1975, and in 1978 the first agreement was signed); however, bilateral relations gained significance only two decades later when China's international position grew and the process of European integration was extended.⁶ The crucial moment was China's accession to the WTO in 2001, which intensified the development of economic contacts. Trade turnover increased fivefold in subsequent years and China became the EU's second most important trading partner after the U.S. At the same time, the problem was the large trade deficit on the EU side, which in 2005–2008 amounted to 50% of the mutual exchange (Fig. 1).

Figure 1. EU-China Trade, 2002–2018 (EUR billion)



Source: authors' compilation based on Eurostat data.

Along with the increase in trade, mutual investments also increased (in 2017, €180 billion, of which only less than €60 billion comprised Chinese investments in the EU⁷). In the Union,

⁶ T. Kamiński, *Sypiając ze smokiem. Polityka Unii Europejskiej wobec Chin*, Łódź: Wydawnictwo Uniwersytetu Łódzkiego, 2015, <https://wydawnictwo.uni.lodz.pl>.

⁷ *China—Trade—European Commission*, European Commission, <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>.

however, the feeling has grown that the benefits from developing economic relations have been unequal. The EU accuses China of not fully implementing its obligations under WTO membership, in particular, discriminating against European enterprises by hindering their access to the Chinese market, for example, through high-entry thresholds, non-tariff barriers, the obligation to establish a joint venture with a Chinese partner or forced technology transfer, resulting in inadequate protection of intellectual property rights. The Chinese government also interferes in the economy by subsidising domestic companies. As a result, they gain a stronger position in the markets (local and international), which means an imbalance in competition, e.g., against EU investors.

The Chinese authorities' control over domestic enterprises (including private firms that must cooperate with the authorities) makes it possible to use them as tools in foreign policy, a factor perceived in the EU as a security threat. It is concerned about the takeover by Chinese investors of European technology solutions and access to critical infrastructure. Examples of these types of risky Chinese investments have appeared in the EU since 2016 when a Chinese company took over German company Kuka, an industrial robot manufacturer. These activities were part of the "Made in China 2025" programme announced by Chinese authorities to achieve leadership status in high-tech. Since then, the EU began to modify its approach to China by introducing the first safeguards in 2018, such as a "screening" mechanism to help identify and possibly block Chinese investments considered security threats in Europe.⁸

China's assertiveness and the accompanying security fears have meant a change in the EU's approach to reciprocity in relations, mainly economic, with China. The term "reciprocity" is being consistently used by the EU to push China to follow the same rules as those that apply to Chinese entrepreneurs operating in the Union—ensuring an open market, the equal treatment of investors, equal opportunities, and free competition. With the slow pace and limited liberalisation of the Chinese economy and the growing concerns related to 5G infrastructure, offered mainly by the Chinese telecommunications company Huawei (which also is probably subsidised by the state), the EU is redefining its perception of China, including the principle of reciprocity, perceiving the country not only as a partner but also as a competitor. This transition from the EU's policy of engagement to an approach that focuses on protective measures and a readiness to compete with China is also a reaction to human-rights violations in China. Economic rights (so-called second-generation rights) are only part of the issue, with violations of so-called "first-generation rights" (personal rights) evidenced by the repression of Uyghurs or the use of new technologies for public control (e.g., face recognition or creating a "social credit system").

Another manifestation of tightening EU policy is the document "EU-China: A Strategic Outlook,"⁹ published by the European Commission in March 2019 in which China was called "a systemic rival promoting alternative models of governance" and "an economic competitor in the pursuit of technological leadership." The EU signals that under its reciprocity principle, it will no longer only issue rebukes but may introduce similar rules to those that China applies to EU entities, for example, fully implement the screening mechanism or restrict the access of Chinese companies to tenders in the EU. In addition, the Union demands that negotiations of investment agreements or geographical indications, which have lasted for years, should be concluded within a specified period. As a result of China's growing dispute with the U.S., it is willing to make concessions to the EU, as evidenced by the results of the last EU-China summit in April 2019. The joint declaration set deadlines for completing the current negotiations, acknowledged that there

⁸ J. Szczudlik, D. Wnukowski, "Investment Screening Reforms in the U.S. and EU: A Response to Chinese Activity," *PISM Bulletin*, no. 1 (1247), 2 January 2019.

⁹ *EU-China—A strategic outlook*, 19 March 2019 and in a previous document, *Elements for a new EU strategy on China*, European Commission, 22 June 2016.

should be no forced transfer of technology, and that the issue of subsidies for industry should be resolved at the WTO.¹⁰

Despite its critical approach to China, the EU seeks cooperation with the Chinese. The new EC document underlines the similar positions of both parties on climate issues and on agreements involving Iran or North Korea. The EU strives to involve China in solving global problems through institutionalised multilateral cooperation, an example of which is the EU-China working group on WTO reform set up in 2018.

It is worth noting that EU-Chinese relations are characterised by a high level of institutionalisation, compared only with transatlantic relations. Apart from the annual summits of the president of the European Council, chairman of the European Commission, and the prime minister of China, there are many meetings in various formats and at various levels. They are arranged in three pillars corresponding to the dimension of bilateral relations: political, economic, or social (Table 1).

Table 1. The Institutional Framework of EU-China Relations

Political pillar	Economic pillar	Social pillar
Strategic dialogue (High Representative for EU Foreign and Security Policy and China’s State Councillor for Foreign Affairs, meets annually)	High-level dialogue on economy and trade (EC Vice-President and China’s Deputy PM, annually)	High-level dialogue on people-to-people contacts (Commissioner for Education, Culture, Multilingualism and Youth, China’s Deputy PM, every two years)
Political dialogues (regular contacts between the High Representative and the Chinese Foreign Minister, meetings of high-level officials)	Joint Committee operating under the 1985 TCA agreement (at the ministerial level, meets annually)	Political dialogues (on Youth, culture, and higher education and vocational education)
Regional and thematic dialogues (10 formats, including ones on human rights, Africa)	Sectoral dialogues (48 formats, including one on urbanisation)	
	Economic and financial dialogue between representatives of the EC, and ECB, and the Chinese Ministry of Finance and the central bank	
	A roundtable between the European Economic and Social Committee and the Chinese Economic and Social Council	
Inter-parliamentary dialogue		

Source: authors' compilation.

1.1.2. Relations at the Inter-state Level

Bilateral relations between Member States and China constitute the second level of EU-China contacts. They are developed, to some extent, regardless of European policy, which raises difficulties in maintaining EU unity in its approach to China. For these reasons, it is not clear whether the new stricter policy towards China will be fully pursued. This despite the fact that in

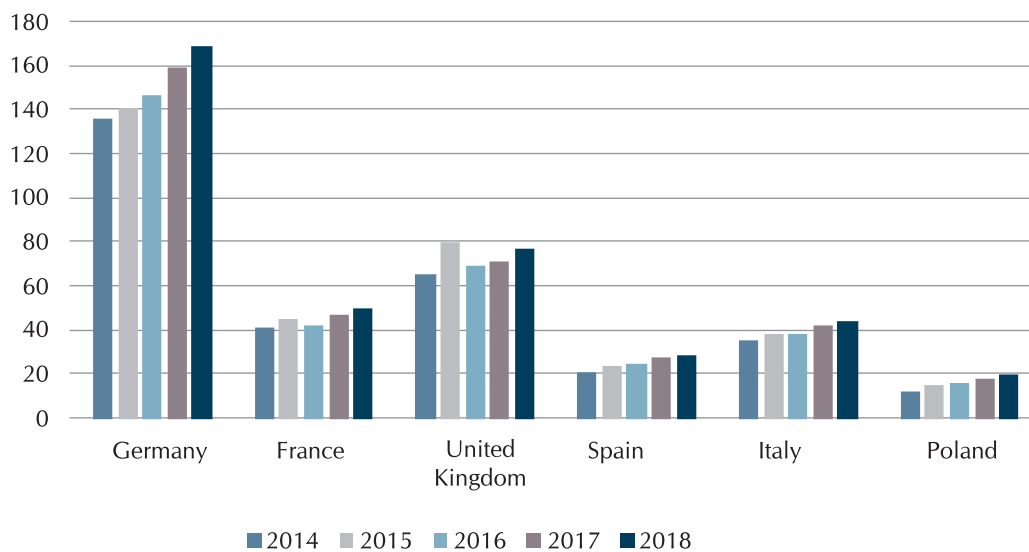
¹⁰ J. Szczudlik, "Sharpening the EU's China Policy," *PISM Bulletin*, no. 53 (1299), 6 May 2019.

many areas the EU Member States must coordinate their policies, for example, under the common trade policy.

The Member States have different perceptions about the benefits and risks of cooperation with China. Some countries in the EU are more open to it (e.g., Greece, Hungary, the UK, and Portugal, and recently, Italy), counting on economic benefits or, by playing the China card, can negotiate with the Commission on solutions more beneficial to them. They also use this tack to distance themselves from meeting EU requirements regarding reforms and standards (e.g., on rule of law, budgetary discipline, or access to EU funds). In recent years, this has been the case, for example, with Greece and Hungary. There are also countries that approach relations with China with increasing caution (e.g., Germany, France, Poland), which besides the economic benefits also see a security risk.

For all six of the countries discussed in this report, their relations with China are primarily economic. Trade turnover between them and China is growing, although in most cases, the trade deficit on the Europeans' side is also growing (Fig. 2). All except for Germany (which has an 11% surplus) have a negative trade balance with China. The largest deficits in 2018 were with Poland, at 86%, and Spain, at 59%.

Figure 2. Trade Turnover between Selected EU Countries and China, 2014–2018 (EUR billion)



Source: authors' compilation based on Eurostat data.

Also, the government in Beijing simultaneously maintains relations with the Union and with individual Member States. It can be assumed that for China the most important of these relations are those with which it has a "strategic partnership," "comprehensive strategic partnership," or other similarly named partnerships ("mature," "stable," etc.). As a German diplomat points out, these terms are particularly important to the Chinese: "they attach great importance to the wording of these terms. For them, there is a difference between a 'strategic partnership', 'comprehensive strategic' or 'deep'. In turn, on our side, often these nuances are not comprehensible."¹¹ Strategic partnerships with European states began to be signed after 2003 when China defined the EU the same way (Table 2).

¹¹ An interview with a German diplomat, Berlin.

Table 2. Strategic Partnerships between China and the EU Member States

State	Year	Partnership type
France	2004	Strategic partnership
	2010	Comprehensive strategic partnership
	2014	Close and permanent comprehensive strategic partnership for a new era
Germany	2004	Partnership in global responsibility as part of the China-EU strategic partnership
	2014	Comprehensive strategic partnership
Italy	2004	Stable, friendly, long-term and sustainable strategic partnership
United Kingdom	2004	Comprehensive strategic partnership
	2015	Global, integrated strategic partnership for the 21st century
Spain	2005	Comprehensive strategic partnership
	2018	Comprehensive strategic partnership for a new era
Poland	2011	Strategic partnership
	2016	Comprehensive strategic partnership
Portugal	2005	Comprehensive strategic partnership
Greece	2006	Comprehensive strategic partnership
Denmark	2008	Comprehensive strategic partnership
Ireland	2012	Strategic partnership of mutual benefits
Hungary	2017	Comprehensive strategic partnership
Czech Republic	2016	Strategic partnership

Source: authors' compilation based on information at the website of the Ministry of Foreign Affairs of the PRC, www.fmprc.gov.cn.

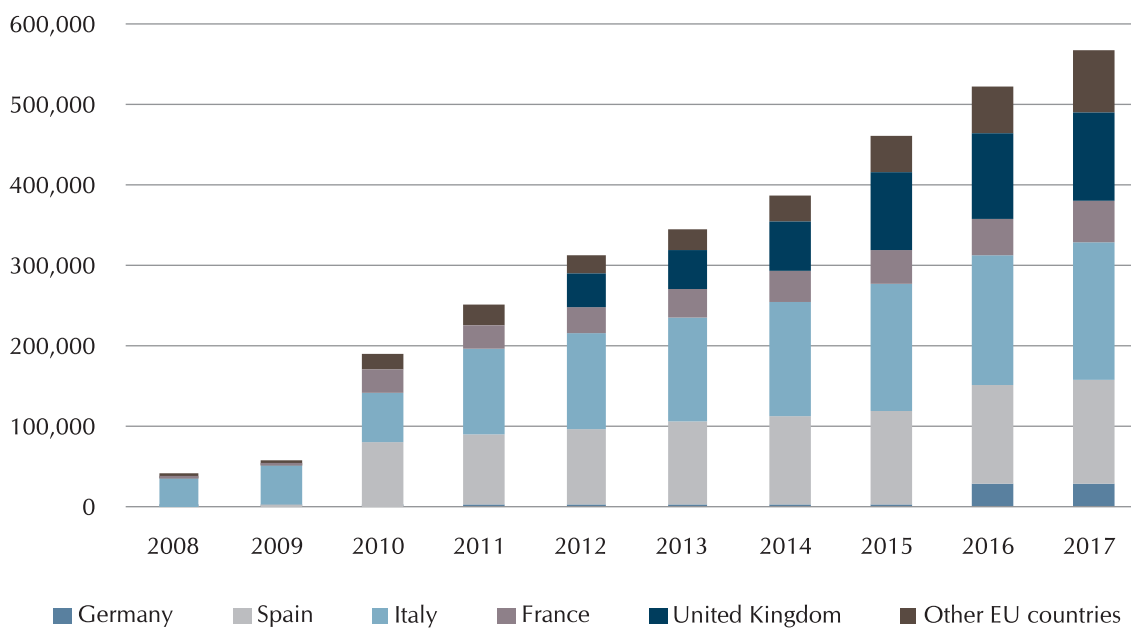
China is trying to focus on bilateral relations with the EU states with the aim of encouraging a favourable stance towards Chinese matters and to weaken the EU's common critical position. To this end, the Chinese have used, for example, the "16+1" ("17+1") format¹² (China and 16, now 17 Central European countries) and high-level visits by Chinese leaders in individual EU countries. During the visits, they offer investments (usually as part of the Chinese Belt and Road Initiative, BRI) as a form of assistance to countries with economic problems (e.g., Portugal, Italy, the countries of Central Europe).

1.1.3. Social Relations

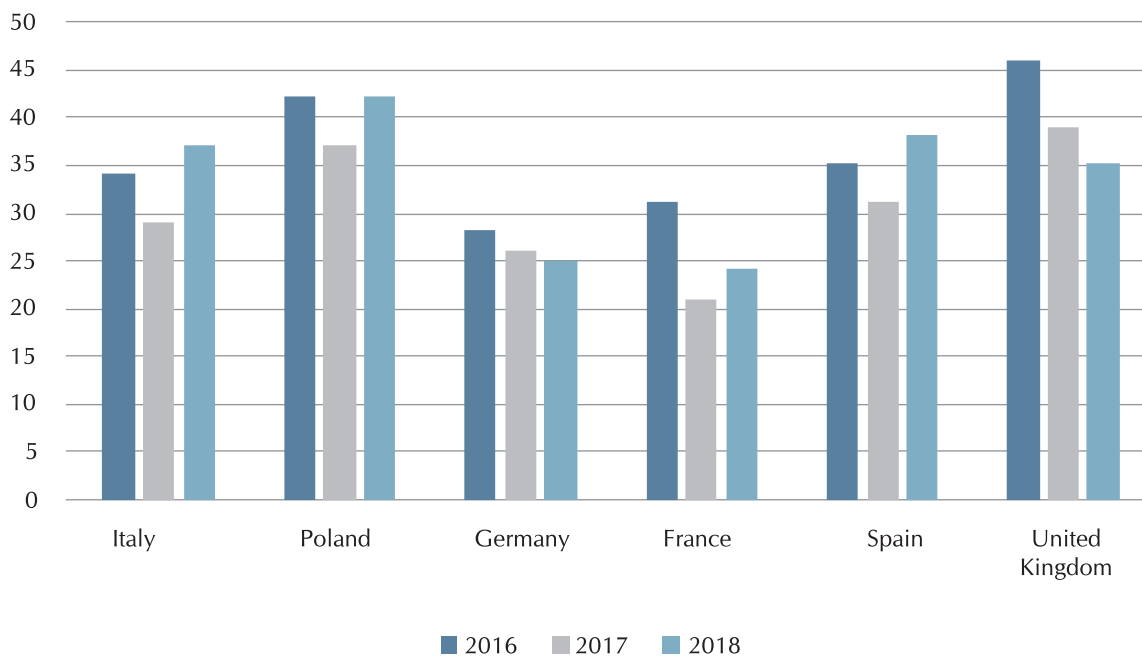
The importance of the social aspect of EU-Chinese relations has grown. In 2016, over 10% of the foreign students studying in the EU came from China.¹³ In 2008, fewer than 40,000 Chinese lived in the EU as permanent residents. According to Eurostat data, by the end of 2017, this number had increased to more than 500,000, the vast majority having settled in Italy, Spain, the UK, Germany, and France (Fig. 3). It is difficult to state clearly whether the growing numbers of students and permanent Chinese residents in EU states are affecting the adoption of initiatives with Chinese partners at the local level or the inflow of Chinese is the result. The activation of these communities can foster new relationships and intensify existing partnerships.

¹² In April 2019, after adding Greece to the group, its name was changed to "17+1."

¹³ "Learning Mobility Explained," Eurostat, September 2018, <https://ec.europa.eu>.

Figure 3. Chinese Living in the EU (long-term residency), 2008–2017

Source: authors' compilation based on Eurostat data.

Figure 4. Positive Perception of China in Selected EU States, 2016–2018 (%)

Source: authors' compilation based on Eurobarometer.

However, China is perceived by many Europeans negatively (by 53% in 2018, on average, among the Member States). Although public opinion differs significantly by country, in none of the analysed Member States does a positive assessment prevail. In the UK, France, and Germany, the percentage of people declaring a positive perception of China has decreased in the last three years. In 2018, the highest level of positive perception was in Poland, followed by Spain and Italy, respectively 42%, 38%, and 37%, compared with the EU average of 36% (Fig. 4). In the case of Poland, the percentages of those who either perceived China positively or negatively was evenly split, at 42% each. In Spain, there was more negative sentiment than positive (50% to 38%, respectively) and also in Italy (53% to 37%).¹⁴

1.2. EU-China Paradiplomacy—The Perspectives of Six EU Member States

By means of surveys, information about cooperation with China in 67 regions of five EU states was collected. Data on an additional 10 regions were supplemented from other sources. In total, information was collected from 77 regions in France, Spain, Germany, Poland, and Italy, which is 94% of all local governments at the regional level (Table 3).

Table 3. Regions in France, Spain, Germany, Poland, and Italy Included in the Survey¹⁵

	Regions studied as part of the project	Information from other sources	Regions with information on partnerships	Total number of regions in the country
France	11	1	12	13
Spain	16	1	17	17
Germany	8	8	16	16
Poland	16	0	16	16
Italy	16	0	16	20
Total	67	10	77	82

Source: authors' compilation.

Based on data obtained in 2017, nearly 80% of the regions in France, Spain, Germany, Poland, and Italy cooperate with partners from China. In addition, information was also obtained on 12 local government units from the UK (two regions and 10 cities), all of which declared having partners in China. Of the regions that currently have no partnerships with China, five had them in the past (out of the 16 reporting no current cooperation, hereinafter “non-cooperating”) and 11 never did. Of the non-cooperating regions, 10 declared the will to establish contacts with Chinese partners, and some of them in the survey period (2017) were in consultations (Map 1).

In total, **146 partnerships with China** were identified among all of the analysed local government units of the six largest EU states. Of the local governments, representatives of 77% declared these partnerships were active at the time, 15% not active, and in the remaining cases there is no information (Fig. 5). Notably, there are several cases in Spain with no active relations, specifically two regions: Valencia¹⁶ and La Rioja. The term “active relationship” is defined as cooperation in which any joint activity has been undertaken in the last two years. However, the term “not active” refers to a relationship in which there has been no activity in the last two years but it is possible that the cooperation will be resumed in the near future.

¹⁴ “Special Eurobarometer 479, Future of Europe,” October–November 2018.

¹⁵ Without the UK.

¹⁶ For more information about this region, please see p. 46.

Map 1. Selected Cities and Regions of Six EU Member States in Cooperation with Chinese Partners

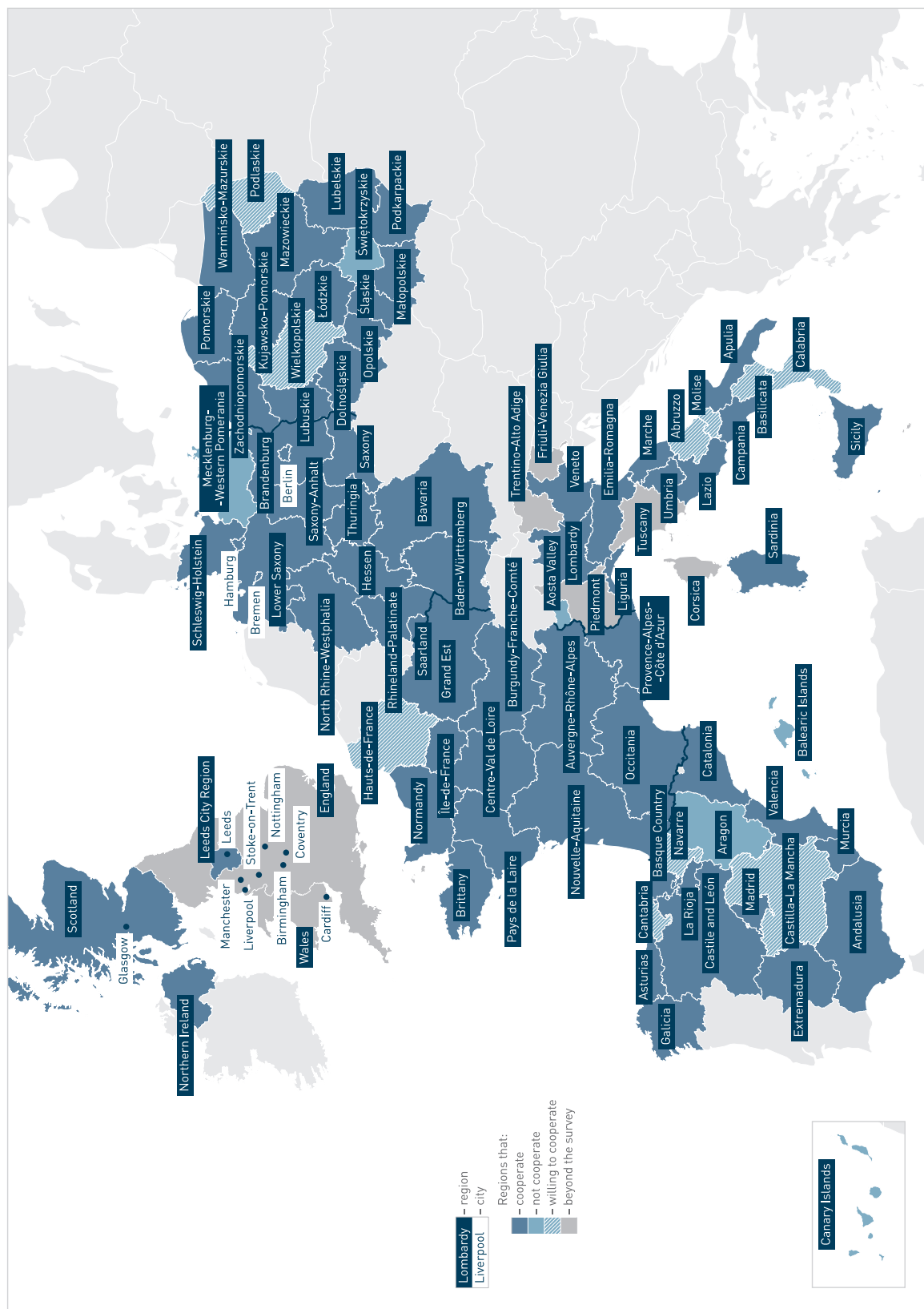
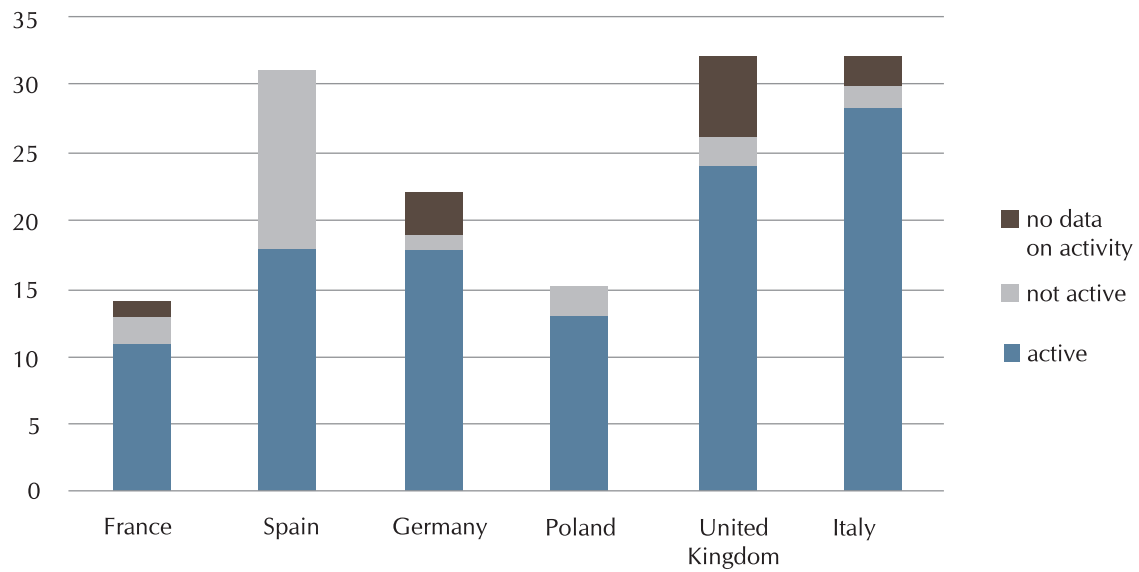
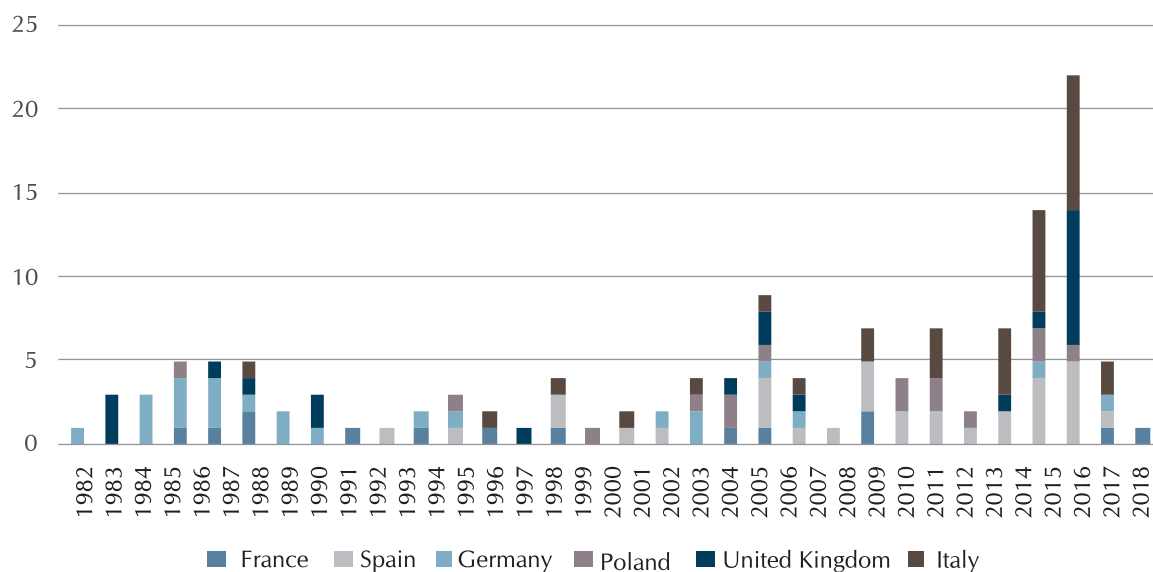


Figure 5. Partnerships with China by Individual Member State

Source: authors' compilation.

When describing the dynamics of the contact, both the situation in each individual European state and its policy towards China should be considered. The contacts at the regional level began to be made in the 1980s, particularly with German Länder, French regions, and British local governments. Another period of increased cooperation activity occurred at the beginning of the 21st century when new relations were established with the Spanish, Polish, and Italian regions. A period of less activity was 2007–2009, which could have been related to the economic crisis in Europe. Another revival of contacts took place after 2014, probably in connection with both the BRI as well as changes in the foreign and domestic policies of individual states, such as Italy. More than half of the newly established relationships came within the years 2014–2016 (Fig. 6).

Figure 6. Partnerships with China in 1982–2018 by Six Member States

Source: authors' compilation.

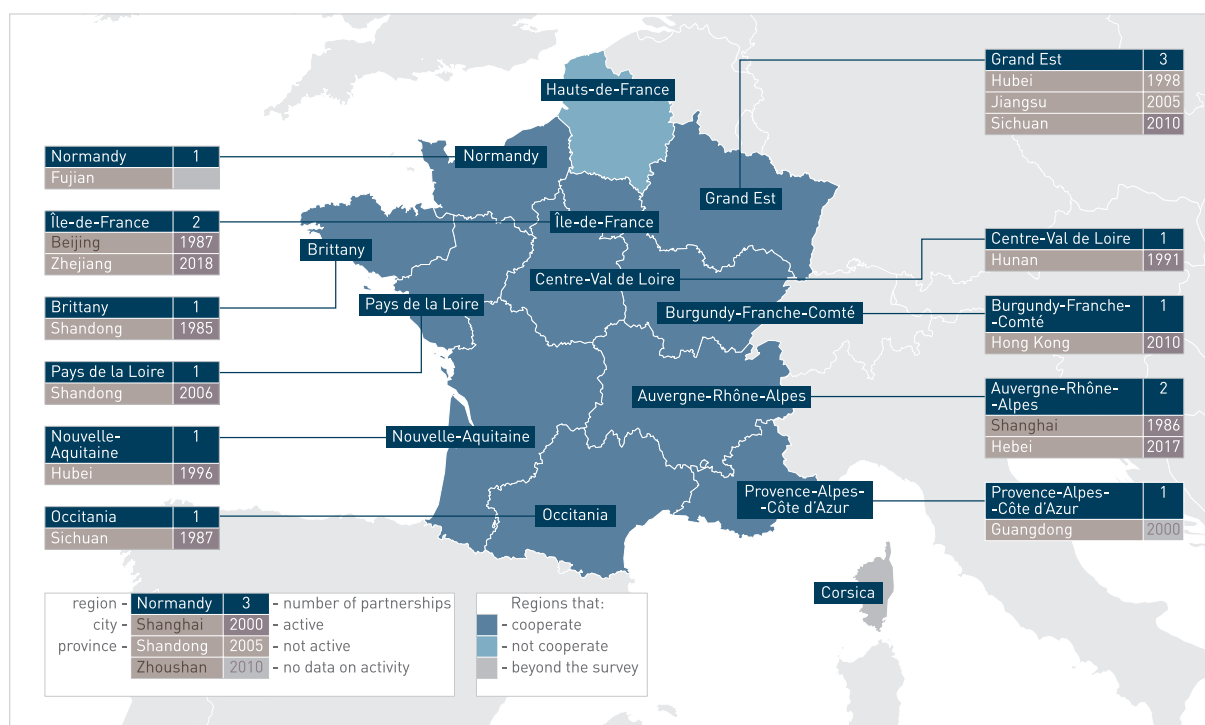
The characteristics of the contacts with China, divided by the individual European states, is presented below, and in the next chapter, the relations with specific European regions will be analysed from the Chinese perspective. For each of the six Member States, brief information is presented on their relationship with China at the government level, followed by an itemised list of characteristics of the cooperation at the regional level.

1.2.1. France

France was the first Western European country to sign a comprehensive partnership agreement with China (1997). The partnership was renewed in subsequent years, giving it a higher status. Relations have been dominated for years by economic exchange, and since 2013, a French-Chinese high-level dialogue on economic matters and trade has been taking place every year. China remains France's sixth-largest trading partner, with the latter recording a deficit of about €30 billion in 2017.

Under the presidency of François Hollande (2012–2017), more attention was paid to decentralised cooperation. China, too, would like to maintain relations with France not only with the central authorities but also at a lower level, including with provinces from China's western and central parts.¹⁷ In addition, as a result of the territorial reform of 2016, the French provinces gained more opportunities for economic cooperation. New this year is the National Commission for Decentralised Cooperation in the Ministry for Europe and Foreign Affairs. The commission perceives paradiplomacy as a tool to strengthen France's position in the world. In the case of French-Chinese relations, regional contact, especially in the economic dimension, is meant to strengthen the comprehensive strategic partnership.¹⁸

Map 2. Cooperation of French Regions with Chinese Provinces and Cities



¹⁷ A. Ekman, J. Seaman, "France and China: A not so 'special' relationship," in: M. Huotari, M. Otero-Iglesias, J. Seaman, A. Ekman (eds.), *Mapping Europe-China Relations. A Bottom-Up Approach*, ETNC Report, October 2015.

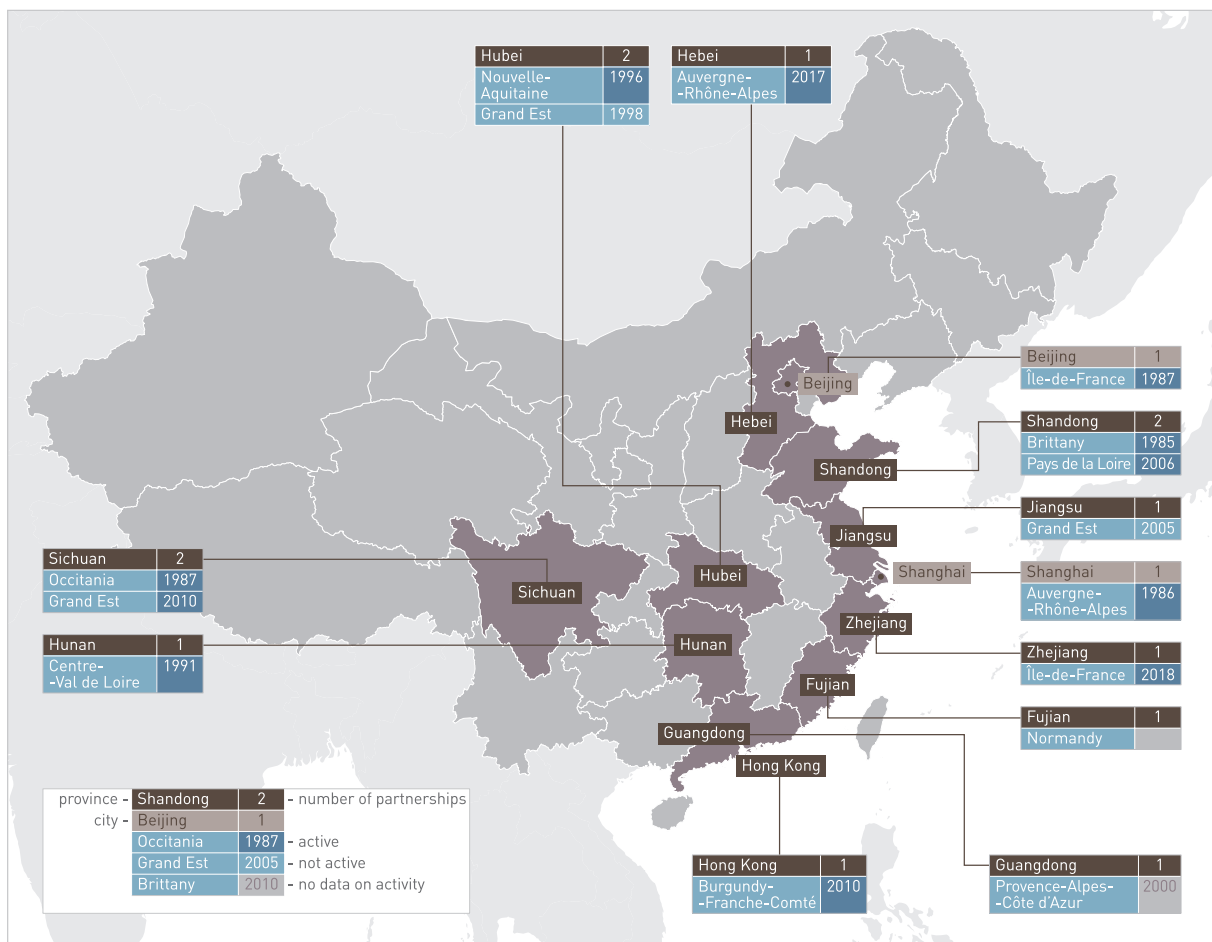
¹⁸ "China-France Joint Fact Sheet on the 4th High Level Economic and Financial Dialogue," 16 November 2016.

France's metropolitan areas are divided into 13 regions.¹⁹ Of these, 11 responded to the survey (no response from Normandy or Corsica) and 10 have active cooperation with China. Only the region Hauts-de-France, which had previously worked with the city of Tianjin, has ended it for now. The region declares it is interested in cooperation and looked for a partner in 2017. From other sources, it is known that a 12th region—Normandy—has one partner from China. In total, 13 partnerships were identified among the surveyed regions, four of which were established in the 1980s. Some of them were renewed (for example, Occitania signed another agreement with the province of Sichuan in 2014). Three more partnerships were established in the 1990s, others after 2005. Only two relations were assessed as not active (Maps 2 and 3).

Characteristics

- The **economic sector** dominates the contact. All the regions surveyed recognise the benefits of cooperation in the economic sphere and they point to business entities as local partners in contact with China, with economic missions as one of the most frequently indicated forms of activity. The activities undertaken are primarily to support French enterprises.
- Most regions also point to **academic cooperation**. All surveyed units indicated universities as a local partner. The contact concerns both the cooperation of scientists and student exchanges.

Map 3. Cooperation of French Regions with Chinese Provinces and Cities on a Map of China



¹⁹ There are also overseas departments and territories and overseas territorial communities, but they were not examined within this project.

- Although some French regions still maintain **regional representations** in the partner provinces, there are instances of a changing formula in their cooperation in the Chinese regions. They have closed offices and instead cooperate with French entities that have delegated bodies in China, e.g., Business France (BF), a national agency for the promotion of exports and investments. The first region to sign an agreement with BF was Pays de la Loire.
- The international activity of local governments is **supported by central authorities**. Every two or three months there are meetings of regions and cities in Paris with a representative of, among others, Minister of Foreign Affairs. Projects, regional cooperation strategies and current events are discussed. For example, BF offers the regions its exhibiting pavilions at trade fairs.²⁰
- The French regions also participate in projects that are part of the Chinese **BRI**. In April 2016, the first train from the Chinese city of Wuhan (Hubei province) reached Lyon, inaugurating a freight railway connection between the metropolises (11,300 km in 16 days). In tandem with the BRI, Normandy included its ports, including the largest French port of Le Havre. Local governments look for ways to attract Chinese investments to the French regions and build links with the Chinese market.²¹ The French government, like most Western European countries has not signed the BRI-related Memorandum of Understanding (“BRI MoU”).²²
- French regions and cities have their own **cooperation platforms for units engaged in foreign contact**. An example is Cités Unies France, a federation of cities and regions involved in international cooperation. It is responsible, among others, for organising meetings with countries where the French regions have contacts. This kind of cooperation platform is also organised for local governments cooperating with China. In November 2018, in Toulouse, the capital of Occitania, six French-Chinese meetings concerning decentralised cooperation were held. The contact with Chinese provinces and cities is also supported by the Association of French Regions.

1.2.2. Spain

There is a political consensus in Spain regarding policy towards China. The government avoids raising difficult topics related to human rights, fearing that it may negatively affect economic relations, which remain a constant priority for the central government. In November 1990, during the period of isolation of China by European states, the Spanish Foreign Minister Francisco Fernandez Ordonez was the first representative of a West European state to visit Beijing. In the government’s first action plan for the Asia-Pacific region, published in 2000, China was indicated as the “most suitable country” for Spanish cooperation in Asia. In 2005, Spanish-Chinese relations were raised to the level of a strategic partnership. At the same time, China is the second-largest foreign holder of Spanish government bonds, and the level of bilateral foreign direct investment has been increasing significantly since 2010.²³ Their good relations was confirmed during a visit by Chinese leader Xi Jinping to Madrid in November 2018 to mark the 45th anniversary of the establishment of diplomatic relations. The meeting focused on cooperation within the framework

²⁰ Interview with a representative of the Auvergne-Rhône-Alpes region.

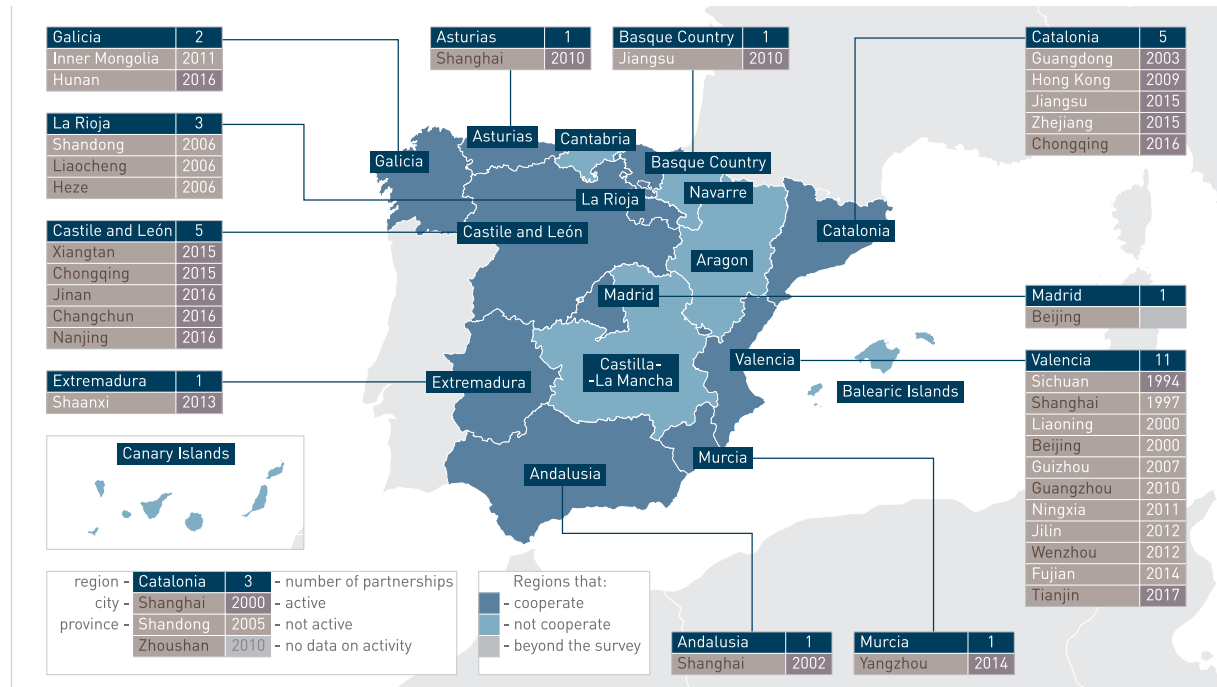
²¹ J. Seaman, A. Ekman, “France: On the Periphery of China’s New Silk Roads,” in: F.-P. van der Putten, M. Huotari, J. Seaman, A. Ekman and M. Otero-Iglesias (eds.), *Europe and China’s New Silk Roads*, ETNC Report, December 2016.

²² China wants to sign a kind of declaration of willingness with states, a so-called “BRI MoU,” to cooperate within this initiative. The documents are of a general nature (although not all are publicly available, which raises doubts about their actual content) and China treats them in a prestigious manner as an expression of support for BRI. The MoUs also serve as a key statistic for China because they view signing an MoU as automatically including a given country in the BRI. In the last 2–3 years, due to increasing criticism of projects implemented under BRI, many countries in Western Europe have been reluctant to sign such MoUs as long as they are recognised as an expression of political support for China and its opaque initiative.

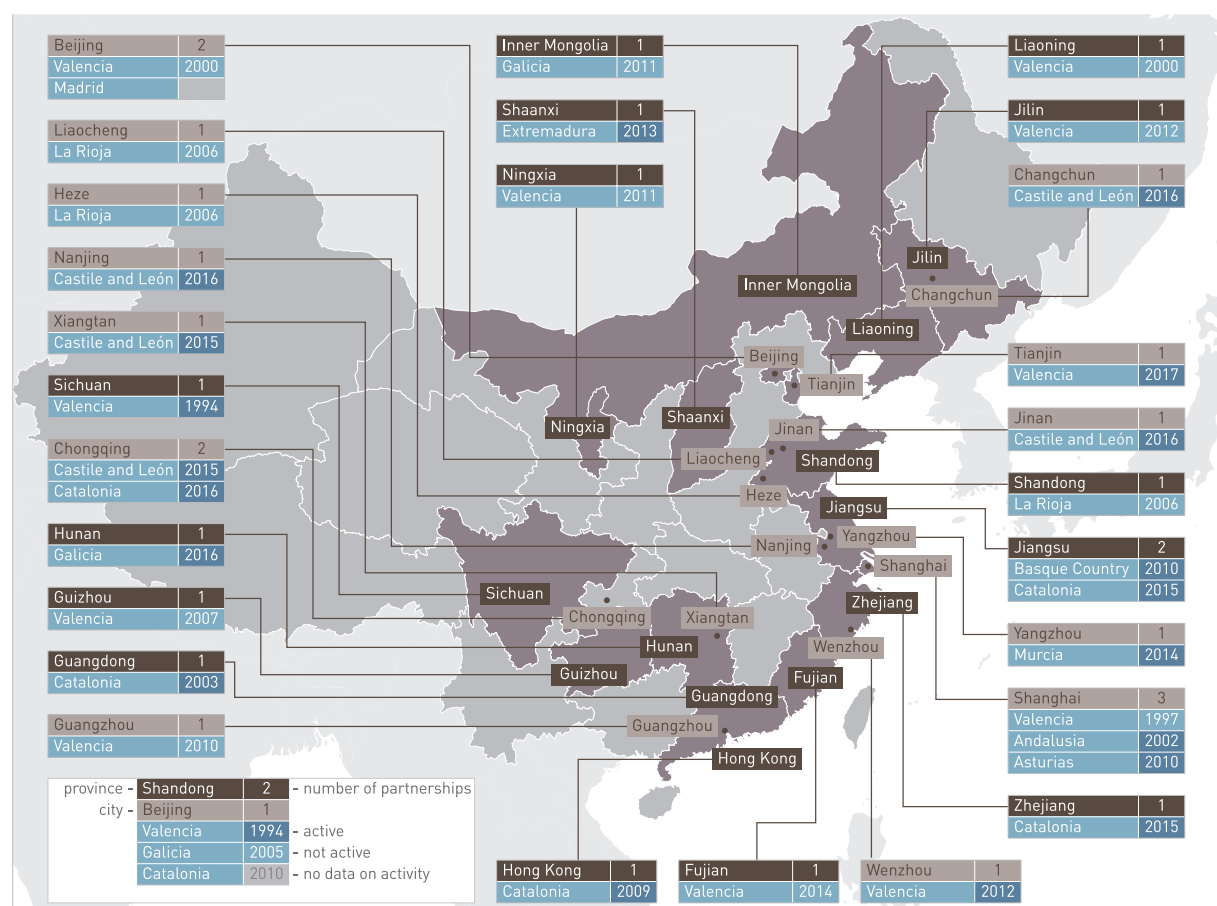
²³ M. Esteban, “Spain-China relations: friends but not partners,” in: M. Huotari, M. Otero-Iglesias, J. Seaman, A. Ekman (eds.), *Mapping Europe-China Relations. A Bottom-Up Approach*, ETNC, October 2015

of the BRI and the economy. During the visit, relations were raised, in the Chinese nomenclature, to an comprehensive strategic partnership for a new era, a new kind of strategic partnership characteristic of Xi's second term of office.

Map 4. Cooperation of Spanish Regions with Chinese Provinces and Cities



Map 5. Cooperation of Spanish regions with Chinese Provinces and Cities on a Map of China



Despite Spain's concentration on economic issues and the increase in Spanish exports to China of 28.3% in 2017, trade cooperation is quite low compared to other European countries.²⁴ Only 2.7% of Spanish exports goes to China and in 2017, the trade deficit amounted to €19.4 billion. Spain is seventh in the EU in terms of Chinese direct investment.

Most of Spain's 17 regions took part in the survey in 2017; 14 autonomous communities sent completed questionnaires and for two others, information about the region was received by e-mail, while one region—Madrid—did not respond to the questionnaire and the partnership information was supplemented with data from websites. Of the 17, 11 declare active cooperation with Chinese partners and three (Aragonia, Cantabria, and Navarra) had contact in the past but their partnerships are currently not active. Among the three, Cantabria and Navarra indicate a willingness to enter into a new partnership. By contrast, the regions Balearic Islands, Castilla-La Mancha, and the Canary Islands did not have or do not have any current partnerships with the Chinese regions. However, Castilla-La Mancha declare its intention to seek cooperation in the future (Maps 4 and 5).

Characteristics

- In comparison with the other surveyed Western European countries, the Spanish autonomous communities are characterised by **young partnerships with China**. In addition to the first partnership established with Valencia in 1994, the remaining partnerships were established at the beginning of the 21st century, with the greatest activity after 2010. This timing is connected, among other things, with greater interest in cooperation with China but also the intensification of Spanish-Chinese relations at the central level, including Chinese investment that supported Spain during the financial crisis.
- The **economic and academic dimensions dominate** the spheres of cooperation. Economic entities and scientific units are the most frequently indicated local cooperation partners with China.
- The contact at the level of regional authorities is also used to **develop tourism and promote Spanish language and culture**. Culture, tourism, support for entrepreneurs, and the development of trade are also the most frequently indicated benefits of the partnerships with China. The Spanish regions try to use the Chinese interest in Spain's culture and language to promote less popular regions and cities to tourists from China.
- Cities and regions show an interest in **involvement in BRI**. Madrid was the second city to host a Silk Road Forum (the first was Istanbul), in 2015. The main BRI project in Spain is the freight rail connection between Madrid and Yiwu, the longest of its kind in the world and inaugurated in December 2014. The connection gives an opportunity to increase, especially, food exports to China.²⁵ The Spanish government, like most Western European countries, has not signed a BRI MoU.

1.2.3. Germany

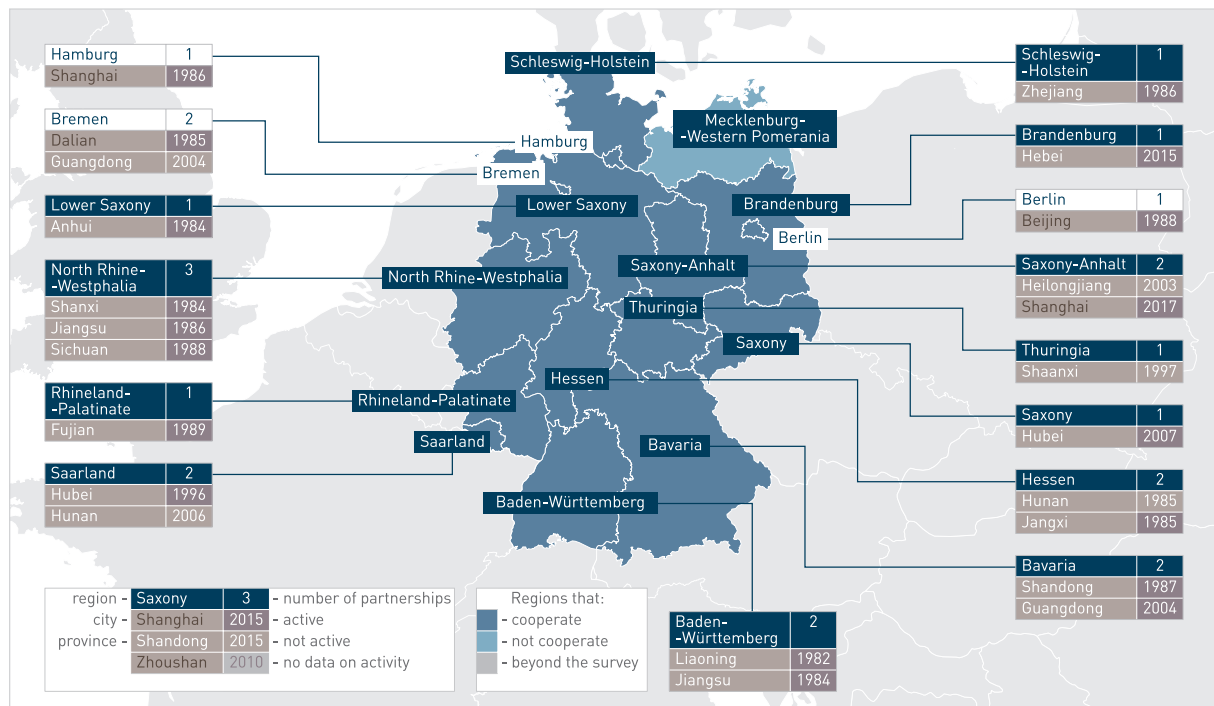
China is Germany's largest trading partner, larger than the U.S. and France. It is one of the few countries in the world that maintains a positive trade balance with China, and the Chinese market is important for key sectors of the German economy (e.g., the car industry). The importance of economic relations largely determines the shape of their political relations. There are more than 80 different forums for bilateral dialogue covering a wide range of topics. Germany, in its policy

²⁴ M. Esteban (ed.), *Relaciones España-China*, Real Institute Elcano, November 2018.

²⁵ M. Esteban, M. Otero-Iglesias, "Spain: Looking for Opportunities in OBOR," in: F.-P. van der Putten, M. Huotari, J. Seaman, A. Ekman and M. Otero-Iglesias (eds.), *Europe and China's New Silk Roads*, ETNC Report, December 2016.

towards China, tries, on the one hand, to look after the interests of German entrepreneurs (e.g., by demanding easier access to the Chinese market), and on the other hand, to defend itself against threats related to China's expansive policy (e.g., taking over German companies of strategic importance).

Map 6. Cooperation of German Regions with Chinese Provinces and Cities



China also is important at the subnational level. Germany's constitution leaves the Länder great freedom in shaping contacts with foreign partners. In contrast to China, Germany does not treat paradiplomacy as an instrument of its foreign policy but still attaches great importance to it. Foreign relations with Länder help achieve the objectives of federal policy towards China, such as, for example, the development of social and academic contacts, promotion of exports, cooperation against the effects of climate change. A German diplomat put it this way:

*"The political relations between Germany and China are close. The economic relations—even closer. In comparison, social, academic, or cultural relations are clearly less developed."*²⁶

Länder Partnerships are also an independent channel of relations with China that can maintain continuity of relations even in the event of a possible conflict or deterioration of relations at the federal level.

All Länder except Mecklenburg-Western Pomerania cooperate with Chinese provinces. Relations with partners from China are also developed over 130 cities and municipalities.²⁷ The German Länder were among the first regions in Europe to benefit from the opening of China to the world thanks to the reforms of Deng Xiaoping. Out of 23 partnerships identified, more than half date back to the 1980s. Two subsequent partnerships were established in the 1990s and the remainder in the 21st century. Only two partnerships were initiated after 2013, which means that in Germany's case, BRI has had little influence on establishing new regional partnerships. Out of the 23 declared partnerships, five were assessed as not active in 2018 (Maps 6 and 7).

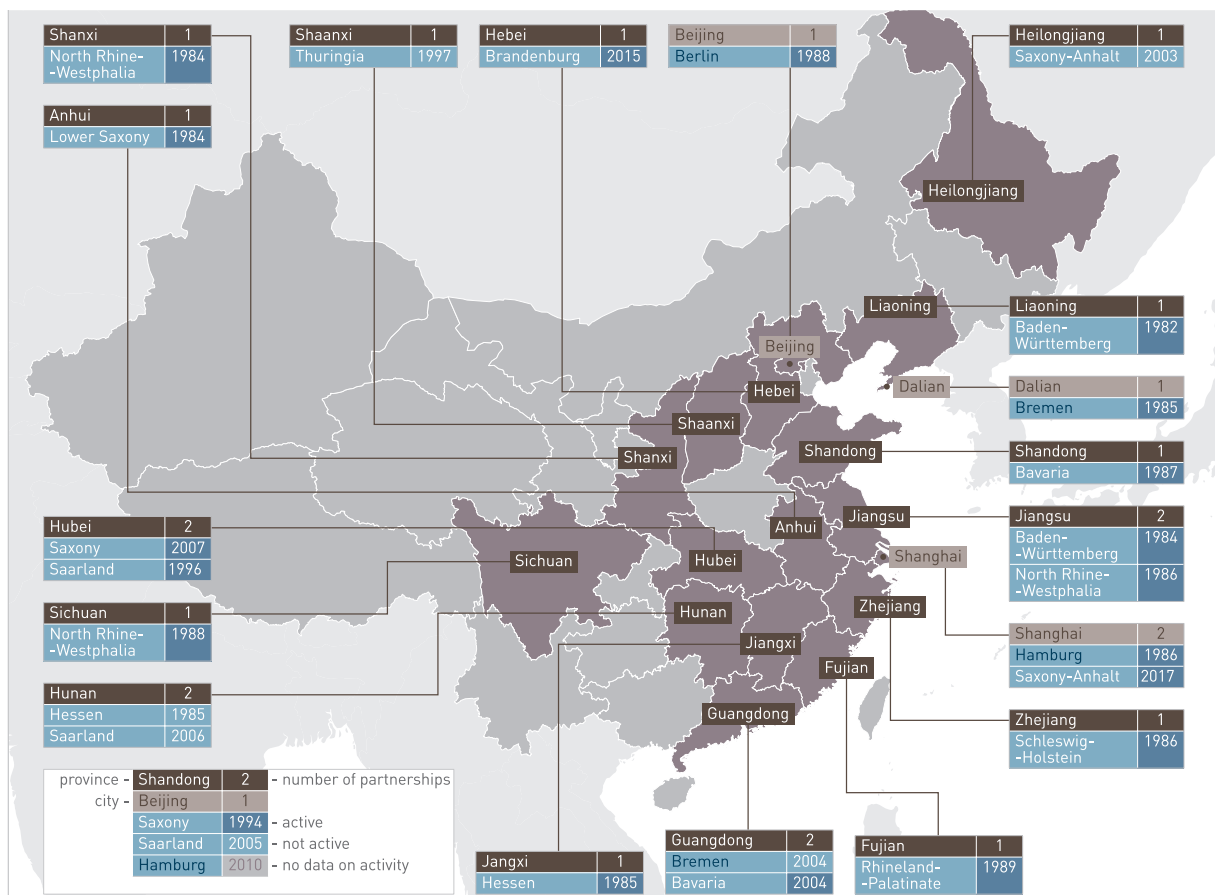
²⁶ Interview with a German diplomat, Berlin.

²⁷ A. Goette, Gao Qinlan, *Deutsch-Chinesische Kommunalbeziehungen*, Bonn: Servicestelle Kommunen in der Einen Welt, 2018.

Characteristics

- **Economic issues dominate** the contact at the regional level are largely focused on supporting German companies and attracting Chinese investments.
- **The densest network of relations have the regions that export most to China**, that is, North Rhine-Westphalia (three active partnerships), Bavaria and Baden-Württemberg (two each). There are also differences between the former East (GDR) and West (FRG) Germany. Länder in the former GDR established their first contact only after unification and have, at most, one active partnership.
- Other important subjects of cooperation are **environmental protection** and **combating climate change**.²⁸ The Länder and German cities thus support the implementation of political priorities defined at the federal level.
- **Relations with provinces stimulate the development of contact with universities**. Germany's university portal listed about 1,200 various bilateral agreements between German and Chinese universities in 2017, in student exchanges or research projects. At that time, around 8,000 students from Germany studied in China and more than 37,000 Chinese students in Germany.²⁹

Map 7. Cooperation of German Regions with Chinese Provinces and Cities on a Map of China



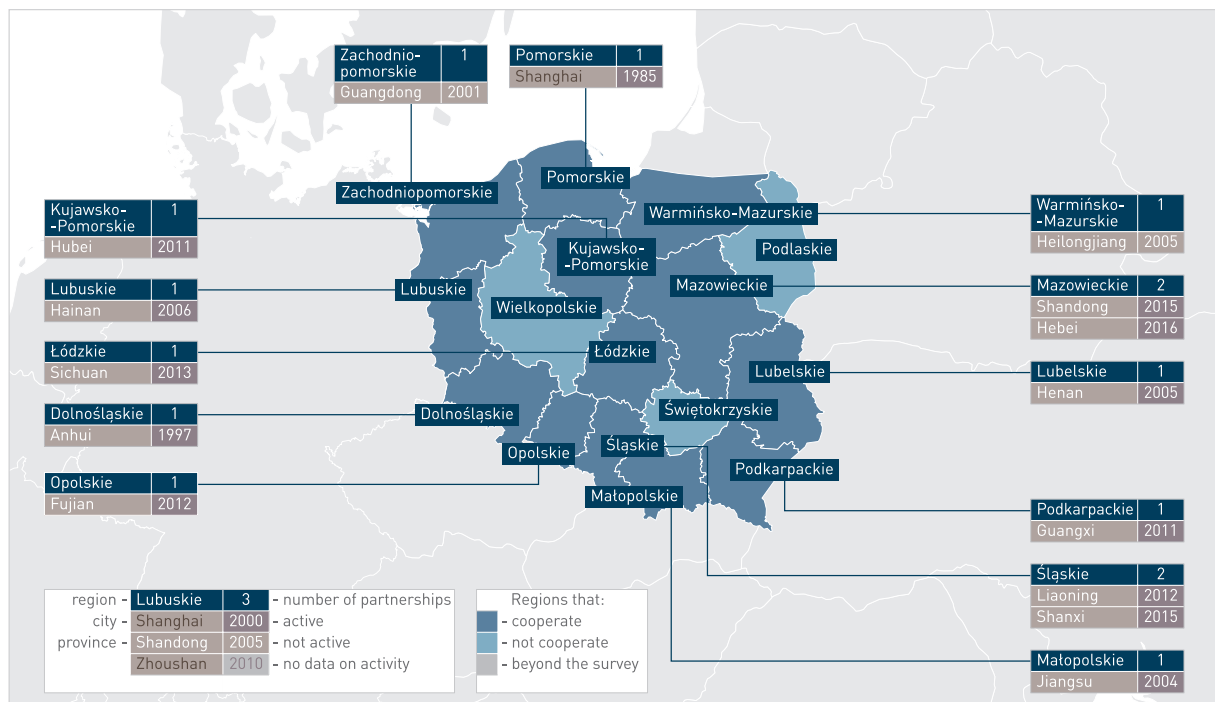
²⁸ *Ibidem*, p. 75.

²⁹ *China*, German Federal Foreign Office, www.auswaertiges-amt.de.

1.2.4. Poland

With Poland's accession to the EU, Polish regions became more attractive to geographically distant countries, including China. The intensification of bilateral relations at the central level was also important. In the declaration signed in 2011 on the Polish-Chinese strategic partnership, contacts between regions and provinces are indicated as one of the areas of cooperation. As a result, in 2013, the Regional Forum Poland-China, was established as a platform for contacts between entities from regions, cities, and provinces. Poland also responded positively to the Chinese BRI, announced in 2013, and during the visit by PRC's Chairman to Poland in 2016, the level of relations was raised to comprehensive strategic partnership.

Map 8. Cooperation of Polish Regions with Chinese Provinces and Cities



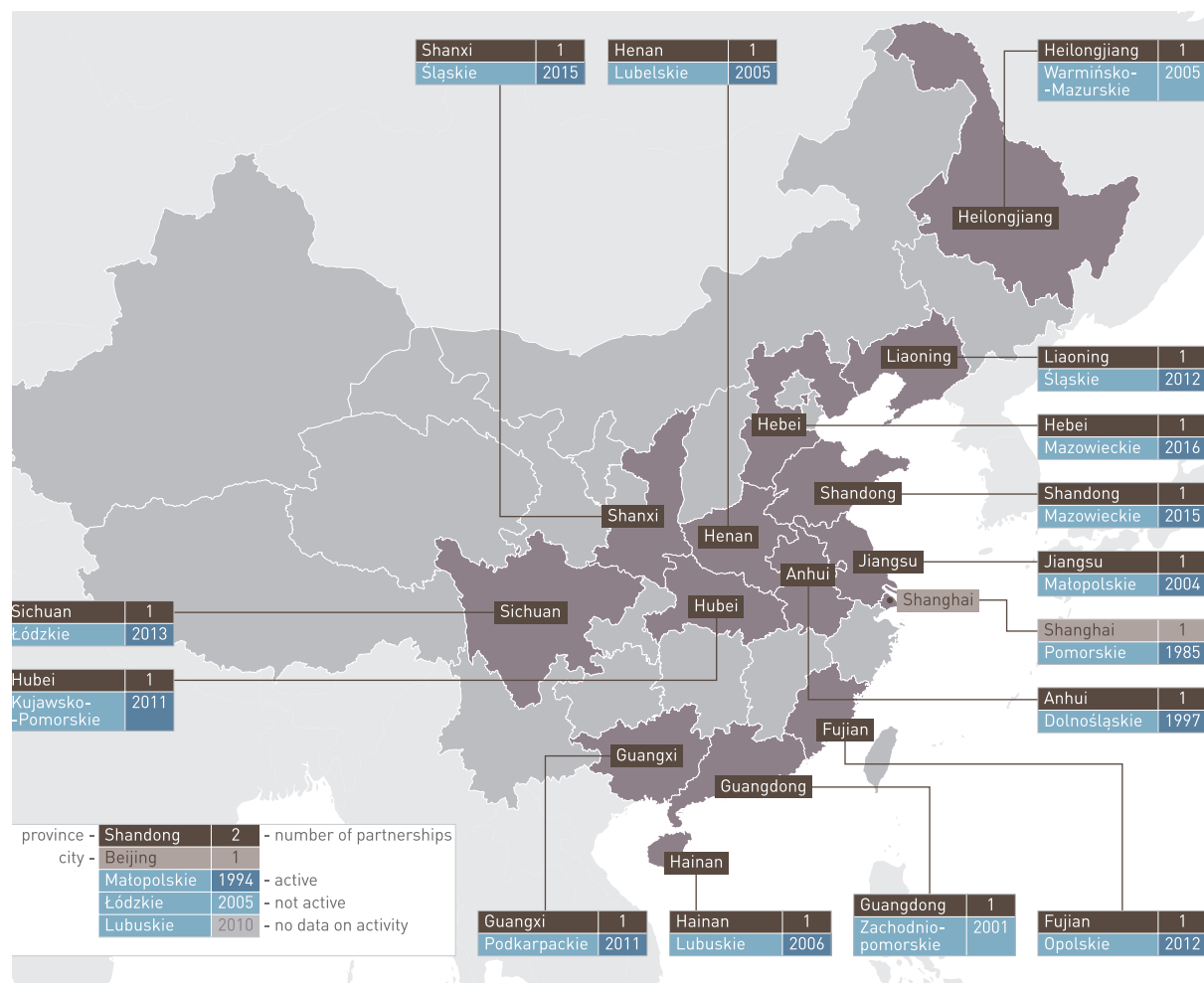
The Poland's main goal in relations with China is economic cooperation, including, above all, increasing Polish exports to China. The high trade deficit on the Polish side remains the biggest problem. In 2011, it amounted to almost €12 billion and the proportion in trade was 10:1, meaning Poland imported 10 times more goods from China than it exported. In 2015, this proportion increased to 11: 1 (on a deficit of €18.6 billion), and in 2016 to 12:1. In the following year, the deficit reached €22 billion, and in 2018, €24 billion.³⁰ It should be noted that a significant portion of Polish goods and semi-finished products go to China indirectly, mainly by way of an EU partners. Political relations between Poland and China, however, have weakened since mid-2017. The Polish authorities negatively assess China's implementation of the strategic partnership. This is evidenced by the unsatisfactory trade statistics, primarily the still-growing deficit on the Polish side. Other reasons include concerns about Chinese investments in Europe, negative evaluations of the economic and political results of the "16/17 + 1" format and the BRI, and increasing difficulties in maintaining the dynamics of the bilateral high-level political dialogue.

Polish local and regional authorities have tried to use the intensification of relations at the government level and China's greater interest in Poland and Central Europe. The number

³⁰ Synthetic information on Poland's exports and imports, January–December 2018 in million euros, Ministry of Enterprise and Technology, www.gov.pl.

of Chinese cities and provinces increased among the foreign partners of Polish regions. China has become the most popular non-European cooperation entity of the Polish provinces. The Chinese provinces were third (after Ukraine and Germany) among the declared foreign partners of Polish regions in 2016. At the beginning of 2017, cooperation with Chinese provinces was declared by 13 voivodeships, of which only two—Zachodniopomorskie and Warmińsko-Mazurskie—described this contact as not active. Three Polish regions—Świętokrzyskie, Podlaskie and Wielkopolskie—did not have partners in China, but the latter two planned to establish such a partnership in the future (Maps 8 and 9).

Map 9. Cooperation of Polish Regions with Chinese Provinces and Cities on a Map of China



Characteristics

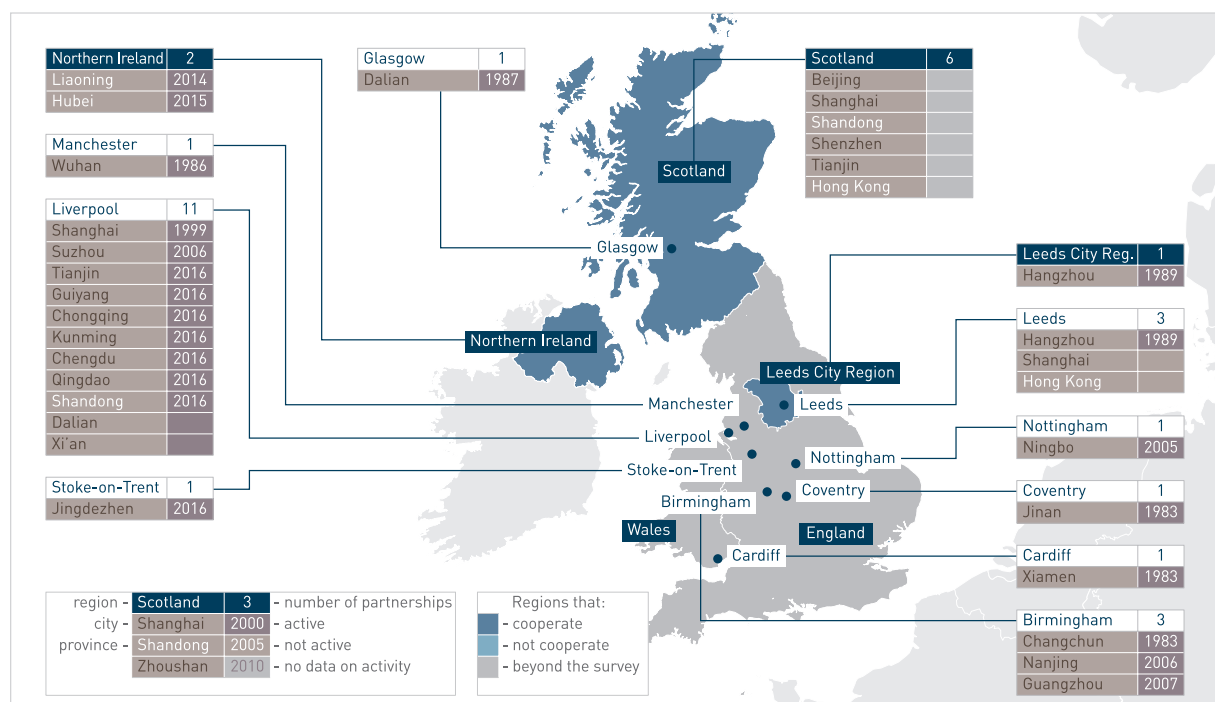
- The degree of activity involving the Polish regional authorities is **based on relations at the central level**. The intensification of Polish-Chinese relations at the government and presidential levels in 2011–2017 has translated into an increase in interregional activity. Since the establishment of the Polish-Chinese strategic partnership (2011), nine new partnerships with Chinese provinces have appeared. On the other hand, the weakening of international relations in 2017 resulted in less active contact between the regions.
- The **initiative to establish or intensify cooperation lies more often with Chinese partners**. The Polish local governments also have the opportunity to participate in Chinese initiatives promoted in Europe, such as in the “16/17+1” and BRI. The most famous example of this activity that the Polish part of the “Silk Road Railway,” the Łódź-Chengdu connection. However,

the expectations of both parties regarding the use of BRI have not been met. There are not many undertakings—investments or projects—to prove the success of this initiative. As part of the “16/17 + 1” initiative, there is a forum for local governments in which Polish representatives of cities and regions participate.

- Relations place great emphasis on supporting **economic and academic contacts**. Cooperation in the cultural dimension is treated as an element accompanying meetings, fairs, and conferences.
- **The economic dimension of cooperation** is primarily supported by the Polish regional authorities. The prerogatives of voivodeships’ self-government include the promotion and support of local business entities. An important partner for offices are regional development agencies, which in many voivodeships are companies appointed by their leaders (marshals). Among the tasks of the agency is to support the development of entrepreneurship, innovation, and competitiveness of regional companies. The agencies most often are the organisers or co-organisers of business missions and forums in China.
- Among the main **barriers to cooperation**, local governments indicate the **geographical distance** and related **costs** of undertaking joint actions. Another constraint is the different scope of competence of territorial administration in China and Poland, which may lead to differences in the expectations of partners from both countries. The tasks of the Polish territorial administration are primarily to support domestic entrepreneurs on foreign markets while the Chinese regions should first of all implement the foreign central government’s policy objectives.
- **Polish-China Regional Forums** were an effective and well-regarded initiative by Polish local governments. The annual event, taking place in 2013–2016, provided an opportunity for contact between interested entities from regions, provinces, and cities. Since 2016, subsequent forums have failed to be organised, partly due to difficulties in reaching agreement with the central authorities of both countries regarding the programme and participants (mainly at the higher level) of the forum. The next forum should take place in China.

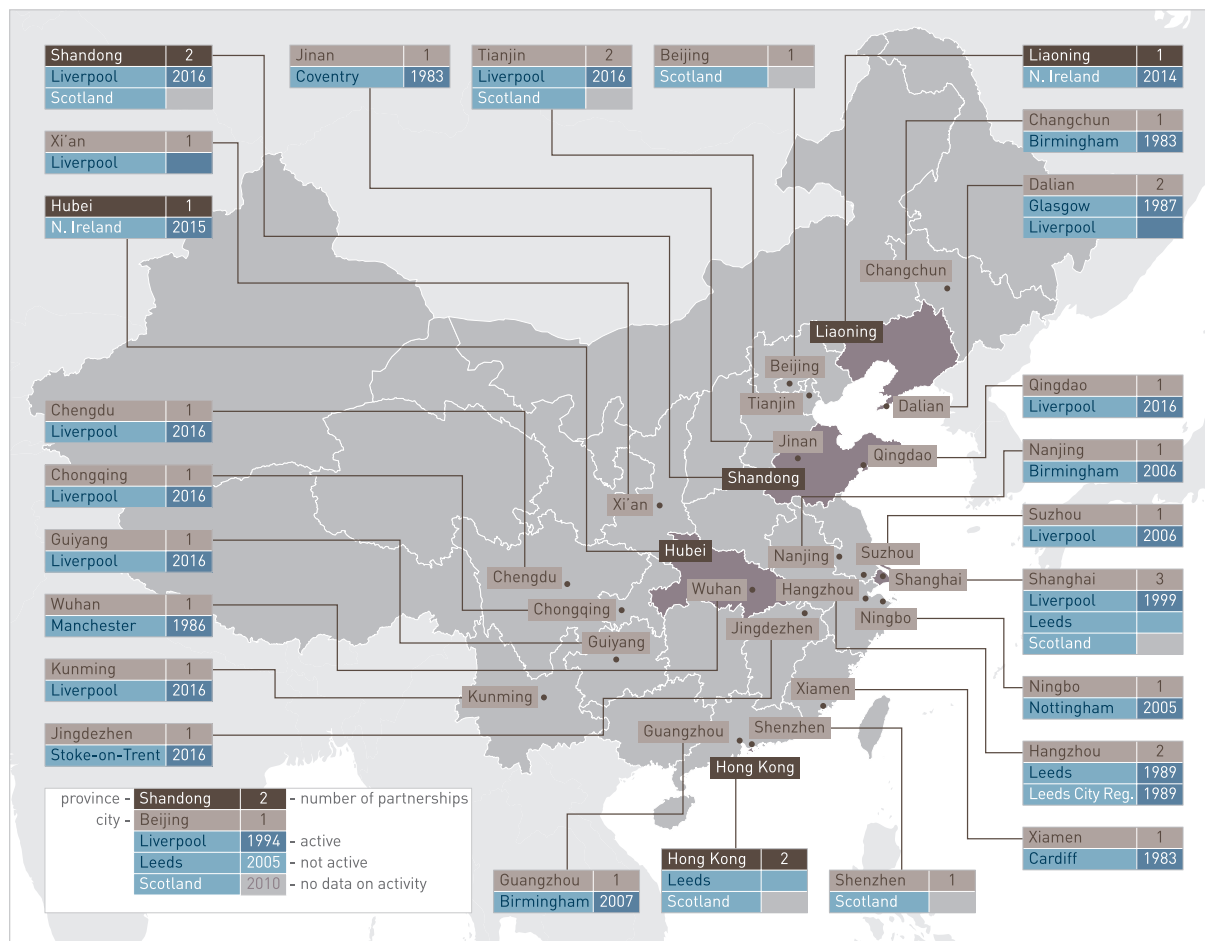
1.2.5. United Kingdom

Map 10. Cooperation of Selected Cities and Regions of the UK with Chinese Provinces and Cities



Traditionally, the United Kingdom has had a policy of engagement with China. In 2004, bilateral relations were raised to an comprehensive strategic partnership. In 2009, when the government was taken over by Labour Prime Minister Gordon Brown, the UK published its first policy strategy towards China. The emphasis was put on engaging China in economic, scientific, and cultural fields. The British government also paid attention to sensitive issues, such as the rule of law or human rights. The conservative-liberal coalition under the leadership of Prime Minister David Cameron took over in 2010 and the UK, after an initial deterioration of relations with China after the Dalai Lama's visit to London, from 2013 began to conduct a policy more favourable towards China, focused on the economy. After the formation of the independent Tory government in May 2015, the first state visit of the PRC's Chairman to the UK came in October 2015. With full protocol and intense economic talks, bilateral relations were deemed to have entered a "golden age." The British side did not raise sensitive issues in relations. After the change of the head of government in July 2016, Prime Minister Theresa May maintained the policy of engagement, although she presented greater caution towards China, as exemplified by the lack of official support for BRI (the BRI MoU was not signed), which China had counted on.³¹

Map 11. Cooperation of Selected Cities and Regions of the UK with Chinese Provinces and Cities on a Map of China



China is one of the UK's largest trading partners but the latter records a trade deficit (about €4 billion in 2018). Until 2016, the UK was the largest recipient (now second after Germany) of Chinese investment in the EU. Britain is also an important partner for China in financial cooperation,

³¹ S.A.W. Brown, "Free Trade, Yes; Ideology, Not So Much: The UK's Shifting China Policy 2010–2016," *Journal of the British Association for Chinese Studies*, no. 8 (1), 2018, pp. 92–120.

with London the European centre for servicing transactions in yuan (RMB). An important factor in bilateral relations at the local level is the growing number of Chinese tourists (391,000 in 2018) and students in the United Kingdom (about 100,000).

Due to the specificity of the local government system in the UK, it is not possible to speak strictly about relations at the regional level. Local relations include the cooperation of British cities, metropolitan units, and component countries (England, Scotland, Wales, Northern Ireland) with Chinese partners. Surveys were sent to about 40 local government units. Only 12 of them responded. In all cases of returned surveys, British entities cooperate with China and these partnerships are active (Maps 10 and 11).

Characteristics

- The Chinese cities actively cooperate with **groups of cities** from England participating in the framework projects of public-private partnerships: Northern Powerhouse and Midlands Engine. The **Northern Powerhouse** project, initiated in 2014 by the Cameron government, brings together cities from the north of England (Liverpool, Sheffield, Manchester, Leeds). Whereas, the **Midlands Engine** project, which brings together northeastern cities (Birmingham, Nottingham, Leicester, Stoke on Trent), was initiated in 2017 by local authorities and local businesses. Both projects include municipal and regional authorities, universities and enterprises and their federations. The goal is to give development impulses to post-industrial areas. Most of the cities covered by both projects have partners from China.
- **Half** of the 12 examined cases of **local cooperation were established in the 1980s**, that is, when the period of so-called reform and opening began. Most of these partnerships covered cooperation with Chinese eastern and coastal provinces where the first special economic zones were created or with cities from these regions.
- The cooperation is dominated by **economic issues**: increased exports and investments in China and attracting Chinese investments to the UK.
- Also important is **educational cooperation** (recruiting students to British universities) and **scientific** partnerships (technological cooperation, environmental protection). The importance of educational issues is demonstrated by the campuses of British universities in China, created in cooperation with local authorities: e.g., in Ningbo (University of Nottingham) or in Suzhou (Xi'an Jiaotong University and the University of Liverpool).
- There is great **freedom of action for British cities** and regions to establish cooperation with Chinese partners. The model of British paradiplomacy towards China can be called complementary and discretionary, which means that the government encourages local authorities to cooperate while leaving them with a great deal of freedom.
- In the UK's local relations with China, **engagement and synergy with government policy** are apparent. An example is the Northern Powerhouse, promoted by the British government as a cooperation partner with China during Xi Jinping's visit to the UK in 2015. This was because of the personal involvement of the then Chancellor of the Treasury (and Minister of Finance and Economy) George Osborne, who was also the architect of the Northern Powerhouse. Another example is the organisation of the International Business Festival in Liverpool, which is a governmental event but promoted by municipal authorities. In the cities, projects are being implemented as a result of the cooperation between the authorities of the UK and China, such as the construction of business centres at airports (*airport cities*) in Manchester and Birmingham with the participation of a Chinese investor.
- The use of cooperation with China, especially by the constituent parts of the UK, is a way of increasing **international visibility** and extending political autonomy towards the central authorities in London. This is due to the fact that regional autonomy in Scotland, Wales, and Northern Ireland serves the implementation of national aspirations in these parts of the UK.

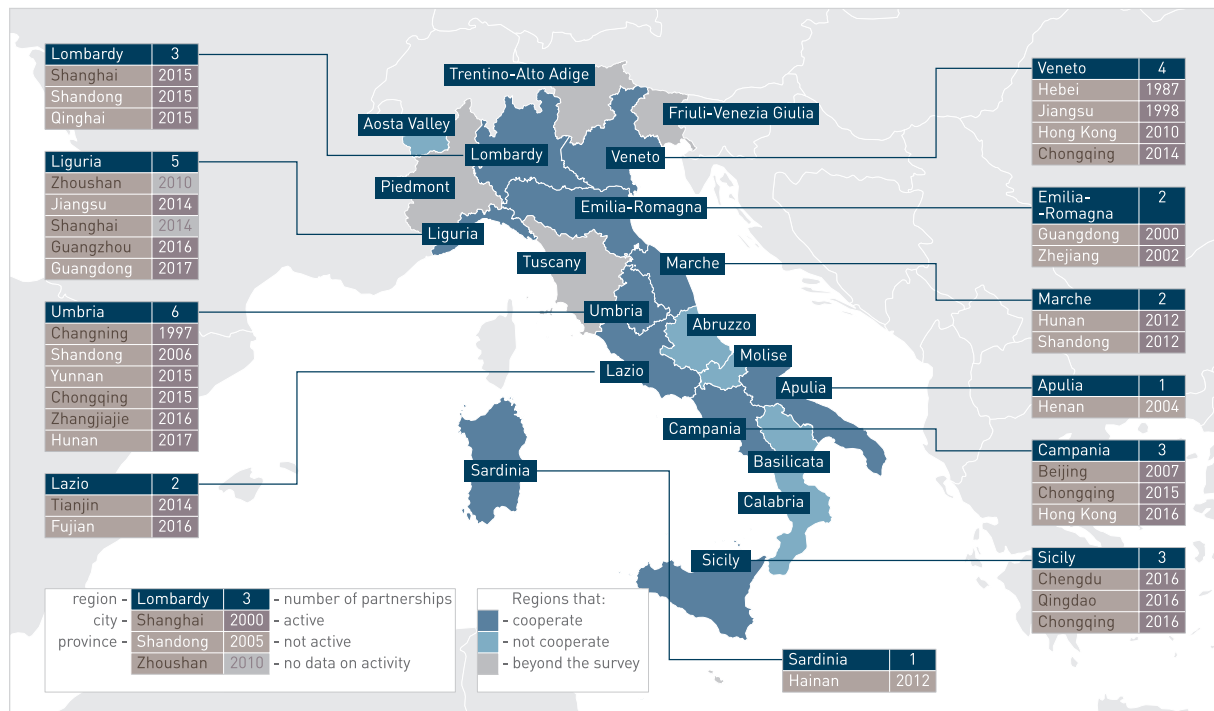
The best example of this approach to cooperation with China is found among the autonomous authorities of Scotland and their relations with Chinese provinces and cities.

- British cities or regions are trying to create their **own brands** or **flagship initiatives** in relations with China. Examples include Liverpool's International Business Festival, the SENSOR city project (a joint venture of Liverpool universities engaged in high-tech research), and Scotland, as the flagship exporter of whiskey and salmon, as well as a leader in environmental protection.

1.2.6. Italy

In the first decade of the 21st century, Italy-China relations were not intense. In 2001–2011, there were only three visits of Italian prime ministers to Beijing. Prime Minister Silvio Berlusconi, during his eight-year rule, only once visited China, during the Italian EU presidency in 2003. The low intensity of political relations was associated with the growing role of economic relations and fears related to Chinese competition. The liberalisation of trade with China was widely recognised as a threat to Italian companies. Italy was among the countries that demanded increased protection of the EU market in trade with China. It was only after Berlusconi left office in 2011 that Italy's policy towards China began to change. This coincided with Xi Jinping's assumption of leadership in China (2012/2013) and increase in the international activity of Chinese provinces under the BRI. Italy—one of the few Western European countries and the first of the G7 countries—signed a BRI MoU in March 2019.

Map 12. Cooperation of Italian Regions with Chinese Provinces and Cities

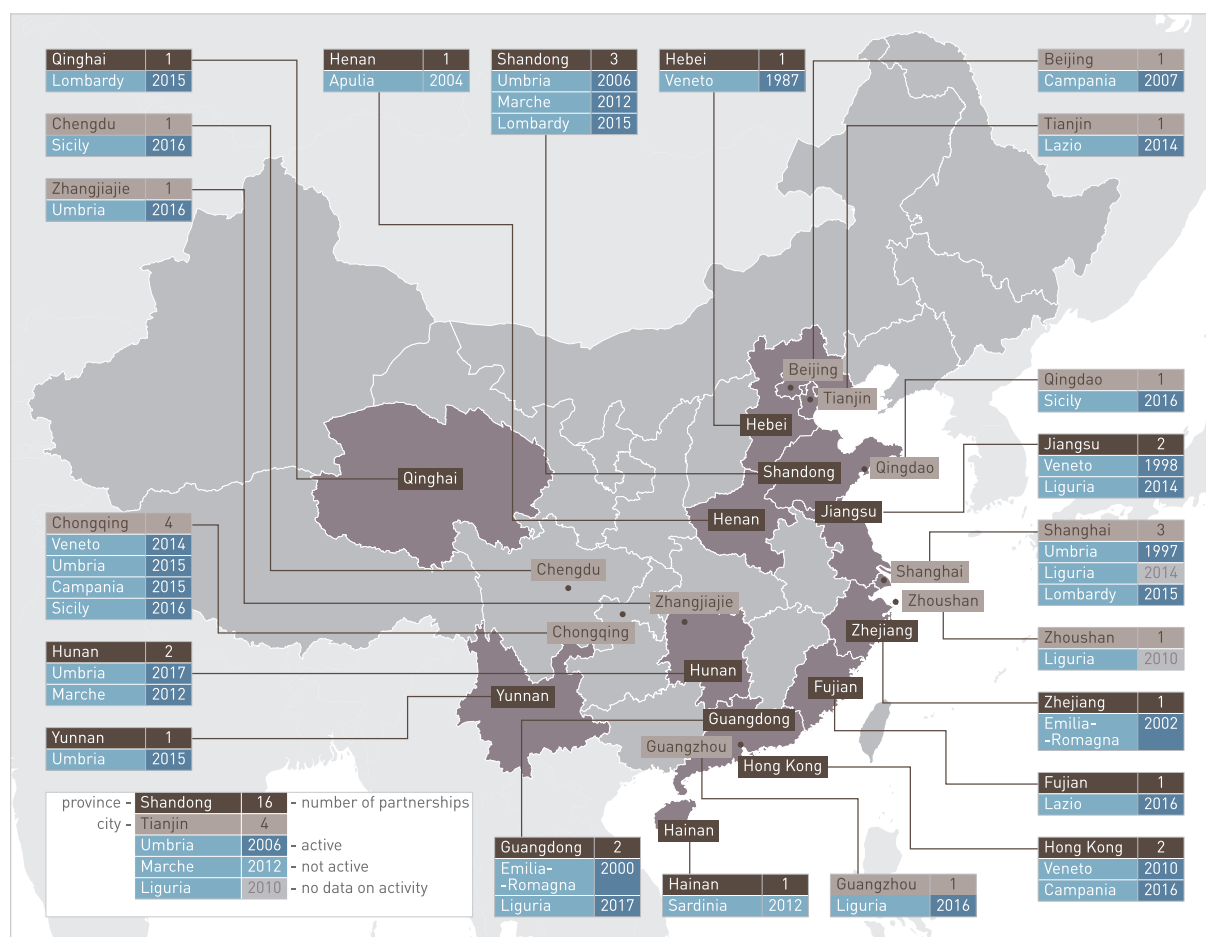


The intensity of political contact was accompanied by an increase in trade. However, despite growing exports to China (€13 billion in 2018, which was growth of almost 20% compared to 2016), Italy still has a large trade deficit, which in 2018 amounted to €17 billion, equivalent to 42% of its total trade. The growing number of Chinese living in Italy has had an impact on economic contact. According to Eurostat data from 2017, their number exceeded 170,000, which is almost a threefold increase compared to 2010. Of all Chinese living permanently in the

European Union, 30% are residents of Italy. The Italian statistical office gives even higher figures on the number of Chinese—290,000 in 2018.³²

The greater political activity has also created opportunities for increased cooperation at the regional level. In the 2017 survey, 16 out of 20 Italian regions participated. Of the examined entities, 11 declared cooperation with partners from China. Among the five regions that in 2017 did not cooperate with China, four (Calabria, Basilicata, Abruzzo, Molise) did not have prior contact but are interested in future cooperation. In addition, Calabria in 2017 was in consultations with a potential partner from China. The last of the non-cooperating regions, Vallée d'Aoste, had had earlier contact because it implemented a project with Jilin province, but after its completion further cooperation was not continued and the region is not planning to undertake further activities with China. Among the regions that declared existing cooperation, the oldest relations were reported by Veneto, ongoing since the 1980s (with the province of Hebei), with further contact established in 1998, and two more in 2010 and 2014, respectively. Importantly, of the 30 Italian partnerships with China identified in the survey, only two existed before 2000. Seven partnerships were established in the first decade of the 21st century and the remaining 21 were concluded after 2011 (Maps 12 and 13).

Map 13. Cooperation of Italian Regions with Chinese Provinces and Cities on a Map of China



³² Lombardy (22.9%), Tuscany (18%), Veneto (11.9%) and Emilia-Romagna (10.2%), www.tuttitalia.it/statistiche/cittadini-stranieri/repubblica-popolare-cinese/.

Characteristics

- Cooperation at the regional level is marked by **high dynamics**. Most of the partnerships were established in the last 10 years and only three out of the 30 were defined as not active. In comparison to other countries surveyed, **individual Italian regions have few partners in China**. Umbria has the most active partnerships (five), plus one more partnership evaluated as not active. The next two regions have four partners (Veneto, Liguria), three regions have three each (Sicilia, Campania, Lombardy), and the others two or one partner only. The most common forms of cooperation are official visits, participation in exhibition events, and business missions.
- Along with **economic cooperation**, **academic partnerships** represent the next most important area in relations between the Italian regions and China. Universities are also mentioned frequently as the most important partners for regional authorities. Local government officials use the expert knowledge of scientists, as well as their contacts in China and knowledge of the language.
- Establishing permanent representations in China is legally complex and, as a rule, is not supported by the government. That is why **local-government authorities often work closely with foreign state institutions** (such as agencies supporting home entrepreneurs), where they have representatives, embassy and consulates in China that support the implementation of regional and local initiatives.
- The **promotion of culture** and the related attraction of Chinese tourists is also important. In 2017, the most Chinese tourist visits were recorded in Veneto (785,000), followed by Tuscany (670,000) and Lombardy (554,000).³³ It is worth noting that four regions that do not cooperate with China (Basilicata, Aosta Valley, Abruzzo, Calabria) also are last in the ranking of numbers of Chinese tourists, at fewer than 2,000 a year.

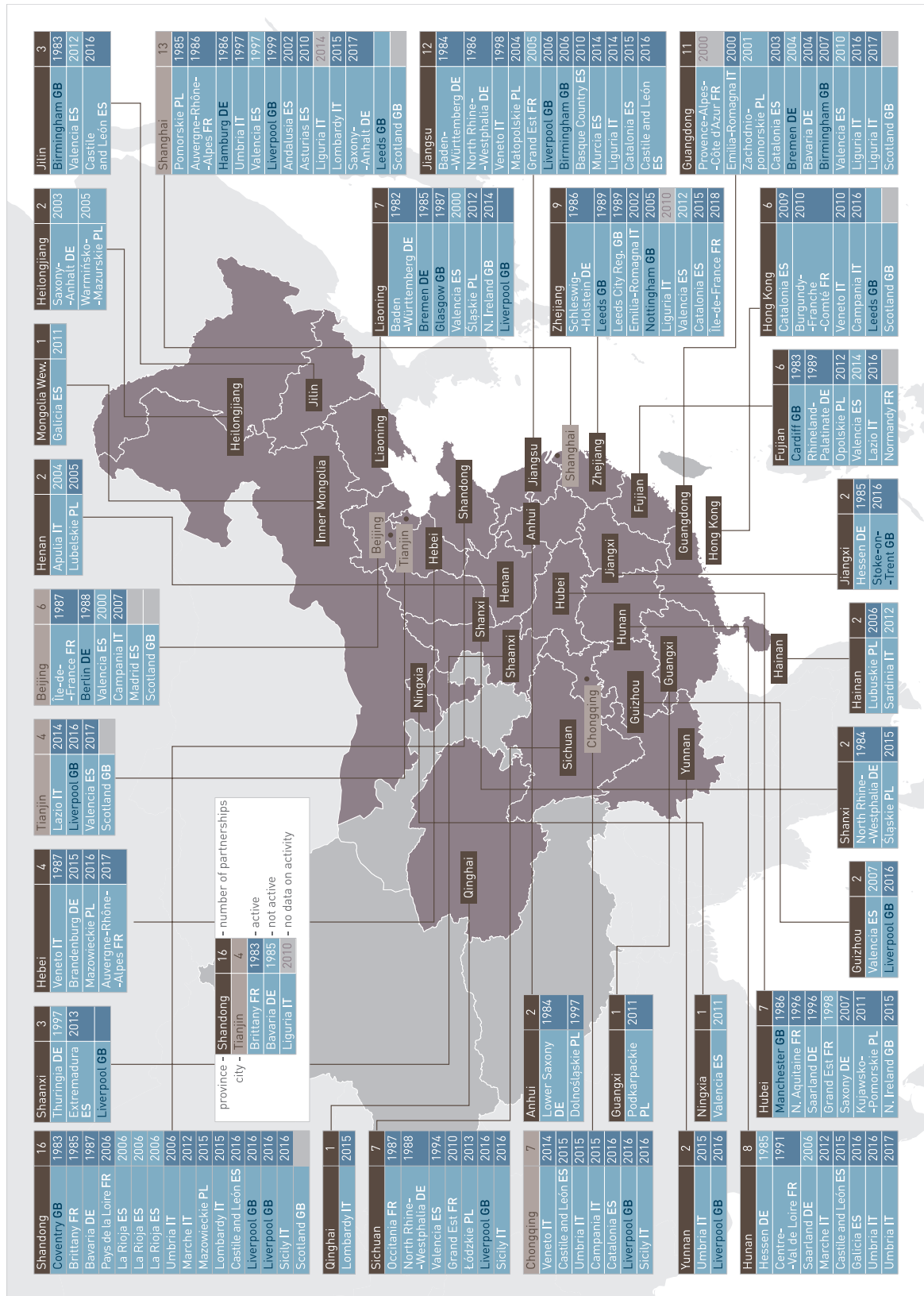
1.3. EU-China Paradiplomacy—The Chinese Perspective

1.3.1. European Regions on a Map of China

When analysing the dynamics of cooperation between European regions and Chinese partners, it is worthwhile to pay attention to these partnerships from the perspective of the six studied EU countries (Map 14). Taking into account the date of the beginning of cooperation with the Chinese regions, **the regions of Germany, France, and UK started first**. Their first partnerships date to the **1980s** and mainly **include the eastern provinces of China**—the coastal regions and those that share borders with provinces having sea access. The pioneer was Germany, which in 1982–1989 established cooperation with the provinces of Liaoning (including the city of Dalian), Shandong, Beijing (city with a provincial status), Jiangsu (with two partnerships), Zhejiang, Fujian, Anhui, Shanghai (also city with a provincial status), Jiangxi, and Hunan. The only provinces in central China with which the German partners have been working since the 1980s are Sichuan and Shanxi. The areas of focus are similar for France—Shantung, Sichuan, Shanghai and Beijing—with all but one (Sichuan) located in the east of the country. The French partners have been cooperating with these Chinese provinces since 1985–1987. The UK also dates its partnerships to the 1980s. These are mainly cases of international cooperation between cities. In 1983–1989, cooperation was started with the Chinese cities of Changchun (Jilin Province), Dalian (Liaoning Province), Jinan (Shantung Province), Hangzhou (two partnerships, Zhejiang Province), Xiamen (Fujian Province). All of them are situated in the east of the country. The only city from inner China that began working with the British city in the 1980s (in 1986) is Wuhan in Hubei province. In the case of other three EU countries—Poland, Italy and Spain—only the Polish voivodeship of

³³ Data from “Number of Chinese tourist arrivals in Italy in 2017, by region,” www.statista.com.

Map 14. Partnerships of Chinese Provinces with Regions or Cities in Six EU States on a Map of China



Pomorskie declared the start of cooperation in the 1980s, with Shanghai (1985), also located in the east of China. However, in the case of Italy, one partnership was declared with Hebei province, also in the east of China (with the Veneto region), in 1987 (Table 4).

Table 4. Partnerships between Regions of the Six EU Countries and Provinces/Cities in China, 1982–1989

Chinese provinces and Cities	France	Germany	Poland	UK	Italy	Total
Anhui		1				1
Beijing	1	1				2
Changchun				1		1
Dalian		1		1		2
Fujian		1				1
Hangzhou				2		2
Hebei					1	1
Hunan		1				1
Jiangsu		2				2
Jiangxi		1				1
Jinan				1		1
Liaoning		1				1
Shandong	1	1				2
Shanghai	1	1	1			3
Shanxi		1				1
Sichuan	1	1				2
Wuhan				1		1
Xiamen				1		1
Zhejiang		1				1
Total	4	14	1	7	1	27

Source: authors' compilation.

Mainly, the cooperation of these three countries—Germany, France, and the UK—with China, and especially with their eastern provinces, may indicate the existence of a connection to China's reform and opening-up policy **Deng Xiaoping**, which began in December **1978**. Most likely, the **impulse for cooperation was the creation in 1980 of the first special economic zones** in the provinces of **Guangdong and Fujian**; **14** more zones were created in 1984 in the provinces of **Liaoning, Shandong, Zhejiang, Jiangsu, and Guangxi**, as well as cities with a provincial status—**Shanghai and Tianjin**. The aim was to open the eastern (coastal) regions adjacent to Taiwan, Hong Kong, and South Korea, that is, the most developed Asian areas ("Asian tigers") to attract capital. These provinces received favourable fiscal conditions from the central government.³⁴

The 1990s were less dynamic in terms of establishing cooperation, which may be associated with the events in China in 1989. While in the 1980s a total of 27 partnerships were established, in the 1990s that number was 11. Most of them were established by France, three partnerships, and Germany, Italy, and Spain with two each. In 1994–1997, the German regions began cooperation with Shaanxi and Hubei, France with Hubei (two partnerships, one in 1996 and the second in 1998) and Hunan (1991)—both regions located in the southeast, without access to the sea. Two new partnerships were established by autonomous communities of Spain, with Sichuan (1994) and Shanghai (1997). In the case of other countries, one new partnership

³⁴ T. Summers, *China's Regions in an Era of Globalization*, New York: Routledge, 2018, p. 17, 23.

each was formed with a Chinese city or province. In the case of the UK, in 1999, cooperation was established with Shanghai. Italy started cooperation with Jiangsu in 1998, and Poland with Anhui in 1997. The impulse for cooperation at that time (and still mainly with eastern centres) could be the confirmation of reforms by Deng during his famous “Southern Tour” (*nanxun*) in 1992, including further emphasis on the development of eastern coastal provinces (Table 5). Still, **Eastern provinces comprised the vast majority of these partnerships, although they are not all regions with access to the sea.**

Table 5. Partnerships between Regions of the Six EU Countries with Provinces/Cities in China, 1991–1999

Chinese provinces and cities	France	Spain	Germany	Poland	UK	Italy	Total
Anhui				1			1
Changning						1	1
Hubei	2		1				3
Hunan	1						1
Jiangsu						1	1
Shaanxi			1				1
Shanghai		1			1		2
Sichuan		1					1
Total	3	2	2	1	1	2	11

Source: authors' compilation.

The increase in the number of new partnerships (30) is noticeable in the **first years of the 21st century**. This could be the **result of the intensification of bilateral relations** between European states and China at the government level, e.g., by raising relations to the **strategic level**. In the cases of Germany, the UK, France, or Spain, these occurred in **2004–2005**. However, in the case of Poland, this may be the result of EU accession in 2004. During this period, partnerships were **still concluded mainly with eastern provinces**. In the case of Germany, in 2003–2007, these included the provinces of Heilongjiang, Guangdong (two partnerships), Hunan, and Hebei. In the case of France (2000–2006), Shandong, Guangdong, and Jiangsu. In the case of the UK (2005–2007), Zhejiang (the cities of Suzhou and Ningbo), Nanjing (Jiangsu), and Guangdong (Guangzhou). At the beginning of the 21st century, Spain formed the most relationships, eight in total: with Liaoning, Beijing, Shanghai, Guangdong, Heze, Liaocheng, Shandong, and Guizhou. Poland did so with Guangdong, Jiangsu, Heilongjiang, Henan, and Hainan. It is also notable that in these years there was an increase in interest from Italy (five new partnerships), concluded with the provinces of Guangdong, Zhejiang, Henan, Shandong, and Beijing (Table 6). Interestingly, the distribution of new partnerships may indicate that the European regions probably were not reacting to China's new regional policy of Great Western Openness programme (*xibu dakaifa*), announced at the turn of 1999/2000. It covers the provinces of Gansu, Guizhou, Qinghai, Shaanxi, Sichuan, Yunnan, Guangxi, Inner Mongolia, Ningxia, Tibet, Xinjiang, and Chongqing.

Table 6. Partnerships between Regions of the Six EU Countries with Provinces/Cities in China, 2000–2007

Chinese provinces and cities	France	Spain	Germany	Poland	UK	Italy	Total
Beijing		1				1	2
Guangdong	1	1	2	1		1	6
Guangzhou					1		1
Guizhou		1					1

Chinese provinces and cities	France	Spain	Germany	Poland	UK	Italy	Total
Heilongjiang			1	1			2
Hainan				1			1
Henan				1		1	2
Heze		1					1
Hubei			1				1
Hunan			1				1
Jiangsu	1			1			2
Liaocheng		1					1
Liaoning		1					1
Nanjing					1		1
Ningbo					1		1
Shandong	1	1				1	3
Shanghai		1					1
Suzhou					1		1
Zhejiang						1	1
Total	3	8	5	5	4	5	30

Source: authors' compilation.

The years **2008–2009** were a **time of crisis in Europe**, apparent from the **lower dynamics of cooperation with China**, with only one new partnership (with a Spanish region) established in 2009. The next period when the number of partnerships increased was in 2010–2012 (18). Notably, they were formed by countries not very active in previous years, mainly Spain, Italy, and Poland (Table 7).

Table 7. Partnerships between Regions of the Six EU Countries and Provinces/Cities from China, 2010–2012

Chinese provinces and cities	France	Spain	Poland	Italy	Total
Fujian			1		1
Guangxi			1		1
Guangzhou		1			1
Hainan				1	1
Hong Kong	1			1	2
Hubei			1		1
Hunan				1	1
Inner Mongolia		1			1
Jiangsu		1			1
Jilin		1			1
Liaoning			1		1
Ningxia		1			1
Sichuan	1				1
Shanghai		1			1
Shandong				1	1
Wenzhou		1			1
Zhoushan				1	1
Total	2	7	4	5	18

Source: authors' compilation.

An important period has been the time **since the announcement of the BRI in 2013**. The **growth of regional cooperation** has developed since 2014 (47 partnerships in 2014–2017). After the announcement of the BRI, there are more examples of cooperation with Chinese regions situated in the centre of the country but without sea access. A good example is Liverpool's partnerships established in 2016 with Chongqing, Kunming, Chengdu, and Guiyang. In Poland's case, this is primarily a partnership with Sichuan. Italy established a cooperation with Chongqing (four partnerships in 2014–2016), Yunnan, Qinghai, Hunan (2017), and Sichuan. Spain set up partnerships with Chongqing (2015), Hunan (2016), and Nanjing (2016). Despite the greater interest in provinces included in the Great Western Openness programme, the eastern direction (i.e., the coastal provinces), still prevail in the numbers. This is further illustrated by Italy, which in 2014–2017 established cooperation in Beijing, Tianjin, Shandong, Guangzhou, Guangdong, Fujian, Jiangsu, and Shanghai. Also, Poland in 2012–2016 began cooperation with the eastern regions, both those with direct access to the sea, such as Liaoning, Hebei, Shandong, and Fujian, as well as those located further inland, including Shanxi and Hubei (Table 8).

Table 8. Partnerships between Regions of the Six EU Countries with Chinese Provinces/Cities, 2014–2017

Chinese provinces and cities	France	Spain	Germany	Poland	UK	Italy	Total
Changchun		1					1
Changning						1	1
Chengdu					1	1	2
Chongqing		2			1	4	7
Fujian		1				1	2
Guangdong						1	1
Guangzhou						1	1
Guiyang					1		1
Hebei	1		1	1			3
Hong Kong						1	1
Hubei					1		1
Hunan		1				1	2
Jiangsu		1				1	2
Jinan		1					1
Jingdezhen					1		1
Kunming					1		1
Liaoning					1		1
Nanjing		1					1
Qingdao					1	1	2
Qinghai						1	1
Shandong				1	1	1	3
Shanghai			1			2	3
Shanxi				1			1
Tianjin		1			1	1	3
Xiangtan		1					1
Yangzhou		1					1
Yunnan						1	1
Zhangjiajie						1	1
Zhejiang		1					1
Total	1	12	2	3	10	20	48

Source: authors' compilation.

In summary, **most of the partnerships** are with provinces: **Shantung (16), Shanghai (13), Jiangsu (12) and Guangdong (11)**. These are **eastern provinces with sea access** and all of the states surveyed have partners there. Among the **eastern provinces without sea access**, the ones with the most partnerships are **Hunan (8) and Hubei (7)**.

As for **regions in central and western China**, which includes those in the Great Western Openness programme, two provinces stand out: **Sichuan**, with seven partners representing all six EU countries examined, and **Chongqing**, also with seven partnerships. Shaanxi Province has three partnerships, Yunnan and Guizhou, two each, and Qinghai, Guangxi, Inner Mongolia, and Ningxia, one each (Table 9; Map 14).³⁵ No partnerships were recorded in Gansu, Tibet, or Xinjiang. It can be assumed that regions considered unstable by the Chinese authorities and under special supervision by the central government—associated with accusations by the authorities in Beijing of having separatist tendencies and terrorism (e.g. Xinjiang, Tibet)—are not attractive to European regions, and the central government's restrictions also limit international cooperation opportunities with these regions.

Table 9. Provinces by Number of Partnerships with Regions in the Six EU Countries

Shandong	16
Shanghai	13
Jiangsu	12
Guangdong	11
Zhejiang	9
Hunan	8
Chongqing	7
Hubei	7
Liaoning	7
Sichuan	7
Hong Kong	6
Fujian	5
Beijing	5
Hebei	4
Tianjin	4
Jilin	3
Shaanxi	3
Anhui	2
Hainan	2
Heilongjiang	2
Henan	2
Jiangxi	2
Yunnan	2
Guizhou	2
Shanxi	2
Guangxi	1
Ningxia	1
Inner Mongolia	1
Qinghai	1

Source: authors' compilation.

³⁵ Provincial partnerships also include partnerships with their cities.

1.3.2. Chinese Regional Policy and Paradiplomacy: “Mountains are High, and the Emperor is Far Away”

In China, **no concepts of paradiplomacy are used**. The terms “foreign relations of local authorities” and “international activity of local authorities” are used to describe international subregional relations. Therefore, the relations of Chinese regions (provinces and cities) with foreign entities is included in public diplomacy or viewed as soft power or people-to-people relations. Regional relations are focused on economic and social issues and are aimed at shaping positive opinions about China in the world. There is no visible political component to the international activity of Chinese regions, understood as autonomous political actions initiated by the provinces. The reason for such a model of regional relations is the unitary and centralised character of the Chinese state. The *strict* state institutions, such as the foreign affairs committee of the Chinese parliament, departments of international cooperation of local authorities (so-called *waiban*), and offices subordinate to the government leading group on foreign policy, are responsible for the foreign relations of the regions. In addition, at the local level, there are two government institutions dedicated to international contact: China Council for Promotion of International Trade (CCPIT) and Chinese People’s Association for Friendship with Foreign Countries (CPAFFC). This means that international Chinese regions are formally limited, and their main task in this context is to implement the policy of the central government. In other words, **Chinese regions are part of the “division of labour” with the central government** or a kind of “**transmission belt**” for the policy of the authorities in Beijing.³⁶ This division of labour, as well as how the central authorities understand paradiplomacy, are found in public statements, for example, by Xi Jinping, who uses the phrase “city diplomacy” (at the 60th anniversary of CPAFFC) and pointed out that it is a kind of interpersonal relations, soft power (e.g., popularising positive information about China), and sharing of experiences and setting actions in the context of the implementation of the government’s foreign policy.³⁷

An example of the Chinese understanding of paradiplomacy is the granting by the central authorities of **specialisations** to particular **regions**, both in **areas of cooperation** (e.g., trade, investment, innovation, production, infrastructure, transport, logistics, culture, electronics, etc.), as well as **geographical directions**. On this, among others, is based China’s regional policy. An example of sectoral specialisation may be the coastal regions’ responsibility for the development of production and trade since the 1980s (mainly exports) while the focus now is on innovation and services to climb higher in global value chains. Another example is Chongqing, a city with a provincial status, responsible for developing land transport infrastructure and logistics (popularised with the slogan-word “connectivity”), as well as “trade processing,” including the production of electronics (laptops, printers, tablets). Due to the later opening to the world of central and western China, the designated functions of Chongqing are similar to those previously played by coastal provinces. Examples of geographical specialisations include the provinces of Sichuan and Chongqing, both responsible for cooperation with, for example, Central and Eastern European countries; the southern and western provinces of Yunnan, Qinghai, and Tibet, responsible for cooperation with ASEAN; and, the northern Xinjiang or Heilongjiang provinces, focused on contacts with Russia, Mongolia, and others. This division of labour—sectoral and, above all, geographic—is apparent in a document published by the Chinese authorities in March 2015 as a “blueprint” for the BRI.³⁸

³⁶ D. Mierzejewski, “Channeling Foreign Policy Through Local Activities in China: City of Guangzhou Case Study,” in: *Paradiplomacy in Asia. Cases studies of China, India and Russia*, Łódź: Łódź University Press, 2018, pp. 95–108.

³⁷ “Zai zhongguo guoji youhao dahui ji zhongguo renmin duiwai haoxie chengli 60 zhounian jinian huodong shang de jianghua” [Speech at the 60th Anniversary of the Chinese Association of International Friendship], *Xinhua*, 15 May 2014.

³⁸ “Tuidong gongjian sichou zhilu jingjidai he 21 shiji haishang sichouzhilu de yuanjing yu xingdong” [Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road], March 2015, www.ndrc.gov.cn.

Regional policy based on appointing or designating specialisation for certain regions has been characteristic of the People's Republic of China since its founding, so it is not a new phenomenon.³⁹ Regional policy—Chinese paradiplomacy—is based on two important phenomena: **experimentalism**, characteristic of the Deng period, the best example of which were special economic zones, and the use of **comparative advantages of given regions** (which are advantages at a given moment, e.g., access to sea trade routes in the Chinese eastern provinces and their geographical proximity to Hong Kong or Taiwan). These phenomena, combined with globalisation—and especially its second stage in which the state plays a lesser role than transnational corporations—changes to the nature of production, the creation of value chains, and outsourcing, i.e., transferring production to more cost-effective places (e.g., to Chinese coastal provinces, open to the world by the authorities and offering such benefits as fiscal assistance and cheap transport provided by sea) together mean a strengthening of the position of regions that have joined the global economy and have international contacts. The inclusion of regions into globalisation means that they not only increase their advantages but also grow in strength, further increasing the percentage of their share of the national GDP. Thus, they specialise in specific sectors and geographic directions. The central authorities create provinces only a favourable “space” or environment for their, in fact, independent actions. In this way, Chinese regions gain greater autonomy and independence, which may mean that, contrary to its theoretical and systemic solutions, China is in fact a kind of quasi-federal state, and the specialisations of individual regions are not fully designated by the central government. As a result, the central authorities, in a way *post-factum*, grant (or rather sanction or confirm) specialisations to regions, the best example of which is the umbrella-like BRI.⁴⁰ This is how the authorities in Beijing try to coordinate and even control the growing activity of Chinese regions.

The **growing independence and role of Chinese regions** is demonstrated by, for example, the significant portion of individual provinces (mainly coastal) in the national GDP or the increase in the importance of the leaders of individual regions who set the tone for the development of their region. The very fact that in 2011–2012, for example, there were discussions about the existence of competing development models—Guangdong (more liberal) and Chongqing (more conservative)⁴¹—indicates a certain autonomy of regions and the role of the personal factor, in this case, influential provincial heads at the time—Wang Yang and Bo Xilai.

Paradoxically, the uneven development between coastal (eastern) and landlocked (central and western) provinces was an effect of Deng's opening policy in the 1980s, and his phrase that “let some people get rich first,”⁴² caused changes in regional policy, forced by, among others, the “neglected” provinces. For example, Yunnan or Chongqing demanded from the central authorities' similar facilities (e.g. fiscal ones) to those the eastern provinces received in the 1980s. Therefore, for concerns of a loss of cohesion of the state and its stability in the face of the growing inequality, and potential social dissatisfaction, at the turn of 1999/2000, the central authorities announced the Great Western Openness policy.

The presence of heads or provincial representatives at important events organised by central, state, and party authorities also provides evidence of the importance of regions in the central authorities' policy. For example, at the last Communist Party of China (CPC) foreign policy conference of June 2018, the head of Guangdong Province participated, in addition to representatives of ministries and other government agencies. However, the meeting summarising the first five years of the BRI (August 2018) was attended by representatives of Zhejiang, Chongqing,

³⁹ T. Summers, *op. cit.*, pp. 15–34.

⁴⁰ *Ibidem*, pp. 83–99; D. Mierzejewski, *op. cit.*, pp. 104–108.

⁴¹ “One or two Chinese models,” *China Analysis*, ECFR, November 2011.

⁴² “Deng Xiaoping: rang yi bufenren xian fu qilai” [Deng Xiaoping: one must let some of them get rich first], *Renmin Ribao*, <http://cpc.people.com.cn/GB/34136/2569304.html>.

Sichuan, Xinjiang, and Shanghai provinces. The importance of regions to the central authorities also may be demonstrated by visits by the highest authorities, namely Xi Jinping, at regional meetings during sessions of the Chinese parliament (NPC). For example, at the second session of the NPC's 13th term (March 2019), Xi attended meetings in the provinces of Fujian, Henan, Inner Mongolia, and Gansu. The choice of these provinces may indicate the importance of these landlocked regions in the central and western parts of the country to the central authorities.

The greater **independence of the regions, however, does not change their dependence on the policy of the central authorities** and the "division of labour." Moreover, the BRI, despite its actual "bottom-up" nature, is used by the Chinese authorities as a mechanism to coordinate relations between the regions and the central authorities.⁴³ However, this also points to greater opportunities for local authorities to negotiate policies with the central government. This is important when it comes to Chinese paradiplomacy. Local authorities, for whom economic issues in international relations are most important,⁴⁴ may exert pressure on the central authorities when they lead activities or require Chinese regions to conduct activities not in line with the provinces' own interests. An example of this is the province of Shandong, which, in cooperating with Japanese regions and obtaining investments from its partners, tried to influence the central Chinese government to soften its policy towards Japan because it could have adversely affected the province's economy.⁴⁵ Another example of the increasing autonomy of regional authorities is the pressure that Guangdong province exerted in the 1990s on the central authorities not to conclude a transport agreement with the U.S.⁴⁶ For these reasons, and despite the formal centralisation, especially under Xi Jinping's term, full and strict control over the regions, including their paradiplomacy activities, is not possible. The situation is reflected in the Chinese saying, "mountains are high, and the emperor is far away" (山高皇帝远), which alludes to the difficulties of controlling local authorities by the central authorities.

Due to the unitary nature of the state and the "division of labour," a region's particular activity requires the consent of the authorities in Beijing. One method of greater control over a region may be (and is) reducing financial resources for international activity (for example, the travel budgets of provincial delegates).

When it comes to tools they include the **opening of representations** of other countries in Chinese regions, both consulates and regional offices. An example of this is the office of the Łódzkie Voivodeship in Chengdu. Another tool is **partner cities**, as well as establishing **direct passenger flight connections and railway cargo lines** (e.g., Łódź-Chengdu, Chongqing-Duisburg, Yiwu-Madrid), and organising **fairs and exhibitions** (expos) dedicated to the partner regions (e.g. Sichuan and Chengdu, and Ningbo as a "showroom" for products from Central and Eastern Europe).⁴⁷

Other important activities of Chinese regions are **visits by representatives** of the provinces, an example of which is the visit of the head of the CCP in Sichuan province to Łódź and Kutno in 2016, as well as offices of Chinese regions abroad (e.g. Sichuan in Łódź), **participation in regional forums**, both bilateral (e.g., Poland-China Regional Forums) and multilateral (e.g. association of local leaders of "16/17 + 1," based in the Czech Republic).⁴⁸ Another tool is comprised of regional

⁴³ D. Mierzejewski, "The roles of local governments in the New Silk Road," in: C. Mendes (ed.), *China's New Silk Road. An Emerging World Order*, New York: Routledge, 2018, p. 137.

⁴⁴ T. Summers, *op. cit.*, p. 109.

⁴⁵ D. Mierzejewski, "Channeling...", *op. cit.*, p. 95.

⁴⁶ T. Summers, *op. cit.*, p. 44.

⁴⁷ For more on the cooperation of Sichuan province with Poland, see: D. Mierzejewski, "The roles of local governments...", *op. cit.*, pp. 141–148; D. Mierzejewski, B. Kowalski, P. Ciborek, *Aktywność gospodarcza i polityczna Chińskiej Republiki Ludowej w regionie Europy Środkowej i Wschodniej*, Łódź: Ośrodek Spraw Azjatyckich, 2018, pp. 18–31.

⁴⁸ *Ibidem*, pp. 14–18, 31–38.

partners who, with their **profile, meet the needs** of a given province, for example, in terms of export opportunities, acquiring technology, or knowledge on a given topic (e.g., from Liverpool about special economic zones).

CHAPTER 2. SPECIALISATION IN EU-CHINA PARADIPLOMACY —CASE STUDIES

After analysing the results from the first stage of the project (survey), two local government units were selected in each of the analysed EU countries.⁴⁹ Extensive interviews with representatives of each unit were conducted. The selected regions are distinguished by the intensity of contact, the number of active partnerships, long tradition of cooperation, or particular activity in the relations with China. The following descriptions are based mainly on information obtained during interviews with people responsible for contact with the Chinese partners, along with their assessments of the current situation and future prospects. The description was supplemented by information from websites, newspaper articles, or other available documents.

2.1. Pays de la Loire

Pays de la Loire is one of 13 French regions. It is located in the western part of the country and has nearly 3.8 million inhabitants. It is the fifth-largest region in France in terms of GDP per capita. Its largest cities, besides the capital of Nantes, include Angers and Le Mans. In 2015, after the election of new authorities in the region, the region's approach to external contact changed. Pays de la Loire adopted an international cooperation strategy for 2016–2021.⁵⁰ The related document pointed to the importance of economic cooperation leading to the development of the region, and three priority geographic directions were specified: North America, East Africa, and Asia. As the representative of the region pointed out:

“China cannot be ignored because China is more than a billion people. Today we have at least 500 million people who can spend money, travel to other countries. We cannot ignore it, but at the same time we must be realistic.”⁵¹

According to the region's authorities, cooperation with China should be treated as a long-term investment, allowing time to be able to understand Chinese culture and way of thinking. Pays de la Loire has cooperated with the province of Shandong since 2006, when regional representation in the city of Qingdao was opened. The contact includes the economic sphere as well as culture, education and health. In 2016, it was decided to change the cooperation formula by closing the representative offices in China (apart from Qingdao, there was still one in Beijing), since the offices were deemed to be ineffective and too costly. While there still is contact with Shandong, it is not formal cooperation (there have been no official visits of regional authorities or signing of subsequent agreements).

Characteristics

- **Only economic diplomacy.** The region's authorities, in their relations with China, focus only on economic aspects. Entrepreneurs participating in economic missions (on average twice a year) or other events organised by the region are offered co-financing of travel costs. The Pays de la Loire authorities deal primarily with the development of trade, and in investment matters they cooperate with the Development Regional Agency. An important partner has become Business France (BF), a national agency for the promotion of exports and investments, established in 2015. A representative of the region joined the BF office in Hong Kong to maintain contact not only with Chinese cities and provinces but also with partners from other Asian countries.

⁴⁹ In the case of Italy and the UK, one interview was conducted. Whereas, Scotland's was developed on the basis of its new strategy towards China published in June 2018.

⁵⁰ *Feuille de route internationale pour la période 2016–2021.*

⁵¹ Interview with a representative of the Pays de la Loire region.

- **Knowledge of Conditions for Business Activities.** Recognising that an important type of support for entrepreneurs is providing them relevant information, the region prepared a guide, a kind of strategy for business in China. There is also the “BOOK” database for entrepreneurs and regional authorities on Chinese investment in Pays de la Loire and on French investment in China.
- **All China.** The region decided to move away from formalised cooperation within the framework of partnerships to informal contacts with various provinces. It is particularly interested in investing in relations with regions in the China’s east. The country is treated as one large market that can be entered by companies from Pays de la Loire.

“We no longer maintain a relationship that could be called ‘cooperation’. Now, it is an “economic partnership” with all of China.”⁵²
- **BRI.** The region’s authorities are also looking at the development of the BRI, which they perceive as an opportunity for new economic ventures, not only in China but also in other parts of Asia.

“What we call the Silk Road is a new link to business organisation. We need to look at this because it’s a new way of doing business, not just a business, but I think it’s a way to control the rest of Asia.”⁵³
- **Professionalisation and specialisation.** Recent years have seen changes in the organisation of Chinese delegations. The visits are better prepared, the topics raised by the Chinese party clarified. Owing to this, the meetings are more specific.

Challenges and perspectives

- **One-sided commitment.** The numerous delegations from China, discussions, and actions taken do not necessarily translate into specific results (investments, contracts). Over the years, the region intensively promoted its own enterprises and culture but that also did not bring results, especially an increase in exports. The partners from China were focused on gathering information and knowledge, not necessarily in sharing.

“We have spent a lot of money as a region promoting our production, culture and so on. In our opinion, we’ve spent too much money, we’ve lost too much time, and we have no benefit. The Chinese eagerly collect information, but they do not share it with us. That’s why we changed our point of view a bit.”⁵⁴
- **Prospective industries.** In June 2018, China abolished its embargo on beef imports from France, which has been important for a region that specialises in livestock breeding. Seeing the changes in Chinese society (e.g., ageing population, the problem of elder care), the region now also promotes its experience in **healthcare** and the **senior economy** (“silver economy”). Among the other industries interested in the Chinese market are companies related to **sports**, and **smart green** and **smart factories**. In Pays de la Loire, an international “smart factory” conference, Laval Virtual, is held every year. In 2017, for the first time, the French co-organised the conference Laval Virtual Asia in Qingdao (Shandong Province).
- **The European Union.** Pays de la Loire reports it has not previously benefited from EU support in developing its relations with China because it has no knowledge of programmes that could be used for such cooperation. In addition, it points to difficulties, such as complicated and lengthy procedures, in using European funds. The region does not exclude, however, that if such support aimed at cooperation with China, accompanied by friendly procedures, appeared, they would benefit from it.

⁵² *Ibidem.*

⁵³ *Ibidem.*

⁵⁴ *Ibidem.*

2.2. Auvergne-Rhône-Alpes

This region was created as a result of the territorial reform in France in 2016. It was a merger of the two regions of Auvergne and Rhône-Alpes. The capital of the new unit is Lyon. The major cities include Grenoble, Saint-Etienne, and Clermont-Ferrand. The number of inhabitants (nearly 8 million) makes it the second-largest region in France (behind Île-de-France). It also ranks second in economic importance, with 11.4% of the country's GDP and is a foreign investment and research centre. With more than 600 laboratories and 40,000 scientists, the region "has created an innovative ecosystem" of 18 inter-connected clusters, French "tech cities" and competing centres.⁵⁵

The region perceives China as a strategic target of cooperation. The first contact was made in 1986 with Shanghai at the initiative of the president of Rhône-Alpes at the time. The formalisation of contact was to facilitate economic relations of local entrepreneurs as well as academic cooperation. Researchers from the region, especially from Grenoble, had already established relationships at universities in Shanghai. Moreover, in 1991, one decided to open a Rhône-Alpes representation office there. The partnership was then renewed. The new authorities of the Auvergne-Rhône-Alpes region signed the agreement again in 2017.

In 2017, a new partnership was established with Hebei Province. The initiative was born in connection with the preparation of China for the 2022 Winter Olympic Games and the desire to use the experience of the French region in the organisation of such a global event. Joint activities also concern healthcare, environmental protection, academic cooperation, and the development of new technology.

Characteristics

- **Academic cooperation.** Contact between researchers from Grenoble and counterparts at universities in Shanghai formed the beginning of many years of cooperation, which the regional representative assessed in 2018 as an example of a successful project. Every year, the region holds competitions for students and researchers from Auvergne-Rhône-Alpes with its own resources and runs several projects in cooperation with Shanghai. For example, stays of French doctors to teach medical French at Jiaotong University in Shanghai are funded.
- **Clusters.** The region places great emphasis on innovation, especially in environmental protection, including the involvement of regional companies and clusters. Representatives of the clusters, including Lyonbiopole (a global cluster with a medical profile), have established partnerships with entities from China.
- **Support for enterprises.** The region is oriented on supporting regional enterprises and clusters in their contact with Chinese partners. It co-finances its participation in economic missions to China from its own resources. Until now, funding for trips or calls for proposals by entrepreneurs were easier to organise with own resources than EU funding.
- **Cooperation with the government.** Cooperation with the French government plays an important role in dealing with China. Representatives of the region participate in regular consultations with central entities, also on the occasion of subsequent visits of Chinese delegations.

"Sometimes we ask the national government to help us evaluate the Chinese delegation's offer to identify 'a good delegation' because sometimes we devote a lot of time to the organisation of Chinese partner programs."⁵⁶

⁵⁵ "Mapping France. The dynamism of France's regions through investment by French and foreign companies," *International Business Summit*, 21 January 2019, www.businessfrance.fr.

⁵⁶ An interview with a region representative of Auvergne-Rhône-Alpes.

Challenges and perspectives

- **Political circumstances in French local governments.** The various political options/parties governing the region and its capital make it difficult to synergise the activities of Auvergne-Rhône-Alpes and Lyon towards China. The city's and region's authorities organise trips and meetings independently with foreign partners, without combining or coordinating their initiatives.
- **Circumstances on the Chinese side.** One difficulty in relations is the **lack of continuity** in the contact of officials from both countries. Departments change as do the people responsible for cooperation on the Chinese side. Different people come to subsequent meetings as part of ongoing cooperation endeavours. There are also difficulties in keeping current contacts related to policy in China and interference of the central authorities, who decide, for example, to withhold permits for foreign delegations. What is more, the region's representatives are not always able to assess the goals of subsequent visits of Chinese delegations, which often visit a number of regions from different countries during one trip to Europe.
- **Changing China's approach to cooperation.** Chinese delegations are less likely to visit, they are also less numerous, but more focused on specific activities.
- **Representatives of the region are aware of the changes and challenges** posed by cooperation with partners in China (e.g., concerns relating to the transfer of their own technologies to China). However, they believe that joint initiatives should be taken. It is important to know about the partners and ensure that the cooperation brings benefits to both parties.

"We must continue to cooperate with them, but we must strongly defend our interests. So I think that in the future we will continue to maintain relations, but we will be more aware. Before the delegation goes to China, it prepares, it is a question of mutual knowledge [...] . We must go to China to understand it. The more we get to know each other, the more we find solutions for good cooperation."⁵⁷

- **A new model of regional representation.** In 2017, the decision was made to close the office in Shanghai. A different support formula is planned to support entities from the French region. The authorities intend to cooperate with a single French entity that will represent Auvergne-Rhône-Alpes in China (it will probably be BF or the French Chamber of Commerce).
- **The need for a coherent EU policy towards China,** which will also translate into the activities of individual regional authorities from the EU countries. The Chinese market should be more open and Europe should clearly define its goals.

"I think it must be a strategic policy towards China in the field of investment, the European Union must look at this project [the Chinese investments in the EU], explain to the Chinese government what we need and defend our interests, including European strategic companies from each Member State, because I think we all have the same problem."⁵⁸

2.3. Castile and León

Castile and León is an autonomous community in northwestern Spain, the largest region in the country without sea access. The capital is Valladolid, and the largest cities are Burgos, Salamanca, and León. Castile and León belong to a group of eight historic regions of Spain (the others are Madrid, Castilla-La Mancha, Extremadura, Murcia, Cantabria, La Rioja, and Aragón). Over 60% of all the monuments in Spain are in this region. Avila, Salamanca, and Segovia are included in the UNESCO World Heritage List. In addition, it is a region in which the Spanish

⁵⁷ *Ibidem.*

⁵⁸ *Ibidem.*

language originated. Historical heritage is also important for international contacts. Cooperation with China focuses on activities related to education, language, and culture.

The representatives of the region declare active and formalised cooperation with five Chinese cities. Four of them are provincial capitals, and Chongqing is a provincial-level agglomeration. The agreements with the cities of Xiangtan (Hunan province) and Chongqing were signed in 2015, whereas with Jinan, Changchun, and Nanjing, they were signed in 2016. Although the economy is one of the most important areas of cooperation, the most characteristic type is in science, culture, sport, and tourism. Regional educational institutions played the role of initiators of cooperation in four out of the five partnerships with China. Universities from the region initiated activities in three cases (Changchun, Chongqing, Nanjing), and the Ministry of Education cooperated with one city (Jinan). In the case of the last relation, with Xiangtan, the authorities of the city of León took the role of initiator (Table 10).

Table 10. Chinese Partners of the Autonomous Community of Castile and León

	Province/city	Status of Chinese partner	Start of cooperation	Agreement/no agreement	Active/not active
1	Xiangtan	city in Hunan province	2015	agreement	active
2	Chongqing	city with a provincial status	2015	agreement	active
3	Jinan	city, capital of Shandong province	2016	agreement	active
4	Changchun	city, capital of Jilin province	2016	agreement	active
5	Nanjing	city, capital of Jiangsu province	2016	agreement	active

Source: author's compilation.

Characteristics

- **Education and universities.** University cooperation and learning Chinese in selected schools in the Castile region are the main forms of cooperation with the partners from China. This is also associated with the benefits of cultural and tourist promotion of the historic region of Spain in China. In addition, economic cooperation is also undertaken with some provinces.
- **Language.** Chinese language courses in schools are currently among the flagship initiatives of the region. The region tries to encourage schools in Castile and León to establish a partnership with schools from the Chinese regions where Spanish is taught. Summer youth exchanges are also organised.
- **Cooperation with Spanish and Chinese state entities.** In cooperation on language learning, the Spanish Ministry of Education has played an important role, inviting all the autonomous communities of the country, the Confucius Institute Headquarters (Hanban), and the Confucius Institute at the University of León to cooperate. Apart from learning the language, another goal was to gain knowledge of Chinese culture. The Council of Education of the community of Castile and León actively participated in the Ministry's activities.
- **Young partnerships.** The region cooperated for many years with entities from Latin America, the U.S., and Canada. Activities were carried out in the field of education and exchanges of teachers and students. Additionally, many partnerships with regions in EU countries have been established. With East Asia, including China, there were no relations. Castile decided to make up for it by establishing partnerships with China in 2015–2016.

“The region of East Asia, China, was the only area with which there were no relations and now we enable it. We consider this to be the most valuable element of the policy of opening, internationalisation, which is one of the main axes of the Regional Council for education.”⁵⁹

Challenges and perspectives

- **Educational programmes and new formulas for cooperation.** Thanks to the cooperation of the Ministry of Education and the University of León, the region intends to start exchanging students. Further development of educational programmes is also planned. The authorities stress that the new cooperation agreements should have wider scope. There will not be agreements with individual regions but a framework agreement that will cover all Chinese provinces.
- **EU funding.** So far, there are no EU programmes that the government of the autonomous community could use to develop cooperation with China. Representatives of the region envision a programme supporting the exchange of experience in the field of education, including study visits and research projects based on Erasmus, with programmes operating in Europe a good solution.

“In Castile and León, teaching languages and the opportunity to learn about other cultures are areas we are very interested in. This is the strategic goal of our council. For this reason, opening up to the East Asia region means enriching our activities so that our students and society are open to the whole world.”⁶⁰

2.4. Valencia

The autonomous community of Valencia, the fourth in Spain in terms of population (over 4.9 million inhabitants), is located on the Mediterranean coast on the eastern side of the Iberian Peninsula. An important asset in the region is the largest port in Spain and the Mediterranean basin, located in Valencia, the capital of the community. Other important port cities include Sagunto and Castellon. The largest cities in the region, next to the capital, are Alicante, Elche, Gandia, and Castellon. Geographical location and ports are essential for regional development and foreign contact.

Valencia is the most experienced Spanish region in cooperation with China. The initiator of this cooperation in the 1990s was a representative of the Valencia Institute, responsible for export development. The first partnership was signed in 1994 with the province of Sichuan, after previously established partnerships between the capitals of Chengdu and Valencia. Moreover, in 1995, Valencia opened an office in Hong Kong, initiating commercial relations. Over the next 10 years, new representations of the region were established: in Shanghai (1997), Beijing (2000), and Guangzhou (2004). In 2017, representatives of Valencia declared 10 partnerships with China, yet merely two are considered still active, the ones with Sichuan and Tianjin. Most of the not active partnerships, established in the 1990s, have never had a formal basis for cooperation (Table 11).

Table 11. Chinese Partners of the Autonomous Community of Valencia

	Province/city	Status of the Chinese partner	Beginning of cooperation	Agreement/ no agreement	Active/not active
1	Sichuan	province	1994	agreement	active
2	Shanghai	a city with a provincial status	1997	no agreement	not active
3	Liaoning	province	2000	agreement	not active

⁵⁹ An interview with a representative of the autonomous community of Castile and León.

⁶⁰ *Ibidem*.

	Province/city	Status of the Chinese partner	Beginning of cooperation	Agreement/ no agreement	Active/not active
4	Pekin	a city with a provincial status	2000	no agreement	not active
5	Guizhou	province	2007	agreement	not active
6	Guangzhou	capital city of Guangdong province	2010	agreement	not active
7	Ningxia	autonomous region Hui	2011	no agreement	not active
8	Jilin	province	2012	no agreement	not active
9	Wenzhou	city in Zhejiang province	2012	no agreement	not active
10	Fujian	province	2014	no agreement	not active
11	Tianjin	a city with a provincial status	2017	agreement	active

Characteristics

- **Economic cooperation.** Since the initial encounters, the emphasis has been on economic cooperation. Regional offices were opened to promote the region and facilitate business relationships. In recent years, however, the support model has changed. All offices in China acting as regional representations have been closed. The regional government is represented in China by a consulting company. The decision to change the formula was related to the economic crisis in Spain and the region—the Valencian authorities had to cut expenses. In the current situation, there is no intention to re-open the region's offices in China. Institutional cooperation at the level of regional authorities is continued, though, as it is an important component of supporting business relations.

“An autonomous community that supports its local companies presents itself as a stable and reliable partner. (...) Institutional relations are also important, especially in the case of China, where support and confirmation of political contacts is always an added value for them.”⁶¹

- **Important role of ports.** Due to Valencia's geographical location, Tianjin became a new Chinese partner. It is the largest coastal city and the largest port in northern China. Valencia, Sagunto, and Castellon, mainly commercial and industrial ports, are interested in the development of this partnership. Most of the container port traffic in Valencia is managed by Noatum, which was purchased by the Chinese company Cosco.
- **Cooperation of cities and regions.** Cooperation with Sichuan Province is a good example of a parallel partnership between the regions and their capitals. Apart from cooperation between the regions, the capitals Valencia and Chengdu are also partners. In May 2017, a decision was made on a new agreement between the cities. According to it, cooperation focuses on culture, education, and trade. The involvement of universities and cultural institutions is also important.
- **Synergy with the government.** For cooperation between the autonomous community of Valencia and the Chinese partners, relations at the central level of both countries are important. In the opinion of the regional authorities, the relations between Spain and China are stable and facilitate the development of economic cooperation. The strategic partnership sets the framework for cooperation between the whole country and the regions.

“It is worth emphasising that we operate in harmony and in agreement with the Spanish government, not on the margins. National institutions, such as the Institute of Foreign Trade (Instituto de Comercio Exterior), embassies, trade and tourism advisers, our diplomatic corps, give us full support. For our autonomous community, external policy is not a point of confrontation, but an important element of economic development.”⁶²

⁶¹ An interview with a representative of the Autonomous Community of Valencia.

⁶² *Ibidem*.

Challenges and perspectives

- **Tourism.** Recently, more emphasis has been put on tourism. The development of cooperation in this field is one of the challenges of further contacts. Despite the high interest of Chinese tourists in Spain, the Valencia region is one of the lesser known and less frequently visited.
- **A chance to increase exports to China.** The region's authorities recognise China's greater openness to importing goods from Valencia. According to data in 2017, the Far East accounts for 48% of the traffic managed by the port of Valencia; around 50% of foreign trade between Spain and China passes through Valencia. In November 2018, Valencia took part in the China International Import Expo in Shanghai to promote its port as crucial to the transit of cargo from the Far East through the Mediterranean.⁶³

"China sends a clear message that they are not only exporting, but are also ready to import."⁶⁴

"We know that there is a clear desire to sign agreements for the import of high quality products."⁶⁵

2.5. Berlin

Berlin is the nation's capital but also has the status of a federal land. With a population of more than 3.7 million inhabitants, it is the second-largest city in the EU after London. It is a cosmopolitan city and the number of foreigners is constantly growing. In 2018, foreigners constituted 18.5% of the city's population. Berlin is a world metropolis and an important political, cultural, and scientific centre. It is also an important German economic centre, although it gives way to the wealth of Hamburg or Munich. The city's authorities are active internationally, maintaining contact with 17 cities around the world. All, except Los Angeles, with which Berlin's cooperation has lasted since 1967, are capitals of their respective countries. Beijing is the only Chinese partner.

The first agreement on friendly cooperation was signed by the government of East Berlin and the authorities of Beijing in 1988. The partnership was confirmed in April 1994 in a memorandum signed by the authorities of the unified city of Berlin. In the following years, additional partnership agreements were concluded between districts in both metropolises (e.g., the Mitte district in Berlin is partnered with the Chaoyang district in Beijing).

Characteristics

- **Diversity in areas of cooperation.** Among the many areas of cooperation, issues important to the functioning of a city, such as urban transport and management of the healthcare system and culture, are dominant. Much attention is also paid to initiatives concerning the development of cities, such as smart cities and startups. Since 1997, a regular event, Asia-Pacific Weeks in Berlin, or APW, has been held. It is a platform for an interdisciplinary, Euro-Asian dialogue on, among others, smart cities, industry 4.0, digitisation, and innovation. Initially, the meetings were held every two years, but since 2015, every year. The conference includes economic, cultural, scientific, political, and social events. It also strengthens Berlin's agreements with Beijing, Jakarta, and Tokyo.⁶⁶
- **Active local entities.** Local entities, social organisations, representatives of culture and German entrepreneurs are also involved in the cooperation. In 2018, together with the Chamber of Commerce and Industry (IHK), a Berlin economic office was opened in Beijing and has a budget of €350,000 per year.⁶⁷

⁶³ "Valenciaport exhibits at China International Import Expo, Shanghai," www.portseurope.com.

⁶⁴ An interview with a representative of the Autonomous Community of Valencia.

⁶⁵ *Ibidem*.

⁶⁶ "Asia-Pacific Weeks Berlin 2019," <https://apwberlin.de>.

⁶⁷ J. Thomsen, "Ramona Pop eröffnet Auslandsbüro in Peking," *Berliner Zeitung*, 17 April 2018.

- **Legal education.** In 2002–2011, Berlin organised two-week educational programmes for Chinese judges and officials, and in 2014, a specialised seminar was held. The city's activities are in line with the intergovernmental programme of Chinese-German legal cooperation since 2000 (*Deutsch-Chinesische Programm Rechtskooperation*), where a number initiatives take place in Berlin.
- **School cooperation.** As many as 18 schools in Berlin have partnerships with Chinese schools (14 of them in Beijing). Youth exchanges are organised and German students learn about Chinese culture and language.

“For our students, contact with Chinese peers and culture are an integral part of the Chinese language teaching program.”⁶⁸
- **Artistic cooperation.** In both cities, exhibitions are held, aimed at the integration of artistic circles and getting to know each other better. In 2014, to celebrate the 20th anniversary of the partnership, an exhibition of Chinese contemporary art was held in Berlin.

Challenges and perspectives

- **Regulations regarding the operation of Chinese NGOs**, that is, their dependency on the Chinese central authorities, constitutes a significant obstacle to the development of cooperation. Interpersonal contacts, based on educational and cultural cooperation and the involvement of NGOs from Berlin, are limited by political differences.
- **The professionalisation of contact** with China in recent years is **apparent**. Chinese delegations are better prepared for visits, and exchange of experiences have become more and more bilateral, as many Chinese solutions (e.g., regarding smart cities) is also interesting to the German side.
- **An important factor in the development of the partnership is the state of the government relations** between the Federal Republic of Germany and the PRC. Although the federal government does not interfere directly with Berlin's international contact, intergovernmental relations have an impact on the development of cooperation with Beijing.

“There is no direct impact, but obviously, the cities' cooperation benefits from good relations between Germany and China.”⁶⁹

2.6. Brandenburg

Brandenburg is one of 16 federal states of Germany, with its capital in Potsdam. On the territory of the land, Berlin is situated and isolated as a separate federal state. The land is inhabited by 2.5 million inhabitants. In economic terms, Brandenburg is relatively underdeveloped, accounting only for slightly more than 2% of German GDP. Potsdam is the largest city in the region (175,000 inhabitants), but Berlin is actually the main metropolitan centre that fulfils metropolitan functions.

Brandenburg cooperates with the Chinese province of Hebei, which surrounds Beijing as a separated city. In terms of location and the specific relationship with the nation's capital, both regions are very similar to each other. The official agreement was signed in 2015 but the meeting with the former minister-president of Brandenburg, Matthias Platzeck, and Premiere Li Keqiang in 2013 was crucial to establish the cooperation. The subjects of the meeting included cooperation in the field of renewable energy sources. In the signed agreement, the parties committed to cooperate on environmental protection.

⁶⁸ An interview with Melina Rath-Kastrinogianni, “Das Gleiche – aber anders Schulpartnerschaften zwischen Deutschland und China,” www.austausch-macht-schule.org.

⁶⁹ An interview with a representative of the Berlin Land government.

Characteristics

- **Renewable energy sources (RES)** are the most important field of cooperation. Brandenburg, supplying 10% of all energy production in Germany, is carrying out an intensive transformation of its energy sector, strengthening the role of RES and reducing fossil fuels use. Of particular interest, from the point of view of the Chinese, are the innovative energy technologies developed in the region. As part of the signed agreement, Hebei intends to build a hybrid power plant converting wind energy into hydrogen, similar to the one already existing in the Brandenburg city of Prenzlau. The project includes, among others, the German branch of McPhy Energy.
- **Academic cooperation.** The development of modern energy technology has become the basis of cooperation between universities. During the visit by the prime minister of Brandenburg to China in October 2018, an agreement was signed between the Technical University of Cottbus-Senftenberg (BTU) and the North China Electric Power University (NCEPU). In 2018, the Ministry of Science, Research and Culture of the Brandenburg Land, together with the Department of Education of Hebei Province declared stronger cooperation in the field of higher education and research. The following year, The BBW University of Applied Sciences signed an agreement with Hebei College for Industry and Technology, the largest university in the province, located in the city of Shijiazhuang, on cooperation in the field of academic education and training for Chinese specialists. It is worth noting that Berlin universities also use Brandenburg contacts although it is formally from another land. It shows a kind of symbiosis between Brandenburg and Berlin.
- **Economic cooperation** is another important area of bilateral contact, which is confirmed by the growing value of trade (tripled over the last decade). Exports in 2017 reached €300 million. China remains, however, a still insignificant market for Brandenburg, accounting for less than 3% of the region's exports, the lowest among all federal lands.
- **The importance of political relations at a higher level.** The visit by the Chinese PM to Potsdam opened the way to cooperation with Hebei Province, and subsequent areas of cooperation are being initiated on the occasion of further regional government meetings. This distinguishes the Chinese partner from other partners. Cooperation with China is perceived as a great administrative and financial effort for the state, however, the results of the first years are very promising in the opinion of the provincial authorities.

“Particularly in the Chinese context, important cooperation projects must also be accompanied by political actions.”⁷⁰

Challenges and perspectives

- **Youth cooperation.** The first inter-school partnership was concluded by a junior high school in Potsdam named after Einstein and the Foreign Language School in Shijiazhuang. However, Brandenburg would like to develop closer contact between young people from both countries.

“In addition to cooperation in economics, science, and research, we are very interested in developing more contacts between the younger generation as part of school partnerships. Moreover, we are in the process of developing a volunteer programme at the time of the Winter Olympic Games in 2022, hosted by Beijing, but some of the competition will take place in Hebei Province.”⁷¹

⁷⁰ An interview with a representative of Brandenburg Land.

⁷¹ *Ibidem*.

2.7. Dolnośląskie

Dolnośląskie is the seventh-largest voivodeship in size and fifth-largest in terms of the number of inhabitants (2.9 million) in Poland. In 2015, it accounted for 8.4% of the country's GDP, making it fourth among all Polish regions. For Dolnośląskie, located in the southwest of Poland and bordering both the Czech Republic and Germany, international cooperation is an important element of development. Apart from partnerships with neighbouring countries, the region also has cooperation with entities in other European countries, as well as in Georgia, Brazil (where the cooperation is not very active), and in China. The region is also active in multilateral initiatives, such as Novum, the European Grouping of Territorial Cooperation, and the Odra Partnership.

The region declares one active partnership, in eastern China, with the province of Anhui, located in the basin of the Yangtze and Huang He River (without access to the sea). With a population of 62 million, it is the eighth-largest province in China in terms of population.

Characteristics

- **Renewed partnership.** In 1997, an agreement was signed between the then Wrocławskie Voivodeship and Anhui province. Although the partnership was formally taken over two years later by the newly created Dolnośląskie Voivodeship, no joint actions were taken for years. In 2017, the Chinese side, in view of the forthcoming 20th anniversary of the first contact with the Polish province, through the Polish consulate in Shanghai, announced its willingness to renew cooperation. On the anniversary of the signing of the agreement, a delegation from China with more than 70 people visited the capital, Dolny Śląsk, and a new partnership agreement was initialled. The document on cooperation was also renewed by the Dolnośląska Chamber of Commerce, which started cooperation with its Chinese counterpart in 1997.
- **Economic cooperation.** Even from the stage of preliminary discussions regarding the scope of the partnership, economic issues were given high priority. A significant part of the Chinese delegation in the spring of 2017 were entrepreneurs. Both regions focus on innovation. Anhui province has the development of new technology among its goals, just like the authorities of Dolnośląskie. An important local partner to the Marshal's Office is the Dolnośląska Regional Development Agency, which is responsible for supporting entrepreneurship, innovation, and competitiveness of Dolnośląskie enterprises. This is the agency, using funds for the promotion of the region and supporting the internationalisation of local companies, that organises, together with the Marshal's Office, B2B fairs and meetings in Wrocław, and in China for Polish and Chinese entrepreneurs. In recent years, there have been, on average, several events a year.
- **Academic cooperation.** Another important dimension of the partnership is academic cooperation. During the visit of a Chinese delegation to Wrocław, a forum for universities from both regions was held. As a result, among other things, there was the signing of a cooperation agreement between the Medical University of Piastów Śląskich in Wrocław and the University of Anhui (Anhui University of Chinese Medicine).
- **Comprehensive cooperation.** The voivodeship, despite previous contact also with other Chinese provinces, decided to stay with one renewed partnership with Anhui. Both regions wanted to base their relations on various types of activities and participation of many local entities. On the occasion of the meeting in Wrocław, Legnica established relations with Bozhou, a city from Anhui Province. Meetings and fairs are also an opportunity to promote the region and culture. Exhibitions of artists from Anhui in Wrocław galleries, dance shows, and photographs on the market square are also elements of the development of cooperation in the field of tourism. Taking advantage of the geographical location of the region (proximity to the Czech Republic and Germany), the region intends to establish cooperation with the Central Czech region, the capital of which is Prague, to encourage Chinese tourists to visit both Dolny Śląsk and the Czech capital.

Challenges and perspectives

- **No EU programmes focused on China.** The initiatives undertaken in recent years were financed primarily from the voivodeship's own resources, including EU funds from the Regional Operational Programme intended for economic diplomacy. The representatives of the office, however, do not see any EU programme directly aimed at cooperation with China.
- **Synergy with government activities.** When cooperating with China, it is important to cooperate with the central authorities, maintain diplomatic missions abroad, and involve local governments in government initiatives.

"It is very similar both in China and other directions, we always say that during these official visits at the ministerial level or generally at the state level, this local-regional perspective should also be taken into account. I think that it is also worth drawing on our experience and well-developed contacts because we already have actual history of such cooperation."⁷²

A good example are the regional forums organised with the central authorities and local governments at the initiative of the government. In 2013–2016, the annual Poland-China Regional Forum was an important meeting platform, well-rated by the local government, for all entities at various levels interested in cooperation with China, including partner regions.

2.8. Łódzkie

Łódzkie Voivodeship, located in central Poland is inhabited by 2.5 million people. The capital of the region and the largest city is Łódź. The region has been cooperating with Sichuan Province since 2012. At the same time, the city of Łódź cooperates with Chengdu, the capital of Sichuan.

The first contact with Sichuan Province began after the level of Polish-Chinese relations was increased to a strategic partnership in December 2011. Representatives of the Chinese Chamber of Commerce visited Łódź in March 2012, and the relations were established by creating a direct freight railway connection with China—Chengdu–Łódź—the first such connection in Poland.⁷³

Characteristics

- **The Łódź-Chengdu railway cargo line.** The authorities in the region and in Łódź recognised the potential of the business idea of medium-size logistics company Hatrans from Łódź and politically supported the efforts to create a freight railway connection. The first trains from Chengdu arrived in Łódź in April 2013, establishing a cheaper alternative connection to air transport and shortening by half transport time in relation to the sea route, which is beneficial for companies operating in the region, such as Dell, Gillette, P&G, and Hutchinson. The connection gained an important position on the map of Poland's contacts with China. Representatives of the Polish government often refer to this example as evidence of the strategic nature of Polish-Chinese relations and efficient cooperation between local authorities. It is estimated that in 2016, every third train arriving from China to Europe was unloaded in Łódź.⁷⁴
- **Cooperation between local government authorities of the Łódzkie Voivodeship and the city of Łódź.** The region and city authorities jointly opened a permanent **office of the Łódzkie Voivodeship in Chengdu** in 2014. Regional political leaders—President of Łódź Hanna Zdanowska and Voivode Marshal Witold Stępień also personally engaged in contacts with China.

⁷² An interview with a representative of Dolnośląskie Voivodeship.

⁷³ D. Mierzejewski, B. Kowalski, P. Ciborek, *op. cit.*, p. 35–38.

⁷⁴ T. Kamiński, "What are the factors behind the successful EU-China cooperation on the subnational level? Case study of the Łódzkie region in Poland," *Asia Europe Journal*, no. 17, 2019, p. 228.

"I am aware that for some investors, political cooperation at the local level is crucial, that's why I devote my time to it."⁷⁵

- **Activity of Chinese partners.** Sichuan, in cooperation with Łódź, noticed an opportunity to develop international contacts. As a result, the Łódź region began to be presented in China as part of the BRI, and Sichuan itself, with the support of the Chinese central authorities, became a province that specialises in, among others, cooperation with Poland and other Central European countries.
- **Cooperation between Łódź local government authorities, business, and universities.** The region's authorities began promoting the railway connection to companies. The Marshal's Office in cooperation with the Łódź Regional Development Agency and private consulting companies started to organise a system of support for products for export by local companies to the Chinese market. This resulted in an increase in the number of trains that have gone to China with Polish goods.

From the beginning of the effort, the regional authorities have cooperated with academic institutions in the region, using their expert knowledge, especially Chinese language and culture. The Marshal's Office also has supported many academic initiatives, such as the creation of a university think-tank, the Centre of Asian Affairs, and a summer school for Chinese students at the University of Łódź, with about 150 people participating in it every year.

Thanks to this tri-part cooperation, Łódź has managed to promote relations with the Chinese partner in such a way that they have become a nationwide model of cooperation between Polish and Chinese local authorities.

"We develop relations with China in three areas: business, higher education, and cultural exchange. Business relations and cooperation between universities have developed greatly, cultural institutions have been lagging behind."⁷⁶

- **Polish government support.** The Polish government supports the activities of regional authorities, legitimises them, and emphasises their potential. In 2015, a Consulate General of the Republic of Poland was opened in Chengdu, mainly to add dynamism to the development of cooperation between Łódzkie Voivodeship and Sichuan and the Łódź–Chengdu line. In the same year, the Poland-China Regional Forum (organised by the central authorities) took place in Łódź and gathered several hundred representatives of local and regional authorities from both countries. A year later, the Marshal Stępień was the only local government figure to take part in the official visit of the Polish Minister of Foreign Affairs Witold Waszczykowski to China. During the visit, the minister also visited Sichuan.

Challenges and perspectives

- **Increasing competition on commodity freight market routes to China.** In 2017, at least 34 European cities from 12 countries had rail connections to China, and the number of trains exceeded 3,000 per year and is likely to grow significantly.⁷⁷ Under these conditions, without large investments in the development of the intermodal reloading centre in Łódź, the city will be marginalised on the rail connections map.
- **Limiting Chinese subsidies for cargo trains.** Currently, the development of rail transport is strongly dependent on Chinese export subsidies, which in some regions and for some operators can exceed even 50% of the costs. The Chinese government plans to reduce these subsidies, at

⁷⁵ An interview with Łódź President Hanna Zdanowska, Łódź, 15 January 2015.

⁷⁶ An interview with an official of the Marshal's Office in Łódź, Łódź, 17 July 2017.

⁷⁷ Xiang Bo, "Over 6,200 train trips made between China, Europe in 6 years," *Xinhua*, 26 December 2017.

a rate of up to 10% per year.⁷⁸ An important factor then will be the scale of the cuts that Sichuan will apply to the Łódź connection.

- **Change in the Polish government's policy towards China.** The deterioration of Polish-Chinese relations may negatively affect the development of bilateral regional contacts, including those between the Łódź Voivodeship and Sichuan. An example is the decision by Poland's authorities in 2016 to suspend an auction for the sale of a plot of land for the construction of a trans-shipment terminal in Łódź but without clear justification and consultation with the city authorities. This decision was poorly received by the Chinese partners. As a result, the dynamics of the contact between the voivodeship and the city of Łódź with the Chinese partner has decreased. A return to the previous intensity of the relationship requires active investment, as well as marketing activities by the authorities of Łódź.

2.9. Liverpool

Liverpool is a port city and, at the same time, a local government city (Liverpool City Region) in the northwest England. It is currently the fourth-largest port in the UK (after Grimsby-Immingham, London, and Tees-Hartlepool). Liverpool has a long tradition of contact with China and the oldest Chinese community in the country, reaching as far back as the mid-19th century when the local port served, among others, clipper ships bringing in tea. Then, Chinese from Shanghai and Hong Kong were employed in the port by one of the English companies. For these reasons, Liverpool had quite a large Chinatown, especially before the First World War. Currently, around 10,000 Chinese live in Liverpool (compared to about 500,000 total residents of the city).

Liverpool is promoted to China as one of the UK's best cities to cooperate with. It emphasises the city's cultural resources, including its two well-known football clubs (FC Liverpool and FC Everton), its place as the home of the Beatles, and its role as an academic, research, and innovation centre. The logistics and legal facilities in the form of port infrastructure, good communication with other parts of the UK, as well as participation in the Northern Powerhouse project are also promoted.⁷⁹

Of the 12 local UK cooperation projects in the survey, Liverpool has the most partners in China. It cooperates with 11 Chinese entities—Shandong province and cities, including Shanghai, Suzhou, Tianjin, Guiyang, Chongqing, Kunming, Chengdu, Qingdao, Xi'an, and Dalian. Most of the partnerships were established in 2016. The oldest is the partnership with Shanghai, which has been operating since 1999 (Table 12).

Table 12. Chinese partners for city of Liverpool

	Province/city	Status of the Chinese partner	Beginning of cooperation	Agreement/no agreement	Active/not active
1	Shanghai	city with a provincial status	1999	agreement	active
2	Suzhou	city in Jiangsu province	2006	agreement	active
3	Tianjin	city with a provincial status	2016	agreement	active
4	Guiyang	city, capital of Guizhou province	2016	agreement	active
5	Chongqing	city with a provincial status	2016	agreement	active
6	Kunming	city, capital of Yunnan province	2016	agreement	active
7	Chengdu	city, capital of Sichuan province	2016	agreement	active

⁷⁸ J. Suokas, "China to scale down subsidies for Europe-bound cargo trains," *Global Times*, 19 October 2018, <https://gbtimes.com>.

⁷⁹ See the part of Great Britain, p. 25.

	Province/city	Status of the Chinese partner	Beginning of cooperation	Agreement/ no agreement	Active/not active
8	Qingdao	city in Shandong province	2016	agreement	active
9	Shandong	province	2016	agreement	active
10	Dalian	city in Liaoning province	no data	no data	no data
11	Xi'an	capital of province Shaanxi	no data	no data	no data

Source: authors' compilation.

Characteristics

- **Priority partnership and others.** These priority partnerships bring business benefits to the city and create a synergy effect. Other partnerships are important for other cities of the Northern Powerhouse and for the UK.
- **Liverpool in the vanguard.** The city wants to be a model of cooperation with Chinese partners for other cities and the UK government. Thanks to its good contacts with Chinese partner cities, knowledge about them, and more widely about China (e.g. legal regulations, business conditions, etc.), Liverpool wants to help other British entities choose partners and effectively cooperate with them.
- **Personal factor.** People in power in Liverpool are convinced of the need to promote it as a city open to foreign cooperation and willing to share its experience and seek synergy. Since 2014, there has been a special **city vice-mayor** (Deputy Mayor of Liverpool–Business, Economy and Skills), who is responsible for cooperation with China and is the “face” of the city in China. Thanks to the activity of people in these positions, in 2016 seven new partnerships were established.
- **Most important is the economy.** The emphasis in the partnerships is put on exports to China, investments in China, and attracting Chinese investments to Liverpool and the UK. The city also wants to attract students and tourists as well as Chinese participants in cyclical events such as the International Business Festival, since they all bring income to the local budget.
- **Science and education.** These two areas are considered almost equally as important as the economy. An example is the 2006 University of Liverpool partnership with Xi'an Jiaotong University and the joint campus in Suzhou, as well as the “2 + 3” programme, namely studies in Suzhou and Liverpool. Another example is the SENSOR City project, carried out by two Liverpool universities and includes research into sensory technologies. The city started cooperation within this project with the authorities and businesses from Tianjin.
- **Football.** In 2018, Liverpool and Kunming authorities signed an agreement to open a football school in Kunming under the patronage of FC Liverpool.
- **Sharing experience.** The city is willing to share its know-how regarding economic zones and port operations, among others. Liverpool promotes as its (and also the Northern Powerhouse's) strengths and possible areas of cooperation with Chinese partners: business services, solutions in river ports and seaports, logistics, sensory and low-carbon technology, graphene, off-shore wind farms, and the car and aviation industries.
- **Financial benefits.** The city has reaped financial benefits from the growing number of Chinese students, tourists, and their families coming to visit. According to calculations by the Liverpool authorities, each student spends around £25,000–27,000 annually.
- **Investments.** There are examples of successful investments thanks to the local cooperation. Chinese company ZPMC participates in the expansion of the Liverpool Peel Ports, lighting in the city is based on technology from Shanghai, and the city purchased electric buses with technology from BDY Shenzhen. On the other side, Henry Bath, a Liverpool company,

invested £50 million in the Free Economic Zone (FTZ) in Shanghai, building a warehouse and employing workers.

- **Promotion of Liverpool and its strengths.** Benefits include the very fact of promoting the city and its strengths as well as characteristic features or flagship events, e.g., International Business Festival.

Challenges and perspectives

- **Not enough knowledge and understanding of China and preparing for cooperation.** The lack of knowledge concerns, for example, the role of the Chinese government in paradiplomacy activities and the scope of autonomy of local authorities. It is also worth knowing the specialisations of the Chinese regions to avoid situations when one wants to cooperate, but it is with an inappropriate partner.
- **The challenge of Chinese legal regulations** regarding business cooperation. Local authorities should have this knowledge and share it with local businesses interested in cooperating with Chinese partners.

2.10. Scotland

Scotland is part of the UK, which has an autonomous system of national governments (own government and parliament). It is situated in the north of the British Isles and in the south it borders England. The capital of Scotland is Edinburgh, but the largest city and economic centre is Glasgow. According to devolutionary processes,⁸⁰ the authorities of the constituent parts of the United Kingdom have a diversified range of autonomy, including some options for maintaining external relations (e.g., regional offices in Brussels and selected capitals, commercial offices outside Europe). The specificity of Scotland in this context is determined by the broadest scope of autonomy, partially including taxation and legislation, the long-term power of the Scottish National Party (since 2007) and the strongest separatist tendencies in the UK (independence referendum in 2014) resulting in considerable continuity of national policy and strong motivation to increase the visibility of Scotland internationally and the scope of its own autonomy in terms of external relations. The Scottish Government Minister for Europe, migration, and international development is responsible for the maintenance of relations with China.

Scotland recognises its relations with China as a priority, due to the country's growing global role and convergence in the goals and development programmes of both countries. China's position in the international activity of Scotland is indicated by China's strategies, drawn up every three years since 2006. The latest, the third, was published in June 2018. Relations with China are a way for Scotland to increase its visibility and international space (internationalisation). About 5.5 million people live in Scotland, including 15,000 Chinese people and 9,000 students (data for January 2018).⁸¹ In 2017, about 62,000 tourists from China visited Scotland.⁸² China is the 17th-largest export market for Scotland.⁸³ Scotland cooperates with Beijing, Shanghai, Shenzhen, the province of Shandong, Tianjin, and Hong Kong. In addition, Glasgow has been cooperating with Dalian and Edinburgh with Xi'an for 30 years.

⁸⁰ Devolution processes mean the decentralisation activities in the constituent parts of the United Kingdom: Scotland, Northern Ireland, and Wales.

⁸¹ "Scotland's International Framework China Engagement Strategy," 2018, pp. 3, 19.

⁸² www.visitbritain.org/markets/china.

⁸³ "Scotland's International...", *op. cit.*, p. 7.

Characteristics⁸⁴

- **An extensive institutional network** involved in contacts with China. In Beijing, the Scottish Affairs Office operates at the UK embassy. Apart from China, Scotland has similar representations only with the EU (in Brussels), Canada (in Ottawa and Toronto), and the U.S. (in Washington). In China, the Scottish Development Office also has offices whose task is to help business operations in Scotland (in Beijing, Hong Kong, Shanghai, and Shenzhen). A Chinese consulate has been operating in Edinburgh for 20 years.
- **The priority is economic cooperation**, above all trade and mutual investment. Scotland wants to increase exports to China, mainly whiskey, salmon, and textiles—its flagship products.
- **Science and the environment** is another important area of cooperation. Scotland has created an image of itself as a leader in environmental protection, with ambitious targets for reducing emissions and increasing the use of renewable energy. It wants to cooperate with its Chinese partners in the protection of habitats, offshore wind energy, and sewage management.
- **Culture and tourism.** The goal in this area is to promote Scotland, which can translate into economic benefits and help internationalise or increase the international presence of the country. The cooperation includes performative and visual arts, museums and collections, archaeological research, literature, publications, film, arts and crafts, cultural heritage, music, software design, animation, and games. The spending by Chinese tourists in Scotland has increased by 414% since 2007, reaching £36 million.
- **Education, science, and innovation** is the fourth important area of cooperation, promoting Scottish colleges and research there.
- **Increased exports to China and examples of mutual investments.** In the economic sphere, tangible benefits include increased salmon exports and the presence of 10 Chinese enterprises operating in Scotland that combined employ more than 2,600 employees. In addition, China is currently the fifth-largest source of foreign investment in Scotland.
- **Examples of successful scientific and environmental protection endeavours.** Benefits in science and environmental protection include the Scottish low-carbon innovation hub in Hong Kong, Scottish support for offshore wind-farm construction in Guangdong province, pandas from China at Edinburgh Zoo, Scottish-Chinese cooperation in potato research, and the opening of a diabetes research centre in Shenzhen based on the Scottish healthcare model.
- **Examples of cultural cooperation.** Scottish institutions cooperate with the Chinese over the conservation of monuments in the Forbidden City in Beijing. A cooperation agreement was also signed between Edinburgh Festivals and the Shanghai International Festival.
- **Innovations.** Edinburgh and Shenzhen cooperate to support the exchange of innovation experience between enterprises from their cities. Abertay University established a partnership with the Chinese company Perfect World to share expertise in video games. Moreover, Strathclyde University is host of an international research laboratory for mechatronic technologies and space systems with the China Academy of Launch Vehicle Technology.

⁸⁴ All of the information here is based on “Scotland’s International Framework China Engagement Strategy,” a strategy document published by the Scottish government in June 2018. The Scottish authorities did not agree to an interview, arguing instead that all of the relevant information is contained in the document. The strategy defines goals that are very general (e.g., “global outlook” or “relationship and partnership”) and in their framework operational goals (such as increasing trade and investment, sharing experiences), but without specific measures or a schedule for achieving them.

2.11. Umbria

Umbria is a region in central Italy. The largest city and capital in the region is Perugia, with 150,000 inhabitants. The region is famous for medieval towns such as Assisi and Orvieto as well as for its cuisine and the production of olive oil, truffles, and wine.

Umbria cooperates with several Chinese partners, both provinces (3) and cities (3). The first contact began in 1997 on the initiative of the Chinese side between a small town in Umbria and Changning, which later on became one of the districts of Shanghai. The beginnings of the next partnership date to 2006. Establishing cooperation was the response of the Umbrian authorities to the investment of one of the automotive companies from Umbria in the province of Shantung. In both cases, the partnerships were then renewed in 2016 and 2012, respectively. Contacts with other partners (Yunnan, Chongqing, Zhangjiajie, and Hunan) were established after 2014 (Table 13).

Table 13. Chinese Partners of the Umbria Region

	Province/city	Status of the Chinese partner	Beginning of cooperation	Agreement/no agreement	Active/not active
1	Changning	District of Shanghai	1997	agreement	active
2	Shantung	province	2006	agreement	active
3	Yunnan	province	2015	agreement	active
4	Chongqing	a city with a provincial status	2015	agreement	active
5	Zhangjiajie	City in Hunan province	2016	agreement	active
6	Hunan	province	2017	no data	active

Source: authors' compilation.

Characteristics

- **Regional partnerships based on the activity of local entities.** The starting point for partnerships from the provinces of Shantung, Yunnan, Chongqing, and Hunan were previous contact between the local entities. In the case of Shantung, the company mentioned above was the initiator. Regional authorities wanted to use the established business relationship to develop cooperation also in other fields. On the other hand, cooperation with Yunnan and Chongqing provinces developed thanks to existing academic agreements with the University of Foreigners (Università per Stranieri di Perugia) operating in Perugia.
- **Connection with the Italian and Chinese governments.** In 2012, a political opening towards China was initiated in Italy, symbolised by the first visit of an Italian PM to Beijing since 2006. In the same year, Umbria took part in a project by the Italian MFA, the aim of which was to establish regional partnerships in specific areas. The Umbria region participated in a programme supporting the development of cooperation in tourism, protection of cultural heritage, and the supervision of food quality. The effect was, among others, the launch of a food technology park in China. In turn, the opening of a consulate in Chongqing in 2014 by the MFA was used to develop the existing university relationship.
- **Promotion through culture.** For local-government authorities, an important goal of the cooperation with China is promotion of the region through culture. Regional authorities not only encourage Chinese people to visit Italy but also organise special editions of flagship festivals in Chinese cities.

"In 2017, we completed all the formalities related to two projects in China. The first one is the Festival dei Due Mondi from Spoleto, the second one is Umbria Jazz. These two festivals

are our flagships. Umbria Jazz, although it does not (usually) fit into the popular tastes of the Chinese audience, has already achieved great success there.”⁸⁵

- **Religious tourism.** Umbria also focuses on religious tourism, and China, where about 12 million Catholics live, is a target of these promotional activities. In 2017, Umbria was visited by more than 89,000 Chinese tourists, which made it sixth among all Italian regions.
- **Network of partnerships.** Instead of concentrating on extending relations with one partner, the Umbrian authorities intend to build a wide network of cooperation with the Chinese provinces. This is related to the desire to reach as many potential tourists as possible and to promote flagship regional festivals in China.
- **Different sources of financing.** Region funds cover about 15- 20% of expenditures on cooperation with Asian partners. The delegations to China are paid for from their own resources. Larger events are co-financed by local entities, such as universities, Italian or Chinese sponsors, or funds from Chinese partner provinces. The region also uses funds for the promotion of Italy in China (these are generally funds from EU programmes).

Challenges and perspectives

- **Cultural differences and Chinese bureaucracy** are the main difficulties in Umbria’s relations with China. Despite the commitment and willingness to cooperate on the part of the Chinese partners, bureaucracy and cultural differences hinder the conversation, even the organisation of cultural events. Cooperation with local entrepreneurs already present in China is one possible solution, mainly that they can use their contacts and experience.

“That is why—this is how it looks in my experience—it is best to organise something with entrepreneurs who are there and can find Chinese partners. It is a completely different model of action than in all other countries with which we cooperate.”⁸⁶

⁸⁵ An interview with an official responsible for cooperation with China in the region of Umbria.

⁸⁶ *Ibidem*.

CHAPTER 3. SUMMARY AND CONCLUSIONS

The analysis of the regional dimension of relations with China of the six largest EU countries allows for a summary not only of the characteristics of this contact but also identifying factors that favour cooperation. In addition, it shows likely trends, and therefore modifications, that can be expected in the coming years. This is the result of both a more pragmatic approach of the regions to contact with partners from China and a change in the Chinese attitude towards subnational contact. The survey shows the role of EU Member State governments in their relations with China and allows for the formulation of several conclusions and recommendations for the Union of how to better use these relations and support regions in the Member States.

Main conclusions

- Cooperation with partners from China is an important direction of international cooperation for regions in France, Spain, Germany, Poland, and Italy. Partnerships with China are declared by 80% of the regions in these five countries.
- In all the surveyed EU regions (in the five countries and the United Kingdom), the **economic and academic dimensions** dominate the cooperation. Active cooperation is ensured by the inclusion of local partners, such as regional agencies, chambers of commerce, universities, and tourist agencies. The regions support the internationalisation of their local enterprises and promote themselves to Chinese investors, tourists, and students.
- There are no major differences between the countries in terms of the areas, benefits, or even obstacles in their cooperation with the Chinese partners. In all six countries, an **effective cooperation triangle** appears in which local government, local and regional businesses, and local academic entities, undertake initiatives together with partners from China. In the wider economic and academic sphere, the European regions also see the greatest benefits. Regardless of the number of partnerships or degree of activity, the most frequently indicated obstacle in dealing with China are the distance and related costs of active cooperation.
- In all the countries surveyed, the **relationship between regional cooperation and government policy towards China** is apparent. Subsequent declarations of strategic partnership with China were an impulse for new partnerships. In some countries, governments support the regions through regular meetings (the government meets with regions in France) or through the organisation of regional forums (France and Poland, at least until 2016). At the same time, all of the surveyed regions underline that their activity is in line with the foreign policy directions of their countries.
- Activity in contacts with China is **usually financed by the regions' own funds**. Often, these are EU funds directed for the promotion of the region, support for entrepreneurship or exports, and not directed *strictly* to support cooperation with China.
- **There is a lack of a clear position among the regions regarding expected EU support** for their cooperation with Chinese provinces and cities. Some point out that if there were financial programmes for this particular purpose, they would use it. Others note that the use of EU funds does not work in projects with enterprises, as the competition procedures take too long and are complicated.
- The regions are aware of the **threats and challenges** in cooperation with Chinese partners, but stress that relations are necessary. They emphasise the need for cooperation between regions of different EU Member States to share information.

Enabling factors for efficient cooperation

- **Economic factor.** The prospects of economic benefits are the main reason why the regions in the Member States are interested in working with Chinese partners. These regions perceive this cooperation mainly through the prism of possible Chinese investment in their region and an increase in exports to China.
- **Political factor.** Good relations with China at the government level foster subnational cooperation. Bilateral agreements between governments, EU declarations of interest in the BRI, or, for example, Poland's accession to the EU, strengthening its international position, have encouraged European and Chinese regions to cooperate. Italy is a good example of this. The Italian government's change in policy towards China was a decisive factor in the opening up of regions to a new direction of cooperation.
- **Human factor.** The beginnings of cooperation are often the result of the involvement of one person (Valencia, Liverpool) convinced of the need for relations with China as an economically and politically important country. These people also believe that their regions should be open to exchanging experiences and, broadly understood, international cooperation. They can see the economic benefit for the region and the opportunity to improve the quality of life of its residents. However, for the cooperation to be permanent, more people and local entities must be interested and involved in cooperation with China, and some have created positions of coordinators for cooperation with China (Liverpool).

Trends

- Apart from the bilateral partnership formula, more and more regions indicate the **need for cooperation with different provinces**. They also do not see the need to formalise new contacts and are ready to resign from partnership agreements (Castilla, Auvergne, Liverpool, Umbria).
- Representatives of European regions see a **change in the attitude of Chinese provinces to cooperation with the EU**. Currently, fewer delegations are arriving from China than a few years ago. The meetings more often focus on specific projects or activities and do not only serve to familiarise, sign declarations, or obtain information from the European partner.
- On the **European side, the regions have given up their representations** abroad (Italy, France, Spain) for economic or political reasons (e.g., under the influence of national government policy). Instead, they cooperate with their state agencies, such as chambers of commerce, or consulting companies, if present (e.g. have offices), in Chinese cities.
- Authorities of the local governments surveyed see great opportunities for the development of their regions through cooperation with partners from China. They are also **aware of the threats** that may result from China's foreign policy and Chinese investment (e.g., taking over technology, threat to critical infrastructure, etc.).
- European regions, in cooperation with China, attach **increasing importance to reciprocity**. They make sure that the benefits of cooperation come from both sides. An example is Liverpool, which works with regions in China that correspond to its own profile, for example, in terms of business or science projects that create an opportunity for mutual benefit.
- The regions try to find **their specialties** in cooperation, **promote their "strengths,"** and look for synergy there. Examples are the role of ports (Valencia, Liverpool), UNESCO heritage (e.g., promoting tourism in Castile and Umbria), the promotion of good universities and schools (Liverpool, Berlin) and the promotion of language learning (Liverpool, Castile), own legal system (Germany, Berlin), climate issues important for the government (Germany, Scotland), market niches (sensory technologies, graphene), or European football (Liverpool).

- The regions are moving towards **creating their own “brands”** and **flagship initiatives** in cooperation with China. Examples are the International Business Festival (Liverpool), cargo lines (Łódź-Chengdu, Madrid-Yiwu), and the Umbria Jazz festival (Umbria).
- **The role of Chinese regions is growing, despite attempts at centralisation** by Chairman Xi Jinping. They become more independent and focused primarily on economic cooperation with foreign partners. This may mean that they will be willing to cooperate with foreign countries, even though bilateral relations at the government level deteriorate. When it is in the interests of Chinese local authorities, they can distance themselves from Chinese central policy or exert pressure on the Chinese government. The pressure of the regions will depend on the degree of economic connection with foreign countries and the importance of the region in the Chinese economy.
- **In the event of a deepening of the U.S.-China trade war** and China's increased willingness to cooperate with the EU (confirmed by concessions to the EU and selected Member States, e.g., Germany), **one can expect greater interest from Chinese regions in cooperation with European partners.** Chinese regions may want to mitigate the effects of China-U.S. dispute in this way, as well as the deteriorating economic situation in China. Economy-focused local cooperation can be a secure communication channel in a situation of deteriorating relations at the government level, e.g., under U.S. influence or tensions in EU policy towards China.

Conclusions for the EU

- The survey revealed **the low impact of EU-China relations on local cooperation** between the six EU countries and their Chinese partners. While this cooperation is an important element of the international activity of local governments, which, first of all, is supported by their central governments, the Union does not help them in a measurable way (e.g., allocating funds for cooperation with China) and does not analyse this contact on a regular basis.
- Contact between regions and cities creates a **useful channel of influence on China** in promoting more balanced and inclusive development, sought by the EU, and in supporting socio-economic and environmental reform in China. The transfer of knowledge and best practices directly to the local level, bypassing the often politicised contact at the diplomatic level, can be more effective. For example, the relations between cities and regions are key to sharing environmental knowledge about different spheres of local community functioning, such as public transport organisation and waste management.
- One objective of EU policy towards China is to attract high-quality Chinese investment to Europe. **Regional authorities**, which most often negotiate potential investment in the region with Chinese partners, **should be a natural partner for the EU** in this process. Cooperation with local entities is also important for the economic security of the Union, especially when concerns about Chinese investment are growing, resulting in the screening mechanism. On the one hand, local government officials should be aware of potential threats from Chinese investors and be involved in monitoring Chinese investment activity in Europe. On the other hand, greater EU attention devoted to local relations can improve the operation of the Union screening mechanism thanks to the faster circulation of information about new Chinese investments.
- The Union also wants to strengthen cooperation with China in research and innovation. Academic cooperation is an important area of contact stimulated by regional authorities. Therefore, **subnational entities should be included in the EU's science diplomacy.**
- The Union also points to the desire to **develop interpersonal contact**, attracting students and tourists from China to Europe. The goal is “to strengthen intercultural dialogue, promotion of

cultural diversity, and social participation.”⁸⁷ Relations at the subnational level are a natural place for implementing these plans.

- In order to make real use of the dynamics of the contact with China at the level of regions, cities and provinces, the Union should recognise their significance. For legal and political reasons, EU institutions cannot directly influence autonomous local government authorities in Europe. **It is worth the EU monitoring cooperation with China at the regional level** and support it in such a way that it provides both with benefits and fulfils policy goals towards China. In addition to possible financial support through geographically targeted programmes, it is important for the Union to develop a way of communicating with the regions. It could then share with them information about EU priorities in relations with China (including changes in EU policy towards China), as well as problems and threats.
- From the perspective of the EU regions, it may be helpful to **create a forum for the exchange of experience** of local governments engaged in cooperation with China. This would give them an opportunity to be more effective and for the implementation of national policy objectives towards China, which at the regions level often focuses on the support of local entrepreneurs and universities but also more and more affects environmental protection and, more broadly, sustainable development.

⁸⁷ “Elements for a new EU strategy on China,” *op. cit.*, p. 10.

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