



DEPARTMENT OF THE ARMY
DEPARTMENT OF SOCIAL SCIENCES
UNITED STATES MILITARY ACADEMY
BLDG 607, LINCOLN HALL
WEST POINT, NY 10996

MADN-SOC

05 November 2021

MEMORANDUM FOR SCUSA 72

SUBJECT: Trade, Globalization, and Economic Statecraft

1. **Issue:** The purpose of this memorandum is to propose how the United States Government (USG) should counter the People's Republic of China (PRC)'s statecraft by facilitating an innovation ecosystem among like-minded nations in the Indo-Pacific region through incentivizing the adoption of green disruptive technologies.
2. **Strategic Analysis:**
 - A. The PRC has experienced rapid economic growth and expansion and has become the world's second largest economy. Increasingly, it has acted in aggressive behavior by threatening retaliatory economic actions like weaponizing its imports and exports. This phenomenon is most prevalent in the Indo-Pacific. This area has many emerging economies which are susceptible to economic influence. Therefore, it is in the best interest of open economies, international standards, and these emerging nations to counter misaligned influences. From an economic standpoint, strengthening regional ties and promoting open markets will allow both emerging and established markets to achieve greater economic stability and growth while opening strategic trade opportunities for the long term.
 - B. While it should not be the goal of the USG to interfere with other countries' voluntary relations and partnerships with the PRC, the USG should strive to provide comparatively better and more transparent solutions.
3. **Strategic Options:**
 - A. The USG should create and implement a unified, interagency strategic plan that accomplishes the deployment and innovation of green disruptive technologies by like-minded nations in the Indo-Pacific region.
 - a. Green disruptive technologies include: hydrogen and advanced fuel cell production, 3-D metallic printing, and others that develop through the proposed innovation ecosystem.
 - B. The USG should work in tandem with private innovative companies, along with regional economies, to streamline the development and operation of both current and future green, or other, disruptive technologies.

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- C. The USG should lead efforts to create a common Green Energy Institute between its partners in the Indo-Pacific, which will be an independent hub that pools information on disruptive renewable energy technologies, provides information for FDI and investments, and keeps track of projects.
 - a. It should be funded by the states in the partnership as well as by existing grant infrastructure such as the International Fund for Agricultural Development, Green Climate Fund, and the United Nations Climate Change Conferences
- 4. **Recommendations:** We recommend that the USG should implement strategic options A and C. These are recommended as they are concrete short-term steps that the USG can implement for success in the long-term future of the Indo-Pacific region. These policy recommendations will have the goal of continuing economic partnerships between the USG, local and international private companies, and regional economies beyond current green disruptive technologies.
- 5. **Implementation:** The USG should aim to establish its interagency strategic plan by the COP29 in 2023 between the Advanced Research Projects Agency - Energy (ARPA-E), State Department, Defense Advanced Research Projects Agency (DARPA), U.S. Department of Commerce, and the United States Agency for International Development (USAID). After the creation of the interagency network, the USG can leverage these agencies to create a common Green Energy Institute.
- 6. **Conclusion:** Through the implementation of the policies recommended in this memo, the USG can gain a comparative advantage over the PRC in disruptive technologies in the Indo-Pacific region while still respecting emerging economies' right to choose who they do business with. This will be done by making strong economic ties to the United States more attractive rather than disincentivizing business with competitors such as the PRC. Additionally, the USG must continue to promote and secure domestic energy production and long term job growth.
- 7. The point of contact for this memorandum is CDT Cooper Brooks at cooper.brooks@westpoint.edu or 541-570-5458.