



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

MADN-SOC

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MEMORANDUM FOR: SCUSA 73

SUBJECT: ECONOMIC POPULISM

**Issue:** The purpose of this memorandum is to provide recommendations for addressing the strategic issues posed by the rise in economic populism in response to globalization.

**Definitions**

1. Economic Populism: response to a perceived loss of political power and economic stability resulting in a “strong man” who pushes for economic policies popular with his constituents.
2. Globalization: the increased interconnectedness and interdependence of countries and economies.

**Strategic Analysis:** Although globalization has reaped benefits for millions around the globe, populations that feel “left behind” or as if they are the “losers” of globalization have spurred a rise in economic populism around the world. As a result, countries have begun implementing protectionist policies, detracting from participation in the global system.

**Relevant National Interests:** As the world’s leading economic power, the United States must address increasing rates of populism and nationalism, both domestically and internationally, in order to continue the progress gained by globalization and protect U.S. interests in the global economy. Domestically, populist movements threaten socio-political stability and economic efficiency. On the international scale, the United States must work to encourage development of low-income states and maintain influence in those regions.

**Strategic Issues:**

1. Offshoring of major industries in manufacturing and agriculture has left many communities in the US economically stagnant, creating an environment ripe for populist rhetoric. Populations in formerly industrial communities are exceedingly susceptible to dangerous populist rhetoric.
2. Increasing the consistency of foreign policy and educating citizens in domestic and international politics.

3. Globalization has left low-income states vulnerable to unsustainable, exploitative economic investment, positioning them in the middle of geopolitical competition.

**Recommendations:**

*Recommendations for Issue #1:*

Given that economic populism thrives in economically depressed communities that experience perceived political powerlessness, this recommendation aims to address economic stagnation in formerly industrial, agricultural and manufacturing communities and a lack of adequate education in civic engagement, financial literacy, and viable employment opportunities. Proposed solutions include:

- Incentivize private corporations to relocate to underdeveloped and postindustrial communities, providing progressive refundable tax credits for retention and number of employees in said communities.
- Implement educational reforms that improve high school courses for basic civic literacy and personal finance with a cumulative test to analyze course comprehension and retention.
- Build out high school programs for trades (plumbing, electricians, mechanical services, etc.) in order to decrease dropout rates and create sustainable career paths.
- Prioritize development in second tier cities through holistic regulation review to remove inefficient regulations that stifle development and construction at every level. Public safety/interest would be considered alongside efficiency.
- Prioritize sustainable development through sustainable energy.

*Recommendations for Issue #2:*

Due to a rise of domestic populism, the potential for drastic and sudden changes in American foreign policy following Presidential elections has created an atmosphere of uncertainty among other nations when dealing with the United States economically and politically. Proposed solutions include:

- Launch a major civics education campaign within the education system and public sphere that:
  - Increases federal funding for instruction of political civics and foreign policy within high schools and colleges.
  - Creates comprehensive educational civics and foreign policy-based video series for the general public.
  - Finances civic-volunteer opportunities and engagements

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SUBJECT: CLIMATE CHANGE

- Allow Senate majorities to overturn Presidential executive orders with a supermajority, where partial support for treaties and agreements would be allowed and voted upon.

*Recommendation for Issue #3:*

Incentivize private sector involvement in developing economies to safeguard against potential administration and policy changes, while continuing to increase U.S. presence and influence. This can be achieved by expanding and promoting the authority of the Development Finance Corporation to incentivize U.S. private sector investment in low-income, high-growth states. Proposed solutions include:

- Increasing DFC's budget in order to expand staffing and the amount of insurance that can be offered.
- Providing U.S. intelligence support to companies seeking to conduct business in areas with high political risk.
- Creating managerial exchange programs for displaced U.S. workers to train local populations abroad.

The point of contact for this memorandum is CDT Trenton Bond at [trenton.bond@westpoint.edu](mailto:trenton.bond@westpoint.edu).

Economic Populism and Nationalism:  
Challenges to Globalization  
SCUSA 73  
United States Military Academy