

Empowering U.S. Economic Statecraft

Two Slides Supporting the Oral Testimony of William Norris

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before the

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Committee on Foreign Affairs

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“Economic Statecraft and Advancing US Interests Abroad”*

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What is Economic Statecraft?

Economic statecraft focuses on the intersection of economics and security:

1. **Commercial actors** (not states) conduct the vast majority of international economics.
2. These interactions may carry important implications for states' **strategic security interests** (security externalities).
3. States can manipulate the incentives of commercial actors in order to encourage (or discourage) particular patterns of behavior that generate security externalities that are conducive to the state's strategic interests.

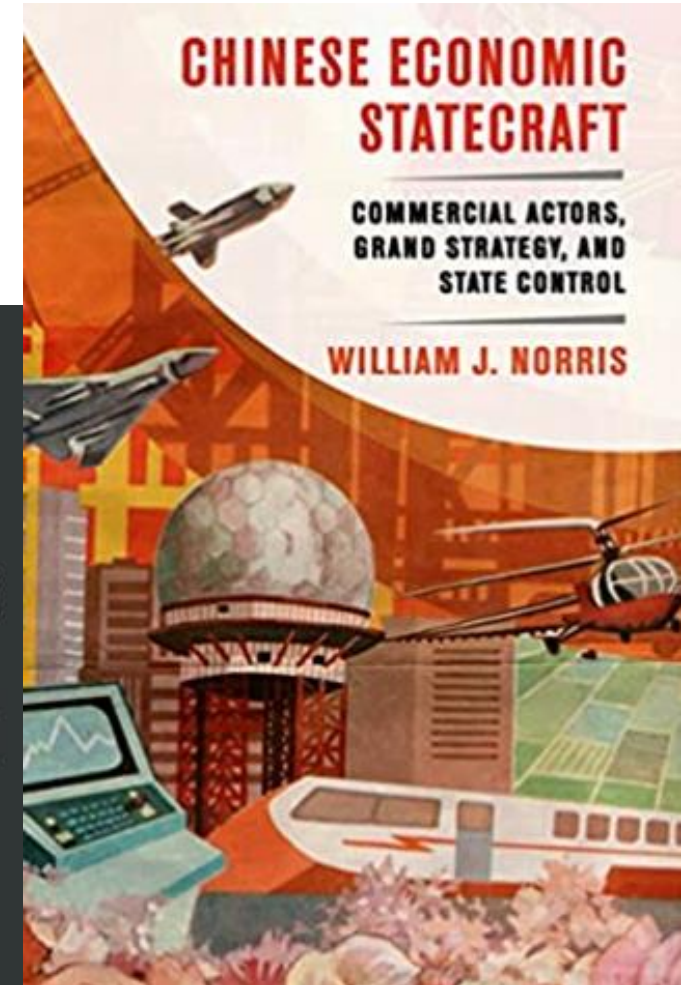
Such manipulation is defined as
economic statecraft.

Economic Statecraft

NEW EDITION

David A. Baldwin

WITH A NEW PREFACE BY THE AUTHOR
AND AN AFTERWORD BY ETHAN B. KAPSTEIN



SECURITY EFFECTS STEMMING FROM ECONOMIC INTERACTION: A TYPOLOGY OF SECURITY EXTERNALITIES

