



# The New Geo-Economics Initiative

The global economy is entering a new and more volatile era shaped by a series of compounding dilemmas: the intensification of geopolitical competition, the escalation of the climate crisis, the development of groundbreaking technologies, and the rise in inequality, all destabilizing an international system weakened by the COVID-19 pandemic.

The initial stages of this transition have upended patterns of trade and capital flows, triggered sovereign debt crises, roiled energy markets, and reconfigured the dense webs of relationships underpinning globalization. The interlocking nature of these transformations is making contemporary problems harder to resolve and future crises harder to predict.

In response, the United States and its partners are advancing paradigm-shifting agendas to bolster resilience, including major investments in semiconductors and clean energy.

Promising approaches are nevertheless facing significant challenges, including:

- disrupted transnational supply chains and innovation networks;
- strained alliances;
- weakened development prospects of low- and middle-income countries;
- inadequate public-sector delivery mechanisms, especially for underserved local communities; and
- outdated economic policy frameworks, models, and metrics.

The complexity of these issues requires new ideas, institutions, and partnerships to meet the moment.

# MISSION

The New Geo-Economics Initiative (NGI) is uniquely positioned to help public, private, and civil society leaders navigate the new economic landscape. NGI leverages deep expertise at the local, national, and multilateral levels to advance sustainable solutions and brings the Milken Institute's private investment, public finance, and local community networks to the table to help implement projects. Through the Milken Institute's convenings and research, it steers a new international consensus on the new geo-economics.

## **NGI works to address five overlapping challenges:**

**Rewiring globalization:** Geopolitics, technological innovation, and decarbonization are among the forces rewiring globalization across regions and industries by simultaneously fragmenting established economic relationships and creating new opportunities for deeper integration.

- NGI advances solutions to enhance supply chain resilience and modernize the international economic system and its governance to meet contemporary challenges.

**Harnessing innovation:** Emerging technologies like AI are central to national competitiveness and can address challenges from drug discovery to tailored education.

- NGI works with technology and policy leaders to ensure innovation responds to sustainable growth, national security, and social imperatives.

**Enhancing regional competitiveness:** Growing divisions aggravated by the concentrated costs of globalization and technological innovation underscore the importance of thriving regional economies, which are the foundation of national prosperity and international competitiveness.

- NGI enhances regional dynamism through bottom-up approaches that connect communities to public and private capital, accelerate infrastructure deployment through unique national-local partnerships, and integrate firms into global supply chains.

**Catalyzing climate finance:** The race to decarbonize the global economy depends on the success of efforts to unlock and mobilize trillions of dollars to finance climate mitigation and adaptation.

- NGI builds capacity that can radically accelerate climate investment without exacerbating the burdens facing the countries and populations most vulnerable to the effects of climate change.

**Modernizing the economic framework:** The new global landscape requires revising our economic framework to advance sustainable, private investment-fueled growth even as national security, decarbonization, and inequality are prioritized.

- NGI promotes “smart scoring” and other tools to improve forecasting, risk measurement, and decision-making in the new environment.

## ADVISORY COUNCIL

NGI's work is informed by the MI Finance Geo-Economics Advisory Council, which is composed of global business and policy leaders with expertise at the intersection of international economics, foreign affairs, and competitiveness.

## MI EXPERTS

**Karen Kornbluh** is a senior advisor to the Milken Institute. She has served in senior economic policy positions in government, including as US ambassador to the Organization for Economic Co-operation and Development, and was executive vice president at global data company Nielsen. Ambassador Kornbluh testifies before Congress, and her writing is widely published.

**Dan Carol** is a senior director at the Milken Institute and leads the Public Finance Program, which houses the New Geo-Economics Initiative. Carol works with local governments and stakeholders to foster best practices in public investment, accelerate deployment and financing of community-scale and resilient infrastructure, and scale up regional innovation and the use of public-private partnerships.

**David Talbot** is a director at the Milken Institute, where he leads research and policy programming for the New Geo-Economics Initiative. Talbot served in the Obama administration as policy adviser for international economics to the US secretary of commerce and holds a PhD in international political economy from the University of Cambridge.

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