

A stylized, cracked globe of Earth is the central focus, set against a light blue background. The globe is composed of many irregular, blue-tinted fragments, suggesting a fractured or broken planet. The continents are visible in shades of green and yellow. To the right of the globe, several small, colorful fragments (orange, purple, blue) are floating in the air, further emphasizing the theme of environmental damage or global instability.

Hoover Institution – Stanford University

# On the Future of the Geoeconomic Environment

FEBRUARY 20, 2026

PROF. EMILY J BLANCHARD

TUCK SCHOOL AT DARTMOUTH



# Regime Shift

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*We are no longer in a market access regime.*

- Reciprocity and Non-discrimination
  - Strategic discrimination
- Domestic policy, No 3<sup>rd</sup> country effects
  - Extraterritorial objectives
- Competitiveness and Efficiency
  - Security Dominant logic

*Many states now seek to influence where and how goods, services, and technologies are made and used in the world. That objective **directly contradicts core GATT/WTO design principles.***



## And Yet: Interdependence Persists

- Supply chains are evolving, not dissolving.
  - Sanctions, export controls, and denial strategies require coalitions.
  - Climate, disease, and financial stability remain structurally global.
  - Dual-use competition is prone to rapid escalation, with significant global costs.
- *Rivalry does not eliminate interdependence. It makes governance harder — and more necessary.*

# Adapting Institutions for Economic Security

## Four Design Principles

1. **Clarity in Objectives:** Articulate end-state goals, not just tools, to mitigate work-arounds, misinterpretation, and escalation.
2. **Managed Fragmentation:** Discrimination and plurilaterals are inevitable. Build notification and consultation around them.
3. **Price-in Spillovers:** Extra-territorial tools generate spillovers by design; incorporate these externalities ex-ante.
4. **Coalition Capacity:** Middle powers need durable platforms for coordination and leadership.



The background features a light blue gradient with a network of grey dots connected by thin lines. On the left side, there are two grey gears of different sizes, one larger than the other, and a grey arrow pointing upwards. At the bottom left, there is a grey chevron pattern pointing to the right.

# Today's GeoEconomic Reality

- Rivalry will persist.
- *Convergence is unlikely.*
- *Policymakers are improvising under uncertainty.*
- *Ambiguity increases the risk of escalation.*

*Economic security sits at the intersection of enduring rivalry and enduring **interdependence**. Institutions must be built accordingly.*