Reviving Hamiltonianism for U.S. Security and Prosperity

Dr. Robert D. Atkinson
President, ITIF

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@RobAtkinsonITIF
This *Was* America
U.S. Global Shares Have Fallen in Most Advanced Industries

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<td>Pharma.</td>
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<td>Computer, Electronic &amp; Optical</td>
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<td>Machinery &amp; Equip.</td>
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<td>Motor Vehicles</td>
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<td>Electrical Equip.</td>
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<td>Total</td>
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<td>Total Minus IT &amp; Info. Services</td>
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U.S. Global Shares Have Fallen in Most Advanced Industries

![Chart showing global market share in various industries over time. The chart compares 1995, 2006, and 2018 shares for categories such as IT & Other Info. Services, Pharms., Computer, Electronic & Optical, Machinery & Equip., Motor Vehicles, Electrical Equip., Total, and Total Minus IT & Info. Services. The chart highlights that U.S. market share has declined across most advanced industries.](image-url)
...And Most Are Moving in the Wrong Direction

Change in Relative Concentration, 1995–2018

- Motor Vehicles, $168B
- Electrical Equip., $65B
- Machinery & Equip., $165B
- Pharma., $169B
- Computer, Electronic & Optical, $299B
- Other Transport Equip., $162B
- IT & Other Info. Services, $592B

Growth

Relative Concentration, 1995 (LQ Baseline)
Our Peers

U.S. Ranks 23rd
U.S. Lags in Machinery and Equipment

Global Market Shares, 2018

- DEU $132B
- JPN $154B
- CHN $279B
- EU28 (-DEU) $180B
- USA $165B
- TWN $10B
- KOR $42B
- IND $32B
- CAN $13B
- MEX $9B

Global Market Share vs. Relative to Size-Adjusted Average (LQ)
U.S. Lags in Electrical Equipment

Global Market Shares, 2018

China (CHN) $205B

USA $65B

Japan (JPN) $68B

Europe (EU28, -DEU) $74B

India (IND) $18B

Mexico (MEX) $7B

South Korea (KOR) $28B

Canada (CAN) $3B

Germany (DEU) $57B
U.S. Lags in Motor Vehicles

Global Market Shares, 2018

Relative to Size-Adjusted Average (LQ)

- CAN $19B
- IND $40B
- MEX $53B
- KOR $39B
- JPN $132B
- EU28 (-DEU)
- CHN $310B
- DEU $178B
- USA $168B
- TWN $5B

Global Market Share

0% 5% 10% 15% 20% 25% 30%

0.0x 0.5x 1.0x 1.5x 2.0x 2.5x 3.0x 3.5x
U.S. Lags in Computer, Electronics, and Optical

Global Market Shares, 2018

- USA $299B
- CHN $325B
- KOR $138B
- JPN $82B
- TWN $80B
- MEX $19B
- IND $11B
- DEU $54B
- EU28 (-DEU) $99B
- CAN $5B

Relative to Size-Adjusted Average (LQ)

0% 5% 10% 15% 20% 25% 30%
U.S. Lags in Advanced Industries Overall

Global Market Shares, 2018

Global Market Share

Relative to the Size-Adjusted Average (LQ)

- TWN $111B
- KOR $296B
- IND $256B
- MEX $98B
- CAN $87B
- JPN $602B
- EU28 (-DEU) $1.1T
- USA $1.6T
- CHN $1.5T
- DEU $578B
- All Others $897B

Relative to the Size-Adjusted Average (LQ)
2006 to 2018: 38% of Advanced Industry Output Growth Was In China

Global Shares of Increased Hamilton-Sector Output

1995–2006

- China 38%
- EU-28 15%
- USA 20%
- Others 27%

2006–2018

- China 38%
- EU-28 15%
- USA 20%
- Others 27%
## Why So Little Hamiltonianism?

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*ITIF | INFORMATION TECHNOLOGY & INNOVATION FOUNDATION*
Why So Little Hamiltonianism?

DOMESTIC

INTERNATIONAL
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DOMESTIC

INTERNATIONAL
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DOMESTIC

INTERNATIONAL
## Foundations of Hamiltonianism

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[Image of a circuit board]
Foundations of Hamiltonianism
Foundations of Hamiltonianism

DOMESTIC

INTERNATIONAL

[Image of circuit board and globe]

[Image of TSMC logo]
Foundations of Hamiltonianism

DOMESTIC

INTERNATIONAL
What Would Hamilton Do?

- Define America’s most important mission as maintaining our techno-economic lead over China.
What Would Hamilton Do?

- Reject neoliberal and progressive economics.
- Embrace “national developmentalism.”
What Would Hamilton Do?

- Help businesses in America gain global market share in developing and producing key advanced industries and technologies.
What Would Hamilton Do?

- Limit the harm from China’s predatory innovation mercantilism.
What Would Hamilton Do?

- Integrate geopolitics and geo-economics.
- Treat military, diplomatic, trade, and economic policy as coordinated instruments of a single strategy.
Thank You!

Robert D. Atkinson | ratkinson@itif.org | @RobAtkinsonITIF