

Reconstructing Global Cooperation in a Neorealist Moment

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Summary

The global order is undergoing a fundamental shift towards a 'Neorealist Moment', in which power politics has returned to the heart of international relations. Traditional multilateral frameworks are splintering into parallel systems aligned with geopolitical blocs. Economic and security policies are converging, and middle powers are confronted with uncomfortable choices regarding their alignment and autonomy. This Policy Brief argues that middle powers cannot simply adapt to this environment; they must establish a collective presence by forming a 'Third Pole' coalition. Success requires pooling capabilities across four strategic pillars: Defence and Autonomy; Digital Sovereignty and Infrastructure; Social Cohesion; and Serving as a Beacon for 'Third States'. In this Policy Brief, we set out high-level priorities for governments and international organisations to implement this strategy.

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The Strategic Imperative

The assumptions that have underpinned international cooperation for three decades are collapsing. Economic interdependence has not constrained conflict, institutions have not transcended power politics, and shared challenges have not produced collective responses. Instead, strategic rivalry, contested norms, and weaponised economic ties define the current landscape. The United States (US) has withdrawn from its role as system guarantor while great power competition intensifies. Yet, cooperation remains essential. Climate change, inequality, global health issues, financial stability, and technological governance require coordinated action that no single state can deliver. Global problems do not go away by simply disregarding them.

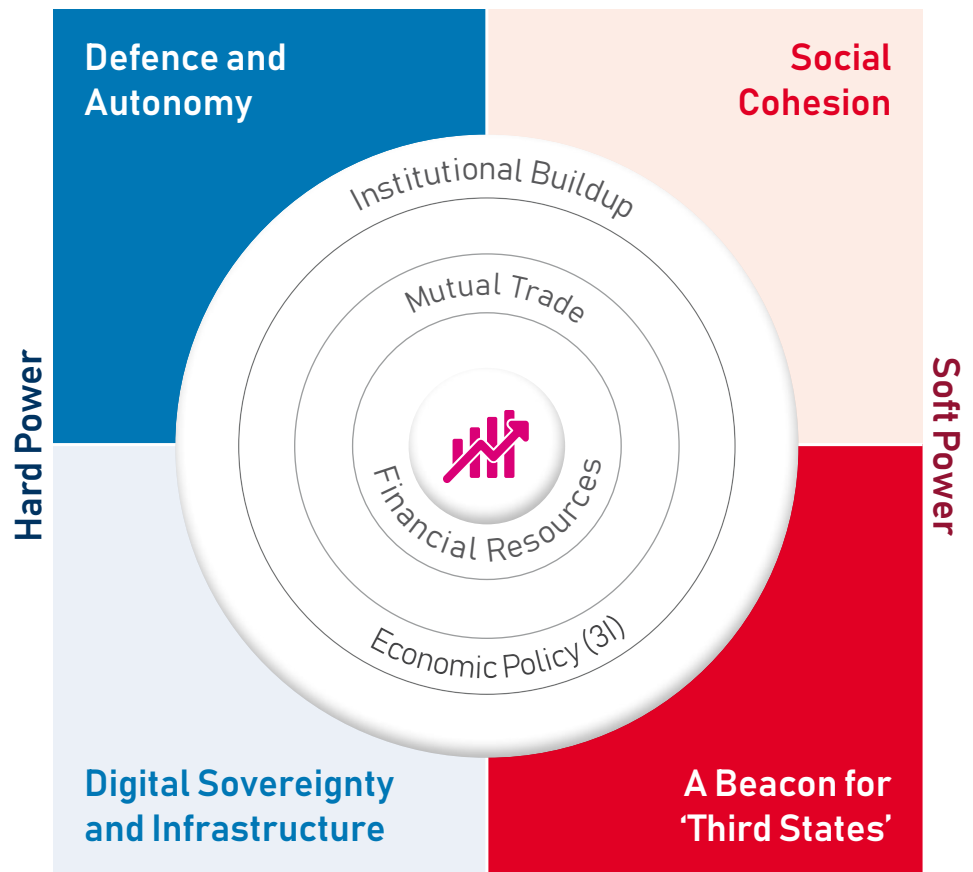
More importantly, the current rupture creates space for middle powers to build collective agency

rather than accepting dependency on competing hegemony. Middle powers occupy a unique position, possessing sufficient capabilities to matter but lacking dominance to act unilaterally. This creates both vulnerability and opportunity. Whether in Africa, Europe, the Indo-Pacific, or Latin America, middle powers share common vulnerability to unrestrained power politics and a common interest in a rules-based order. By pooling their diverse capabilities, middle powers can unite and build a viable 'Third Pole'; a new coalition offering cooperation without submission, genuine partnership based on mutual development rather than dependency. The window for action is narrow. The foundations of such a coalition must be laid now, or fragmentation can harden into permanent divisions and subversion. Middle powers must choose agency over adaptation. Mark Carney was right to highlight the high urgency in his widely noticed speech at the World Economic Forum in Davos.

The strategy we propose in this Policy Brief operationalises how such a 'Third Pole' can be created: through

four pillars and four cross-cutting levers that can convert potential into geopolitical weight. Institutional Buildup and Financial Resources provide the foundational bedrock – codified structures and material backing that make the coalition credible. Mutual Trade and Economic Policy serve as dynamic accelerators – creating market scale to compete with superpowers' internal economies while generating spillover effects that secure domestic cohesion and offer value-additive partnerships globally. Together, these levers allow to kickstart the development of a new system. Effective coalition strategy requires balancing hard and soft power. Hard power pillars (defence, digital sovereignty) provide material capabilities preventing coercion and establishing strategic autonomy. Soft power pillars (internal cohesion, beacon for third states) generate legitimacy, attractiveness, and political sustainability. Neither suffices alone because material capabilities without legitimacy invite resistance, and attractive values without capabilities invite exploitation (Figure 1).

Figure 1: The Strategy Matrix
Source: Authors.



Four Pillars

Defence and Autonomy

Pillar 1: Hard Power - Defence and Autonomy

The security-economic nexus has fundamentally transformed cooperation. Receding US security guarantees mean reliance has become liability. Weaponised dependencies over rare earths, semiconductors, pharmaceuticals, or energy create strategic vulnerabilities that rivals exploit during crises. Technology and security have converged, with Artificial Intelligence (AI), quantum computing, and space capabilities representing simultaneous economic opportunity and military advantage. Middle powers must thus shift from passive security consumption to active contribution by pooling capabilities:

JOINT CAPABILITY DEVELOPMENT in defence procurement, satellite infrastructure, cybersecurity, and crisis response mechanisms; focusing on future security assets with civilian spillovers rather than legacy platforms

SUPPLY-CHAIN RESILIENCE COMPACTS establishing diversified sourcing for critical inputs, strategic reserves, and joint procurement mechanisms to reduce single-supplier dependencies

AUTONOMOUS PRODUCTION CAPACITY for technologies essential to both economic competitiveness and strategic autonomy

Digital Sovereignty and Infrastructure

Pillar 2: Hard Power - Digital Sovereignty and Infrastructure

Technology governance has fragmented into competing US and Chinese ecosystems, forcing middle powers into dependency relationships. Export controls proliferate as states restrict access to dual-use technologies. AI represents the next fundamental infrastructure layer and General Purpose Technology (GPT). Current trajectories concentrate on development in superpower firms creating monopolies in collusion with certain governments, threatening the next wave of technological dependency. Data governance models diverge, fragmenting the digital economy. Middle powers must build genuine trustworthy alternatives by pooling capabilities to achieve market scale:

STANDARDS CLUB coordinating on digital infrastructure standards, data governance frameworks, and AI ethics principles; creating coalition specifications that become de facto international standards through market power or at least a clear alternative model to the US and China

TRUSTED DATA CORRIDORS providing secure frameworks for cross-border flows that balance privacy protection with economic efficiency, offering alternatives to surveillance capitalism and state control

JOINT INFRASTRUCTURE INVESTMENT in AI capabilities, green data centres, and advanced semiconductor fabrication to prevent technological dependency

Social Cohesion

A Beacon for 'Third States'

Pillar 3: Soft Power - Social Cohesion

External cooperation fails without internal cohesion. Populist fragmentation exploits legitimate grievances about inequality and dislocation to weaken support for international cooperation. Just transition anxiety creates resistance in affected communities as economies shift toward green and digital models. Erosion of trust in international cooperation fuels demands for protectionism that conflict with coalition strategy. Internal cohesion must be actively constructed through policies making transitions just and demonstrating cooperation's benefits:

Pillar 4: Soft Power - A Beacon for Third States

Export and development finance has transformed into a geopolitical competition arena. Major powers use public financing as political influence tools, creating recipient dilemmas as they navigate competing financing sources with varying conditions. 'Global South' nations are wary of exchanging one hegemon for another. Progress on the United Nations Sustainable Development Goals (SDGs) has stalled or reversed as neorealist dynamics sideline global welfare concerns. Middle powers can offer genuine partnership based on rules and institutions rather than submission for states with likeminded or joint interests:

JUST TRANSITION MECHANISMS coordinating social protection for displaced workers, reskilling programs for green and digital economy, and regional development funds for affected communities

LABOUR AND SOCIAL STANDARDS COORDINATION establishing common protection standards, facilitating labour mobility within coalition, and sharing best practices on inclusive growth

COUNTER-FRAGMENTATION TOOLKIT supporting civic resilience, coordinated responses to disinformation, and exchange programmes building constituencies for continued partnership

COALITION FINANCE PLATFORM pooling development finance, export credits, and infrastructure investment to offer credible alternatives for critical infrastructure and green transitions

PARTNERSHIP FRAMEWORK structured around rules-based cooperation without coercive conditionality, genuine technology transfer and capacity building, and joint ownership of development priorities

OPEN ARCHITECTURE welcoming third countries that share commitment to rules-based cooperation without requiring political alignment, demonstrating cooperation is compatible with non-alignment

Design Principles

Reconstruction requires three operating principles: interoperability over universality (making parallel systems work together rather than forcing convergence), coalitions over consensus (building durable cooperation among aligned partners rather than lowest-common-denominator agreements), and verification over trust (enabling cooperation through transparency protocols rather than requiring political alignment).

For Coalition Member Governments

Accept fragmentation as structural reality:

Invest in making parallel systems interoperable rather than attempting to restore universal frameworks. Develop protocols for interfacing with competing systems while protecting cooperative domains.

Build coalition institutions immediately:

Establish core institutions as soon as possible: Joint Defence Procurement Agency, Digital Standards Authority, Social Cohesion Council, Coalition Development Bank, Export Credits Council. Provide adequate resources and political backing for delivery.

Pool financial resources:

Commit dedicated contributions across pillars. Leverage existing institutions through coordination. Use coalition purchasing power to mobilise private capital.

Separate competitive from cooperative domains:

Acknowledge critical technologies and strategic industries require security logic. Protect cooperation where collective action remains necessary: climate, pandemics, financial stability.

Establish verification mechanisms:

Enable cooperation with strategic competitors on specific issues through transparency protocols for emissions accounting, pandemic surveillance, and crisis communication.



For International Organisations

Acknowledge changed member state priorities:

Security considerations and relative gains calculations now drive behaviour more than efficiency arguments. Adjust frameworks accordingly while maintaining technical credibility.

Develop variable geometry:

Enable different participation levels within single frameworks. Allow subsets to advance cooperation without universal participation but chances to join later. Create pathways for broadening rather than permanent divisions.

Build bridges across geopolitical divides:

Provide neutral platforms for technical cooperation in mutually beneficial domains. Maintain communication channels during high tension.

Enhance transparency and verification:

Develop independent monitoring enabling cooperation among parties with limited trust. Provide objective data all parties can reference.

Prepare for scenarios, not forecasts:

Map plausible geopolitical trajectories and develop contingency plans. Build organisational flexibility to shift as environments change.

From Diagnosis to Agency

The 'Neorealist Moment' presents middle powers with a stark choice: accept dependency or build collective agency. Our Policy Brief outlines how strategic cooperation can be constructed through four pillars operationalised via institutional buildup, financial mobilisation, mutual trade, and coordinated economic policy (3I, i.e. innovation, infrastructure, and industrial policy). This is not a project to rescue the 'West' but to transcend obsolete

dividing lines and forge a genuinely new coalition of sovereign agency spanning continents. It offers cooperation without submission – partnership based on mutual development rather than dependency. The rupture in global order is not merely crisis but licence to innovate. The strategic task is constructing a framework that turns the 'middle' into the centre of gravity for a stable, just, and prosperous world. Success requires moving beyond diagnosis to decisive action. Middle powers must seize this moment or watch the window for collective action close quickly.

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