



NAVIGATOR

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Alberto Tagliapietra (GMF)



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Authors:	Alberto Tagliapietra
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Abstract

The multilateral system is undergoing a profound transformation as traditional governance frameworks face mounting challenges. The post-World War II multilateral order, built on intergovernmental organizations with at its core the United Nations system, is being increasingly tested by rising geopolitical competition, growing nationalist sentiments, and institutional inefficiencies. The once-dominant model of large-scale multilateral cooperation is being challenged by more flexible, issue-specific, and often informal governance structures. The EU, historically a key defender of multilateralism, is compelled to navigate an increasingly fragmented and complex global landscape where its influence and ability to shape international governance are under pressure.

This report explores the changing nature of multilateralism, the challenges and opportunities that this context presents to the EU, and delve into three potential scenarios for the multilateral system in 2030 and the EU's evolving role in it. In the first scenario, global consensus leads to a reform of the multilateral institutions, fostering international cooperation. In this conciliatory international context, the EU maintains its current role in the international system, and goes through a process of enlargement. In the second scenario, partially unsuccessful institutional reform of multilateral institutions results in fragmented international governance, bilateral tension among geopolitical actors is on the rise, and the EU tries to navigate geopolitical shifts through profound institutional changes that allows it to become a beacon for multilateral statecraft. Finally, in the third scenario, multilateralism collapses and major geopolitical actors try to assert their dominance through hard power. Weak global institutions and rising economic instability fuel geopolitical fragmentation and the EU, divided by surging nationalism and strategic irrelevance, struggles to maintain its influence.



NAVIGATOR

Norwegian Institute of International Affairs

C J Hambros plass 2D

0164 Oslo

Norway

Contact: jka@nupi.org



<https://eunav.eu/>



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Introduction

After serving as the ruling paradigm of the last decades, multilateralism is increasingly being questioned. Since the mid-2010s essential rules have been gradually ignored and respected institutions bypassed. The first Trump administration, by taking the US out of the Paris Agreement, severely damaged the multilateral climate system, Covid-19 introduced further great-power rivalry and Russian full-scale aggression towards Ukraine has brought an additional blow to an already fragmented landscape.[1]

Fewer multilateral treaties are being signed and ratified, the implementation of existing ones is getting poorer, and states are increasingly rejecting oversight of their obligations. In such a context, global governance seems to be heading toward a minimalist posture, relying on multilateralism only when indispensable, and while focusing on smaller-scale initiatives and informal methods to deliver faster results.[2] The challenges to current institutionalized arrangements are becoming increasingly complex and, as a result, the world of global governance as we know it today, characterized by formal intergovernmental organizations (IGOs), is slowly conceding to a system where weak ties and flexibility are becoming more relevant.[3]

Traditional forms of international cooperation are struggling to keep pace and are facing challenges to their authority, legitimacy, and effectiveness.[4] As a result, Inter-Governmental Organisations (IGOs) are nowadays but one among several types of actors, and new governance models are becoming more prevalent. These dynamics have fuelled the rise of less traditional approaches to solving global challenges, and while formal international organizations remain highly influential and relevant, there has been a significant diversification of actors that play an increasingly important role in this field.[5]



The Current State of Multilateralism

Dominance of global governance by intergovernmental, multilateral organizations has been the norm since the end of the Second World War, and particularly after the end of the Cold War. In this period, a network of international institutions flourished having as its core the United Nations system and its body of international agencies. This network spanned across a growing number of fields, from trade (with institutions like the WTO, IMF, and WB), health (with the WHO), and migration (with the IOM and UNHCR), to climate change (with the UNFCCC) and digital (with the newly created Office for Digital and Emerging Technologies). Yet, with the growing number of nation-states, from 51 after 1945 to over 200 today, and the re-emergence of great-power rivalry, multilateral negotiations have become more difficult.[6]

The negotiation of multilateral treaties and/or participation in such international organisations has been perceived as burdensome and inefficient. As a response to that difficulty, governments are increasingly exploring club-like arrangements with more limited numbers, lowering the transaction costs for negotiation and to reach agreements.[7] Over the past three decades, the number of informal intergovernmental organizations rose from 27 to 72, transnational public-private partnerships increased from 26 to 167, and trans-governmental networks expanded from 25 to 141.[8] At the same time, the adoption of multilateral treaties has stagnated.[9] Notwithstanding this trend, IGOs continue to play a crucial role in the multilateral system and in this growing environment of complex governance, notably due to their capability of offering coordination, providing information, legitimation, and ensuring enforcement.[10]

A central point to understand the shift that is taking place is to analyse how and why states decide to rely on soft rather than hard law, choose mini-lateral over multilateral arenas, and engage in partnerships with private actors rather than IGOs to perform governance.[11] A potential first answer to this question is that states are not fully appreciative of the eco-system in which they are operating. The cost of reaching agreement has increased and the perceived governance benefits have diminished, while transaction costs remain the same. This is particularly relevant as governance processes present costs for actors involved, costs that can be classified in search-costs (e.g., transparency and clarity in decision-making) and experience costs (e.g., accessibility and participation).[12]

From another perspective, the structure that characterizes IGOs also play a role. IGOs face limitations with their mandates, which can be too narrow (impeding the organization to undertake necessary activities to meet its goals), or too broad (limiting its ability to meet different targets). This creates an issue as it complicates their capabilities to act. As a result, these organizations sometimes engage beyond their mandates, which might allow them to respond to new challenges, but risks undermining their legitimacy with member states.[13] In addition to this, IGOs are often characterized by path-dependencies and rigid governance frameworks, conditions that tend to create higher costs and make consensus-building even more difficult.[14]



Participation costs and the conditions in which IGOs operate are not the only reasons why the multilateral environment is changing. A further element that needs to be taken into consideration is the process of shifting balances that, due to the dispersion of economic power and the growth of non-states actors and the increasing relevance of middle powers, is creating dissonance in the global arena, and producing a shift in the balance of power that is not yet reflected in the current multilateral architecture. [15]

As a result of this situation, there has been a broadening in the types of structures that states choose to use in order to bypass the constraints they face in traditional IGOs. An example of this trend is the rise of ad hoc cooperation opportunities, which represents a clear example of the emergence of low-cost institutions (LCIs) as both supplements and competitors to formal IGOs.[16] Ad-hoc coalitions are typically arrangements set outside established institutions with task-specific mandates, which offer greater flexibility in decision-making, as each actor is aware of the limits of their commitments.[17] In addition to ad-hoc coalitions, informal agreements and bilateralism are also becoming more relevant: informal agreements are tools used to speed up decision processes leading to results with the employment of less resources, while bilateralism is gaining traction for challenges that do not require large-scale global governance efforts.

Multilateralism is also being increasingly characterized by the presence of the private sector. While it often plays a secondary role in multilateral governance, actors from the private sector are increasingly being included in structured, multi-stakeholder dialogues. Governments are responsible for structuring private sector involvement, which remains challenging due to differing mandates and interests across sectors. There is often also a noticeable lack of transparency regarding the involvement of private actors, despite the significant influence multinational corporations can wield. Multinational corporations can be interesting partners due to their higher flexibility and because they operate in a global environment with fewer restrictions. Yet, while it would make sense to shift some responsibilities to the private sector, their role needs to be formally acknowledged and regulated.

The increased use of these alternative forms of cooperation offers pathways for states to at least partially overcome the dysfunctional procedures and gridlock that currently characterize many treaty-based institutions, conditions that make cooperation through LCIs more attractive even when it is second-best.[18] All these elements play a crucial role in the current diffusion of LCIs. While these governance approaches may be more efficient and flexible, they risk undermining the authority of current IGOs, and considering also the other challenges discussed, there is a risk that IGOs capacity and ability to perform as core global governance actors today, are undermined.

Furthermore, the growing number of institutions and organizations in the multilateral arena risks creating silos that are difficult to navigate and adding layers of complexity that endanger effective governance. Consequently, the multilateral landscape is growing in fragmentation, a feature that risks endangering the capabilities to address issues promptly and effectively. This process of fragmentation is also propelled, among other factors, by the resurgence of spheres of influence, the regionalization of globalization, and the inability of existing institutions to accommodate ascending powers. In essence, fragmentation represents the transformation of the global order into a new global ordering architecture characterized by diversity and plurality.[19]



While multilateralism is essential for solving global issues, it must be approached pragmatically to ensure the best outcome for the global good. In the specific case of global governance, the focus should not be on multilateralism for its own sake, but rather on whether it can deliver effective solutions to the issues at hand. Identifying the right actors to include in governance efforts is key to achieving meaningful and lasting change. Yet, while the shift to new forms of global governance is a need, the diversification process between several governance arrangements risks leading to unclear ownership situations and to a lack of binding decisions and enforcement mechanisms. This situation also contributes to fuelling international political competition, as decisions to support certain arrangements increasingly are perceived as signal of status and alliance.[20]

To summarize, the main issues currently characterizing and threatening the multilateral system are:

1. Institutional inertia and blockage due to veto players
2. Inefficient resource allocation and overlapping competencies
3. Increasing nationalist pushback
4. Increasing participation cost
5. Polarization



The EU in an evolving multilateral system

The EU is an integral part of the global governance architecture, and its position within this entangled web shapes its policies, how it can influence other global governance institutions, and its ability to contribute to addressing global challenges.[21] As one of the most advanced multilateral institutions, and as an actor strongly reliant on the multilateral order, the EU has historically advocated and defended the system and its institutions. For this reason, the current state of multilateralism poses new challenges for EU decision-makers.[22] The combined impact of the pandemic and the war in Ukraine have not only accelerated existing trends toward a more multipolar and fragmented global order but have also revealed the vulnerabilities in both the EU's internal mechanisms and global governance structures.

In facing some of those challenges, the EU has demonstrated an internal capability to pursue strategic choices, as exemplified by the creation of the Next Generation EU, or the development of the concept of EU (Open) Strategic Autonomy. In a similar way, the EU must now leverage that capability to contribute shaping a more resilient and effective international system.[23] By leveraging its economic strength, diplomatic networks, and commitment to multilateralism, the EU has the potential to lead transformative efforts that foster greater stability and cooperation on the international stage.[24]

The EU views the promotion of strong multilateralism as vital for addressing global challenges. The defence of “multilateral solutions to common problems, in particular in the framework of the United Nations” is even embedded among the objectives of its external relations (Article 21 (1) of the Treaty of the European Union (TEU)). The 2003 European Security Strategy already stressed this, defining effective multilateralism as one of the top priorities of the EU's external action.[25] For these reasons, the EU must seek to actively engage in reform efforts to enhance the effectiveness, inclusivity, and accountability of the multilateral system through its diplomatic initiatives and strategic partnerships.

The EU has outlined and published several strategies to enhance its role in international fora, setting out a strategic vision for the EU to engage in changing global governance. The 2021 Joint Communication on strengthening the EU's contribution to rules-based multilateralism[26] asserts the continued importance of multilateralism and rules-based international cooperation. To this end, the Communication made a number of proposals geared toward improving cooperation at the multilateral level. The Communication also calls on the EU to become more assertive in defending its interests and values through multilateral fora. The 2016 EU Global Strategy,[27] also acknowledged the need for the EU to become more assertive in navigating a difficult, more interconnected, contested, and complex world.



Finally, the 2022 EU's Strategic Compass further stressed the importance for the EU to strengthen instruments to be able to achieve results in a world marked by growing strategic competition and complex security challenges. It also emphasised that both the world and the EU are confronted with a “competition of governance systems accompanied by a real battle of narratives”.[28] The Strategic Compass lays out the aim to making the EU a stronger international actor, outlining a strategy for the EU to reduce dependencies on other states, while nevertheless emphasising the importance of cooperation at multilateral and regional levels.[29] It also recognizes that the EU's approach to multilateralism “has come under strong questioning”, with great-power politics and a stricter interpretation of national sovereignty on the rise. [30]

Taken together, all these strategies formulate the EU's current toolbox to navigate global governance. Yet, just navigating the system will not be sufficient. The EU should be an actor of change, promoting a process of reform in global governance that could be crucial for ensuring that multilateralism remains a cornerstone of international relations, capable of effectively addressing the complex challenges facing the global community. [31] Considering its economic and political weight, the EU should pursue a strategy aimed at supporting multilateralism while also pushing for its reform. This could be achieved by deepening cooperation with rival powers on transnational challenges, while maintaining a strict approach to its core principles, and by promoting reforms within existing multilateral institutions to enhance the engagement of middle powers in institutionalized IGOs. [32]

The EU seems to have already started to develop a more strategic approach to global cooperation that sees multilateralism not as a goal in itself, but as a tool to reach its objectives. In fact, while much of the EU's focus in its international diplomacy has been on formal multilateralism institutions, the EU and its Member States have also long been engaged in issue specific structures (e.g. P5+1 negotiations on Iran's nuclear programme), and ad-hoc formats. These are increasingly seen as more efficient in addressing specific challenges when a multilateral solution could be either too slow or blocked by national interests. In this context, ad-hoc formats are increasingly becoming a tool of choice for the EU to face the growing complexity of international crises.[33] While this kind of coordination can be efficient in addressing specific issues and can incentivize increased multilateral engagement, they are not necessarily useful to provide sustainable solutions for long-term challenges. [34]

An example of this approach to strategic multilateralism is the EU's participation in the G20, where it has a full member status. Participation has allowed the EU to exert some influence over the commitments adopted by the Group, as in the case of the G20 Rome Declaration on Global Health Governance. Yet, its influence remains marginal, and often it proved unable to deliver results on more contentious topics (e.g. global taxation of the financial sector). The case of the G20 is also an example of the limitations and challenges that this kind of informal format present for the EU. In fact, the lack of a legally clear framework and political divergencies among EU member states and EU competencies in these fora, can lead to tensions and incoherent actions between the EU and its member states.



The role of the EU member states on the international scene should not be ignored. While they are bound by a duty of sincere cooperation and may act in a coordinated way on behalf of the EU in the settings in which the EU is not a member, they retain an autonomous capacity of action. This is particularly noticeable in fields like security and migration, in which they often focus on their own diplomatic efforts, often competing against each other and weakening a common EU approach. Such a situation can lead at times to a lack of unity (e.g. when several EU member states decided not to ratify the Global Compact on Migration), and/or to innovative governance approaches (e.g. the Team Europe approach, under which the EU and the member states pool resources or act jointly on a given subject). This tension must be taken into account in the development of a more strategic approach to EU's external action, particularly when it comes to international fora where both member states and the EU are represented.

The EU's shift toward “strategic” multilateralism comes with potential downsides and risks involved. While it could enable the EU to maintain channels of cooperation with different actors, diversifying the relationship according to the challenges and issues at hand[35], it could also lead to an increased fragmentation of global cooperation. In this way, the EU risks contributing to the splintering of global governance and undermining the legitimacy of formal multilateral frameworks.[36] Strategic multilateralism thus requires a constant check to ensure that it does not undermine the main objectives of the EU's foreign policy, and that universal values and formal multilateralism are at the centre of action. The increasingly competitive international environment makes a more strategic EU approach to multilateralism necessary to leverage the EU's powers and interests, yet it should not come at the expense of the formal multilateral system.

To summarise, in a growingly confrontational context, the EU stands at a crucial crossroad. While it excels in regulatory influence, global trade, and norm-setting, it lacks the strategic unity required to project power effectively. In order to try to step-up and reduce this strategic loophole, the EU must scale-up its investments strategic sectors like military readiness, and cyber defence. Complementary, it should try as much to maintain its leadership in global governance.

In a phase in which great power competition is leading to less security and where indicators of progress are backtracking, the EU's commitment to cooperation and shared values is still crucial and can be a catalyst for new partnerships. By acting on these two dimensions, the EU can position itself as a more influential global actor while upholding its commitment to multilateralism and cooperation. The road ahead will be challenging, but with the right strategic recalibrations, the EU can still play a pivotal role in shaping the future global order in many fields, from security, climate governance, and digital, to health, finance, and migration.



Three scenarios for the multilateral system in 2030

Scenarios are outlines of some aspects of the future. They can be defined as a series of hypothetical events set in the future constructed to clarify a possible chain of casual events. Scenarios do not predict the most or least likely desirable futures; instead, they address different uncertainties and systematically depict the outcomes to which these uncertainties might lead.

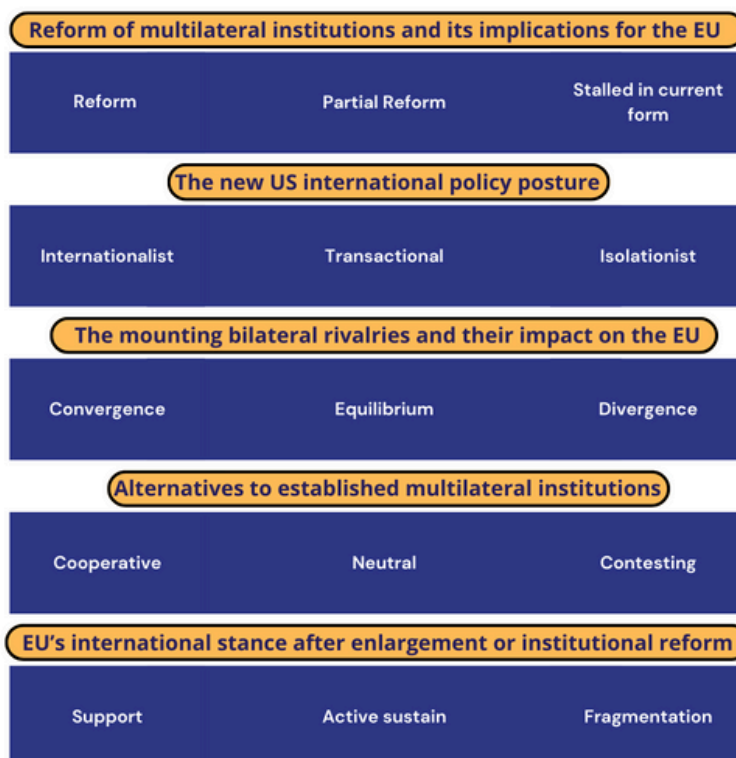
The exercise proposed in this report is based on exploratory scenarios, which will not attempt to predict the future, but instead describe possible futures through narratives based on available foreknowledge. Starting from the current context, they will depict variations of how the current situation might evolve by exploring how the interactions of diverse uncertainties might unfold.

To do this, five key variables will be used in this exercise as important drivers of change for how the multilateral system will change in the next five years and which constitute the building blocks of the scenarios.

Key drivers likely to shape the future of both the multilateral system and the EU's position therein in the next five years:

- 1.Reform of multilateral institutions and its implications for the EU
- 2.The new US international policy posture
- 3.The mounting bilateral rivalries and their impact on the EU
- 4.Alternatives to established multilateral institutions
- 5.EU's international stance after possible enlargement or institutional reform

Each uncertainty has then been categorized into three possible outcomes it might reach in 2030.





The interactions between these uncertainties will lead to the creation of three different scenarios that will describe possible futures of the multilateral system in 2030. In each scenario we will also dedicate attention to how the EU could navigate each specific context, including the internal and external challenges it might face as an actor who has support to multilateralism among its core values.

For the creation of the scenarios, the exercise will rely on Datur's approach of identifying archetypes, focusing particularly on the following three: Continued Growth, Steady State, Collapse.

	Reinvigorated multilateralism	Cooperation amidst competition	Fragmentation and multipolarizations
Reform of multilateral institutions and its implications for the EU	Reform	Partial reform	Stall of the reform process
The new US international policy posture	Internationalist	Transactional	Isolationist
The mounting bilateral rivalries and their impact on the EU	Convergence	Equilibrium	Divergence
Alternatives to established multilateral institutions	Cooperative	Neutral	Contesting
EU's international stance after possible enlargement or institutional reform	Support	Active sustain	Fragmentation



Scenario 1: Reinvigorated multilateralism (Rules-Based Cooperation scenario)

	Reinvigorated Multilateralism
Reform of Multilateral institutions and its implications for the EU	Reform
The new US International policy posture	Internationalist
The mounting bilateral rivalries and their impact on the EU	Convergence
Alternatives to established multilateral institutions	Cooperative
EU's international stance after possible enlargement or institutional reform	Support

By 2030, an international consensus to reform the multilateral institutions is reached to ensure a broader global representation, based on, inter alia, steps taken at the Summit of the Future hosted in New York in 2024. As a result, global governance is based on improved and strengthened multilateralism, with emerging middle powers better incorporated into a more inclusive governance architecture. The revival of multilateralism has brought renewed strength to the UN, which can now escape the gridlock that has characterized the Security Council for decades. Similarly, the WTO will undergo a comprehensive reform, including the Appellate body, bringing trade governance to a level of coordination not seen before.

The US Administration inaugurated in 2025, notwithstanding an initial negative attitude towards multilateral agreements and cooperation, has decided to remain an active player in the multilateral system. This was due, on the one hand, to the acceleration and severity of the effects of climate change, which resulted in a broad support among the international community. This led even most reluctant countries to increase multilateral efforts towards climate change mitigation and adaptation, and to the signature of a new international agreement to strengthen and advance the legacy of the Paris Agreement, the Abuja Agreement. On the other hand, the US was convinced to remain an active partner in the multilateral system due to the commitment of the other countries of the international community to accept a fairer cost sharing in sustaining, funding, and managing the institutions of the multilateral system.



China and the US achieved a constructive engagement, reducing tensions and avoiding the outbreak of a trade war in favour of a more collaborative approach on matters of shared interest, thereby easing international cooperation. This has been possible as China slowly got into a more acute financial crisis in 2026, forcing it to become more open to international cooperation on economic matters. On its side, the US has taken advantage of this situation to ease its pressure on China, reinforcing relations and lowering tension over Taiwan.

Due to this newly found international coordination, blocs-rivalry has decreased. Middle powers are more eager to engage in the reformed multilateral system, where they can have an increased weight and a platform to voice their positions. As a result, they have reduced their involvement in alternative, competing fora and renounced to create new ones. Club-oriented agreements have lost weight and relevance, with organizations such as the BRICS + and the Shanghai Cooperation Organization (SCO), maintaining their existence but with a reduced role focused on cooperation over regional issues. The war in Ukraine finally reached an endpoint in 2028 with a total withdrawal of Russia due to the strong coordinated pressure of both China and the US to bring a quick end to the hostilities. A growth-oriented China grew increasingly impatient with the instability caused by the war, while the US wanted to maintain its international credibility and centrality by brokering the peace agreement.

In this context, the EU has kept an important position on the international stage. Notwithstanding an initial increasing presence of far-right ultranationalist parties in the 2024-2025 elections in EU Member States, the conciliatory international environment and the push toward stronger multilateralism have safeguarded and stimulated the EU's historical efforts to sustain multilateralism, making it one of its most active supporters. The EU's focus on preserving its geopolitical status led to increasing its influence as a geopolitical bloc, leading it to accept new members and, as a result, shifting its decision-making mechanism from a consensus-based one to a qualified majority.



Scenario 2: Cooperation amidst competition (Transactional scenario)

	Cooperation amidst Competition
Reform of Multilateral institutions and its implications for the EU	Partial reform
The new US International policy posture	Transactional
The mounting bilateral rivalries and their impact on the EU	Equilibrium
Alternatives to established multilateral institutions	Neutral
EU's international stance after possible enlargement or institutional reform	Active sustain

By 2030, the reform of multilateral institutions is fulfilled only partially, leading to a disappointing result for many actors that have been vocal about its necessity. Long-standing opposite positions between middle powers and great powers have crystallized into paralyzing disputes. This tense context has resulted in an increased distrust of multilateralism and an overall blockage of global governance, resulting in a shift towards more mini-lateral, informal and ad hoc frameworks.

The US, notwithstanding the administration inaugurated in 2025 resulted to be one of the most critical stance toward multilateralism, is still active in the multilateral system but imposes conditionalities to its partners to stay engaged and supportive, and thereby eroding their willingness to engage through formal institutions. This is exemplified by the weaponization of funding to such institutions. The US attitude toward multilateral cooperation, and its continued threat to withdraw economic support, led to a normalization of the use of funds as a political tool to try to enforce conditionalities, further intrincating the process of policy making at the multilateral level.

For many countries, and particularly US allies, the participation costs in a system opportunistically led by the US has grown too much, pushing them to stay engaged but on a minimalist basis, while looking for informal arrangements to keep cooperation thriving.



The US approach also had consequences on the situation in Ukraine, where its declining willingness to keep its support towards Kiev forced the EU to step in, taking a leading role in initiating a negotiation process that sees the participation of China and several middle powers as mediators between Russia and Ukraine. The process resulted in an agreement signed by both parties in 2027, with the EU and China being the guarantors of, respectively, Ukraine and Russia, and the establishment of an international committee to oversee the implementation of the agreement.

China and US tension persists and, even though the US imposed 15% tariffs over goods imported by China, with China retaliating through a reduced purchase of US goods and by a further restriction on the sale of raw materials and minerals crucial to the manufacturing of chips and electric components, tensions reached a relatively stable equilibrium. The situation worsened in 2028, when the accumulating friction led to a peak in tensions, with China performing temporary outflanking of Taiwan and Senkaku islands, with the US responding with coordinated military exercises and through an increased presence of its military assets (personnel and equipment) in the Indo-Pacific. Only the presence of an open diplomatic channel avoided the escalation into a fully-fledged conflict.

This context of rising competition weakened international cooperation. Middle powers kept a role in the partially reformed multilateral system, but also started to look for new frameworks outside formal IGOs. This resulted in the proliferation of new informal institutions that, yet, posed weak competition to the formally established ones.

In this context, the EU pursued an autonomous but cooperative relationship with the US on matters of common interest while keeping an open relation with China. The increasing role of nationalist parties in the 27 Member States made political decision-making at the EU-level very difficult, as several countries started to strongly prioritize their own national interests and increasingly opposing supranational overview over several policies. For this reason, and in light of the international context, a core group of Member States decided to push for further integration, while other were left to have fewer commitments at the supranational level in order for them to pursue greater national autonomy. In this way, the EU has been able to keep a flourishing multilateral engagement and becoming a beacon for multilateral statecraft. As a result, the EU has also strengthened bilateral relationships with third countries. For example, South Korea and Brazil worked to increase close relations with the EU when they became increasingly caught up in the standoff and competition between the US and China. These revitalized alliances helped the EU to strengthen multilateral cooperation through orchestration and coordination with a group of allies interested in strengthening multilateral coordination.



Scenario 3: Fragmentation and Multipolarizations (Contentious scenario)

	Fragmentation and Multipolarization
Reform of Multilateral institutions and its implications for the EU	Stall of the reform process
The new US International policy posture	Isolationist
The mounting bilateral rivalries and their impact on the EU	Divergence
Alternatives to established multilateral institutions	Contesting
EU's international stance after possible enlargement or institutional reform	Fragmentation

By 2030, the reform of multilateral institutions appears to be unachievable, pushing the states requiring reform to disengage from established IGOs. Multilateralism has become almost non-existent, except for regional blocs that focus on self-sufficiency and strive to become less dependent on other regions to decrease their exposure to supply chain disruptions.

The US Administration implements a strongly isolationist and self-focused foreign policy, pulling out of multilateral organizations to pursue national interests, even at the risk of alienating long-standing alliances. The adoption of a strongly mercantilist trade policy led to devastating knock-on effects for developing countries, as interest rates rise globally, and credit becomes more expensive for economies already burdened by debt. Furthermore, the US' extremely transactional approach, mixed with a disregard for international institutions, weakened the extent to which allies, and emerging powers could influence global governance, while providing leeway for China to become a major player on the international scene. To shift its attention to the Indo-Pacific, the US rushed a peace agreement between Ukraine and Russia, entailing territorial losses for Ukraine and a strengthened Russia, accelerating the process of drift toward a multipolar world.

The situation in the Indo-Pacific has also deteriorated fast. An isolationist US Administration has been firmly focused on building up its military capacities in the Indo-pacific, pushing for a policy that experts defined as "Asialationist", centered on putting maximum pressure on China through display of strength to portray a "hegemonic" image of the US in the region, while withdrawing from other scenarios, like Europe.



On its side, China decided to gamble on a crisis, believing that several years of active engagement in scenarios like Ukraine and the Middle East have weakened US military capabilities, also seen in its accommodating stance toward Russia. The lack of diplomatic channels between the two countries couldn't do anything but contribute to igniting a military confrontation.

The shift of the world toward a multipolar order, with the US withdrawing from most of its commitments and abdicating its role in multilateral fora, has resulted in more space for China to ascend as an asserting power. Formal IGOs become places where decisions are impossible to be taken, and participation is decreasing. Furthermore, funding for multilateral institutions has decreased substantially as states refrain from international cooperation and look mostly at a regional scale, trying to secure their economies against the growing usage of tariffs and the consequent reduction in international trade.

At the same time, China pushes for the creation of alternatives; competing fora, based on the assumption that liberal IGOs are underrepresenting the majority of the world. Yet, many middle powers start to see China's actions as increasingly neocolonial, including its imposition of draconian conditions on trade and investment deals to sustain the military effort and its push to create an alternative payment system based on the Renminbi. As a result, geopolitical divide has deepened and international cooperation remains scant, leading to the creation of a non-hegemonic, multipolar world.

In this international context, Europe experienced an increasing wave of far-right ultranationalist parties. Europe's failure to increase its defense expenditure and its willingness to keep a neutral stance in the erupting conflict between the US and China have further alienated the US, tearing down any possibilities of cooperation. European countries, caught between a failing international system, a growing rise of Eurosceptic parties, and a resurgent Russia, have been unable to assert a meaningful role. Instead, the EU went through internal fragmentation that made decision-making almost impossible, and blocking its capability to act at the multilateral level as a single voice.



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Authors

Alberto Tagliapietra is Senior Program Coordinator at GMF South. His research interests focus on EU policies, migration, and the intersection between technology and migration.
atagliapietra@gmfus.org



NAVIGATOR

NAVIGATOR is a 4-year research project set to examine how the EU shall navigate the increasingly complex – and conflict-laden – institutional spaces of global governance to advance a rules-based international order. What factors should be emphasized when considering which institutions to strengthen, which to reform, and which to by-pass when revitalising multilateralism? NAVIGATOR's main objective is to answer these questions and deliver a ready-to-use "search mechanism" and associated pathways of action that the EU and its member states can use as it seeks to strengthen a rules-based international order.

To achieve this, NAVIGATOR comprises a strong, global and inter-disciplinary team of researchers that explores institutional variation on six policy issues – climate change, digitalisation, finance/tax, health, migration and security – to identify what institutional mixes that enables the EU to have optimal impact in a given policy issue.

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