

Incentives, not Power: Designing Order for a G-Minus World

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1 Introduction

Debates about international order usually begin with the same question: who will lead next? Will the United States recover its authority? Will China mature into a responsible provider of public goods? Will some concert of major powers manage the transition?

The question is familiar and increasingly misleading. The defining condition of this century is not a clean transfer of hegemony from one state to another. It is the erosion of the possibility that any single state, or compact group of great powers, can supply order for everyone else.

2 G-Minus

We live in a G-minus world. The term does not simply mean that leadership is absent, as in a G-zero world. It means that every plausible steering group is missing something essential. Military reach, manufacturing capacity, financial credibility, technological innovation, demographic weight, regulatory authority, and political legitimacy are distributed across different actors. The United States remains pre-eminent in several domains, but it depends on production networks it does not control. China is central to global manufacturing and trade, but lacks the alliance structure and financial trust to underwrite a universal order. The European Union can set standards, but cannot by itself secure the system it regulates. India, Brazil, Indonesia, Saudi Arabia, and other consequential powers cannot be treated as rule-takers, yet they do not form a coherent governing coalition.

This is more than multipolarity. It is hyper-multipolarity: power fragmented not only among states, but across domains. Strength in one arena no longer converts automatically into authority in another.

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The older theory of hegemonic stability assumed that a dominant state would supply public goods because it possessed both the capacity and the incentive to do so. Today, those two dimensions have separated. The cost of underwriting open markets, dispute settlement, maritime security, financial stability, and crisis response has risen, while the domestic political return has become less certain. Great powers are therefore tempted not only to withdraw from order, but to extract from it, through tariffs, sanctions, coercive finance, and the weaponization of interdependence.

The response cannot be to ask middle powers to become a substitute hegemon. They lack the resources, and a coalition assigned hegemonic burdens would reproduce the same incentive problem on a smaller base. The more promising question is different: how can institutions make cooperation the rational choice even when no actor can command the system?

3 Experience

Recent experience provides three useful answers.

First, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership survived the United States' withdrawal from its predecessor. The remaining members preserved high-standard rules, brought the agreement into force, and later admitted the United Kingdom. The result is not a replacement for the global trading system. It is something more practical: a functioning arrangement that creates benefits for members and opportunity costs for outsiders.

Second, when the WTO Appellate Body became unable to hear appeals, a group of WTO members initiated the Multi-Party Interim Appeal Arbitration Arrangement. More than 60 WTO members now participate, and the mechanism has produced actual arbitration outcomes. It is an imperfect bridge, but it demonstrates that institutional function need not wait for unanimity.

Third, the Regional Comprehensive Economic Partnership binds 15 politically diverse economies representing roughly 30 percent of global output and population. RCEP is less ambitious than the CPTPP in several areas, but that is partly the point. ASEAN's central role and the agreement's differentiated obligations made cooperation possible among states that would not accept a single power's blueprint.

4 Design Principles

These cases suggest three design principles for a G-minus world.

The first is modularity. The next order will not be one grand covenant. It will be a set of independent but connectable modules: digital trade, critical minerals, carbon accounting, AI governance, dispute settlement, supply-chain resilience, financial transparency, maritime safety, and public health. Each module must be useful on its own and more valuable when linked to others.

This also clarifies what democratic multilateralism should mean. Democracies do not have a monopoly on benefits to participation, and non-democracies offer genuine incentives to engagement: infrastructure finance, energy, market access, security assistance, and diplomatic protection. An incentive is not a bribe; it is what economists model as self-interest. The difference should lie in structure. Patron-client incentives are discretionary and asymmetric. An incentive-based democratic institution should be rules-based, reciprocal, transparent, contestable, and open to additional participants that willingly agree to abide by those rules.

The goal is not to restore liberal internationalism at its imagined peak. That order was never as universal or benign as its defenders remember. A more realistic objective is a multilateral-enough world: enough rules that disputes do not default to coercion; enough openness that smaller economies can reach scale; enough redundancy that one institution's paralysis does not become system-wide failure; and enough predictability that governments and firms can plan.

5 Conclusion

In a G-minus world, order is not a permission problem. It is a design problem. Waiting for Washington to return and waiting for Beijing to become responsible are mirror versions of the same mistake: both entrust order to power. In a G-minus world, Great Power companionship and permission are optional. Small states and middle powers cannot replace hegemony, but they can build around its absence. The task is to stop asking who will rule the international system and instead start designing why states should choose to remain in it.