

NEW GLOBAL ORDER

Flexible multilateralism for a world in flux

An incremental approach towards cooperation is a critical strategic tool for nations.

BY JESSLENE LEE AND PAUL CHEUNG

AT THE World Economic Forum in Davos last month, Canada's Prime Minister Mark Carney offered a candid assessment of a world in flux, urging middle powers and smaller countries to act together to safeguard their shared interests. He remarked, "We actively take on the world as it is, not wait for a world we wish to be."

Today's world demands, in Carney's words, "variable geometry": different coalitions for different issues, grounded in shared values and converging interests. This approach is principled and pragmatic.

Echoing this sentiment, Prime Minister Lawrence Wong has termed this approach "flexible multilateralism", explaining that it is about "(laying) the building blocks one by one, then in time to come, others that are more ready can join it".

An incremental approach towards cooperation has an important place in the strategic toolkit adopted by countries. Flexible, open and pragmatic institutional arrangements offer agility in advancing cooperation, but require careful stewardship to ensure they strengthen rather than fragment the international system.

The logic of flexible multilateralism is straightforward: start with like-minded partners to build open and inclusive initiatives on issues where there is alignment. These initiatives gain momentum as more countries join over time, allowing progress where cooperation is feasible and meaningful.

The launch of the Future of Investment and Trade (Fit) Partnership in September 2025 exemplifies this logic. The Fit Partnership aims to promote open and fair trade, with a focus on supply chain resilience, investment facilitation, non-tariff barriers and trade technology.

Dubbed a "pathfinder" initiative by the Singapore Ministry of Trade and Industry, the non-binding Fit Partnership aims to advance cooperation in areas where progress can be achieved first among a smaller set of partners. First conceived in 2023 among Singapore, New Zealand, Switzerland and the United Arab Emirates, this partnership has since expanded to include a cross-regional grouping of 16 countries as at November 2025.

Singapore's pursuit of targeted sectoral partnerships across a wide range of issues, including trade and investment, digital trade and the green economy, also reflects this incremental approach to cooperation. To date, Singapore has concluded 30 free trade agreements (FTAs), including the world's first and only pan-Asian FTA, the Regional Comprehensive Economic Partnership, and six digital economy agreements.

The promise of pathfinder initiatives

It signed the world's first Green Economy Agreement with Australia in 2022 and is advancing Green and Digital Shipping Corridors, which aim to decarbonise and digitalise shipping routes between partners. The October 2025 agreement between China and Singapore joins a growing network of corridor initiatives, including ones with Australia and Japan.



"We actively take on the world as it is, not wait for a world we wish to be," said Canada's Prime Minister Mark Carney at the World Economic Forum in Davos last month. The logic of flexible multilateralism is straightforward: start with like-minded partners to build open and inclusive initiatives on issues where there is alignment. PHOTO: REUTERS

These issue-specific initiatives demonstrate how countries can achieve concrete solutions in niche areas which could grow into wider, scalable cooperation.

Flexible institutional arrangements have proven to be an important strategic tool because they often move faster and deliver more targeted outcomes, outpacing multilateral institutions that face gridlock or achieve only lowest-common-denominator consensus.

While the World Trade Organization (WTO) Joint Statement Initiative on Electronic Commerce took five years from its launch in 2017 to reach a "stabilised text" and still awaits full endorsement from its members, several countries have forged ahead with high-standard digital-only trade agreements.

The first-of-its-kind Digital Economy Partnership Agreement (Depa), signed in 2020 and open to all WTO members, illustrates how smaller coalitions can set credible rules while remaining inclusive. Depa, originally signed between Chile, New Zealand and Singapore, welcomed South Korea as its first new member in 2024. Nine other aspirant economies have applied to join the agreement.

Pathfinder initiatives carry promise, but also important challenges. First, the proliferation of smaller initiatives risks producing parallel – and possibly incompatible – frameworks. Exceptions and exclusions in agreements intended to broaden participation could produce only shallow cooperation.

Second, these initiatives are fundamentally premised on the expectation that additional members will join once the initiative gains traction. This raises the difficult question of how to attract and achieve alignment with new participants.

More fundamentally, many of today's challenges are global in scale and demand global solutions, where frameworks with universal participation are uniquely capable of delivering global regulation.

Anchoring pathfinder initiatives within broader multilateral frameworks may

safeguard against potential fragmentation with the proliferation of an ad hoc array of initiatives. The Fit Partnership, for example, explicitly reaffirms commitment to reform and strengthen the WTO "so that it will remain at the heart of the multilateral trading system".

Open and transparent accession pathways, alongside technical assistance for capacity-building, can help address implementation gaps and encourage participation in new initiatives.

Exercising agency

As Singapore's Minister for Defence Chan Chun Sing noted at the Shangri-La Dialogue Sherpa Meeting in January 2026, "We can reinforce what works, adapt what no longer does, and shape new norms for the challenges ahead".

Chan added, "Even in a fragmented world, all states, including smaller ones, retain agency and responsibility... The only way we lose that agency, is if we fail to exercise it."

An incremental approach towards cooperation is therefore a critical strategic tool for nations.

By stepping up to these arrangements, countries assume the role of architects – and not merely as rule-takers – in building new frameworks and shaping rules that work for them.

Some of the most cutting-edge commitments on digital trade today, such as those concerning cross-border data flows, were pioneered in the Depa. These commitments have further diffused across other bilateral digital economy agreements.

For countries navigating global uncertainty today, flexible multilateralism is not a second-best option; it is a strategic tool that enables agency, laying the foundation for cooperation on their own terms.

Both writers are from the Asia Competitiveness Institute, Lee Kuan Yew School of Public Policy, at National University of Singapore. Jesslene Lee is a researcher and Paul Cheung is director.