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# COUNTERING GLOBALISATION: REGIONAL ALLIANCES AND THEIR IMPACT ON INTERNATIONAL ORGANISATIONS

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# Countering Globalisation: Regional Alliances and Their Impact on International Organisations

by Muhammad Khujanazarov & Julia Davies

## Abstract

The post-war liberal international order, which depends on multilateral institutions together with progressively liberalised trade and capital flows, has encountered mounting structural problems since the 2008 global financial crisis. This paper examines the extent to which contemporary regional alliances counterbalance globalisation and erode the authority of established international organisations. Drawing on Buzan and Waever's (2003) Regional Security Complex Theory (RSCT), new regionalism scholarship (Hettne and Soderbaum, 2000), and international political economy (Rodrik, 2011; Milanovic, 2019), it argues that the Association of Southeast Asian Nations (ASEAN) together with the Regional Comprehensive Economic Partnership (RCEP), BRICS+, and the Shanghai Cooperation Organisation (SCO) have evolved beyond supplementary forums into autonomous governance structures operating alongside Bretton Woods institutions in trade, finance, and security. Through qualitative comparative case study analysis, the paper shows that these blocs are establishing independent norms, financial mechanisms, and security architectures that directly contest Western-dominated multilateralism. The paper concludes with policy recommendations for reforming both global and regional institutions to manage an increasingly multipolar international order.

## Keywords

slowbalization, regional alliances, BRICS+, ASEAN, SCO, multipolar governance, international institutions, Regional Security Complex Theory

## INTRODUCTION

The architecture of the post-war international order was constructed at Bretton Woods in 1944 on two reinforcing premises: progressively liberalised trade and the free movement of capital would generate shared prosperity, and multilateral institutions, namely the International Monetary Fund (IMF), the World Bank, and what would become the World Trade Organization (WTO), would provide the rules-based framework within which states could cooperate rather than compete. For roughly six decades, this architecture held. Between 1990 and 2008, global trade expanded from approximately 39% of global GDP to nearly 61%, foreign direct investment (FDI) surged, and the IMF, World Bank, and WTO extended their reach into virtually every region of the globe (Rodrik, 2011; World Bank, 2022). Scholars and policymakers celebrated the global adoption of democracy, free markets, and international peace as the vindication of liberal internationalism (Mandelbaum, 2002).

That confidence has not survived the subsequent two decades. The 2008 global financial crisis initiated what economists now term "slowbalization", a structural deceleration of globalisation resulting in decreased trade volumes, diminished FDI, and the resurgence of trade protectionism (Irwin, 2020). The crises that followed, including the Eurozone debt emergency (2010-2015), the COVID-19 pandemic (2020-2022), the US-China trade war (2018-present), and interstate wars in Ukraine (2022-present) and Gaza (2023-present), have each demonstrated the fragility of global supply chains and the limits of multilateral coordination. The United States has blocked WTO appellate reform by withholding approval for new Appellate Body members since 2017, and IMF governance structures continue to over-represent advanced economies relative to their share of contemporary global output, a distortion that emerging markets have criticised for decades (Stiglitz, 2002). As the legitimacy of these institutions has eroded, regional alliances have moved into the space they vacated.

ASEAN and its trade architecture, BRICS+, the African Continental Free Trade Area, and the SCO have each developed independent governance functions in trade regulation, development finance, and security coordination, functions previously managed exclusively by global multilateral institutions. Far from being mere supplements to the liberal order, these blocs increasingly articulate alternative normative frameworks premised on sovereign equality, non-interference, and civilisational pluralism. This paper therefore measures the extent to which regional alliances counterbalance globalisation and constrain the authority and effectiveness of international institutions in the contemporary international system.

The argument proceeds as follows. The first section reviews the theoretical and empirical literature on slowbalization, new regionalism, and the crisis of multilateralism. The second section sets out the theoretical framework and methodology. The third section analyses three case studies, ASEAN/RCEP, BRICS+, and the SCO, across trade, financial, and security governance respectively. The fourth section develops policy recommendations, and a brief conclusion synthesises the findings.

## LITERATURE REVIEW

### ***From Hyper-Globalisation to Slowbalization***

By the 1990s, some hyperglobalists had declared the nation-state obsolete as the primary unit of economic organisation (Ohmae, 1990). Early sceptics cautioned that these claims overstated integration. Demonstrating that the phenomenon described as globalisation remained concentrated in the industrialised north, Hirst and Thompson (1999) showed that deep structural inequalities between developed and developing economies persisted beneath the surface of liberal triumphalism. Their empirical work remains foundational precisely because it disrupted the self-congratulatory consensus of the 1990s and established that the benefits of openness were neither universal nor self-distributing, a premise essential to understanding why regional alternatives later gained appeal.

The 2008 financial crisis furnished powerful empirical support for the sceptics. Rodrik's (2011) "globalisation trilemma" had long posited that hyper-globalisation, national sovereignty, and democratic politics cannot simultaneously coexist. The crisis appeared to validate that framework, as financialised globalisation had achieved extraordinary reach while the institutions charged with managing its risks proved inadequate. Trade liberalisation had created extensive distributional costs for workers in advanced economies, generating the political conditions for a nationalist backlash (Autor, Dorn and Hanson, 2016). Globalisation, it was subsequently argued, had been constructed as a deliberate political project insulating markets from democratic accountability rather than as an inevitable economic process (Slobodian, 2018). A central paradox also emerged: globalisation reduced inequality between countries while simultaneously increasing inequality within them, thereby undermining the domestic political coalitions that had sustained the liberal order (Milanovic, 2019). Collectively, these analyses reveal that the institutional framework of the post-war order was designed primarily in the interests of its founders and has proved poorly adapted to the needs of the Global South. The cumulative political consequences of these distributional failures explain, in large measure, why BRICS+ and the SCO have found receptive audiences for alternative governance frameworks premised on sovereign equality rather than liberal conditionality.

### ***New Regionalism and the Challenge to Multilateralism***

The academic study of regionalism traces its origins to the integration theories of the 1950s and 1960s. Neofunctionalism and transactionalism were developed primarily to explain the dynamics of European integration, focusing narrowly on economic interdependence and security community formation (Haas, 1958; Deutsch, 1957). The "new regionalism" scholarship of the 1990s and 2000s sought to account for the proliferation of regional organisations across the developing world by emphasising their multidimensional character: new regional blocs pursued not only trade liberalisation but also political legitimacy, identity formation, and strategic autonomy from great-power dominance (Hettne and Soderbaum, 2000). This shift in emphasis, from regionalism as a trade-liberalising mechanism to regionalism as a form of political and normative assertion, is the conceptual foundation on which this paper builds its case study analysis.

Regional trade agreements were initially theorised as second-best alternatives to multilateral liberalisation, functioning as building blocks for the broader trading system when global negotiations stalled (Mansfield and Milner, 1999). More recent scholarship has complicated this optimism. Preferential trade agreements have increasingly incorporated provisions that conflict with WTO rules, producing overlapping and sometimes contradictory regulatory frameworks (Dur, Baccini and Elsig, 2014). The contemporary system is better characterised as a "multiplex world", one marked by the coexistence of multiple institutions and normative frameworks in which no single state or organisation exercises overarching authority (Acharya, 2014). This structural condition is not merely descriptive: it captures the political space within which contemporary regional blocs have flourished, and it implies that the erosion of Bretton Woods authority is systemic rather than conjunctural. Both contributions are directly relevant to this paper's empirical analysis of how ASEAN, BRICS+, and the SCO have each exploited multilateral institutional failures to expand their own governance footprints.

## **THEORETICAL FRAMEWORK AND METHODOLOGY**

### ***Regional Security Complex Theory as an Analytical Lens***

The theoretical framework adopted here is pluralist by design, reflecting the multidimensional character of contemporary regionalism. No single theory adequately captures a phenomenon that is simultaneously geopolitical, economic, and normative. Nonetheless, Buzan and Waever's (2003) Regional Security Complex Theory (RSCT) provides the primary analytical lens for examining the security dimensions of regionalisation, and it is chosen over realism and institutionalism for reasons that require brief explanation.

Classical realism is insufficient because it treats states as unitary, self-regarding actors whose behaviour is determined by material power distributions in an undifferentiated international system. This framework cannot account for why states construct enduring regional institutions, invest in collective normative frameworks like the "Shanghai Spirit", or develop governance architectures that impose real costs on their freedom of unilateral action. Neoliberal institutionalism, associated most prominently with Keohane and Nye (2001), corrects for this by focusing on how institutions reduce transaction costs and facilitate cooperation under anarchy. However, institutionalism tends to treat institutions as neutral efficiency-maximising devices and is poorly equipped to analyse the explicitly counter-hegemonic normative dimension of organisations like the SCO and BRICS+, whose institutional logics are animated not by efficiency gains but by the politics of sovereign equality and resistance to Western conditionality.

RSCT is better suited to both tasks. Its core claim is that security interdependence is geographically patterned: states within the same region share stronger security ties than states separated by greater distance, forming relatively autonomous sub-systems of the international order (Buzan and Waever, 2003, p. 44). These sub-systems, or security complexes, are defined by distinct patterns of amity and enmity among geographically proximate states.

RSCT thus enables systematic examination of how regional institutions manage collective security without deference to global powers, and how great-power competition structures regional security dynamics, without reducing these processes to simple material interest calculations. Applied to the SCO, it reveals how China and Russia jointly function as the great-power core of a Central Asian security complex, structuring smaller states' security relations through both alignment incentives and normative commitments.

RSCT's principal limitation is that it was designed primarily to analyse security dynamics and offers limited analytical purchase on trade and financial governance. This paper therefore supplements it with new regionalism scholarship (Hettne and Soderbaum, 2000) to analyse ASEAN's institutional development and identity formation, and with international political economy (Rodrik, 2011; Milanovic, 2019; Eichengreen, 2011) to ground the analysis of financial multipolarity and de-dollarisation. The combination allows the paper to move across governance domains while maintaining analytical coherence.

## **METHODOLOGY**

This paper employs a qualitative comparative case study design to examine how regional alliances interact with global multilateral governance. The three case studies, ASEAN/RCEP, BRICS+, and the SCO, were selected to achieve structured variation across the three governance domains most directly implicated in the research question: trade governance, financial governance, and security governance respectively. This design enables cross-case comparison while preserving the institutional specificity of each case. The rationale for this selection is not simply that these are the three largest or most prominent regional blocs; rather, they were chosen because each represents a qualitatively distinct model of regional governance, one that is market-integrating, one that is counter-hegemonic and financial, and one that is explicitly sovereignty-centred and security-focused. Comparing across these distinct models generates more analytically useful leverage on the research question than comparing three organisations of the same type.

The primary sources analysed include official institutional documents, summit declarations, and statistical data from the United Nations Conference on Trade and Development (UNCTAD), the IMF, and the World Bank, combined with peer-reviewed academic literature and policy analysis. The analysis proceeds through systematic examination of each case against the theoretical framework before synthesising cross-cutting findings.

## **ANALYSIS AND DISCUSSION**

### ***The Structural Drivers of Slowbalization***

The deceleration of globalisation is not a cyclical correction but a structural transformation. Global FDI flows decreased from nearly USD 2 trillion in 2007 to approximately USD 1.3 trillion in 2021, according to UNCTAD (2022), a contraction reflecting not only temporary volatility but fundamental shifts in the organisation of global production.

The COVID-19 pandemic intensified this trajectory by exposing the systemic vulnerabilities embedded in just-in-time supply chains. Single-source dependencies that had previously been treated as efficiency gains revealed themselves as strategic liabilities requiring active policy correction.

Geopolitical competition has further accelerated the retreat from integrated globalisation. The US-China trade war, initiated in 2018 under Donald Trump's first administration and substantially intensified since his return to office in January 2025, has seen the United States impose tariffs on more than USD 370 billion of Chinese goods (Bown, 2023). This constitutes the most significant disruption to the post-WTO trading order in recent history. The conflict has since expanded from trade into technology, finance, and military affairs, compelling third states to choose sides or pursue strategic hedging, a practice of cultivating ties with multiple great powers while reducing overdependence on any single partner. This dynamic is especially visible in Southeast Asia and Central Asia, where states have sought to balance competing pressures from Washington and Beijing.

The governance implications are equally profound. The United States' sustained blockade of WTO Appellate Body appointments has paralysed the organisation's dispute resolution function, effectively suspending the rules-based trading system's primary enforcement mechanism. IMF voting structures, in which advanced economies retain disproportionate influence relative to their contemporary share of global output, have been repeatedly criticised by emerging markets as entrenching a structural bias that forecloses genuine multilateral governance (Stiglitz, 2002). These institutional failures have not merely weakened existing organisations; they have actively legitimised the construction of alternatives.

### ***Regional Alliances as Governance Structures***

Contemporary regional alliances are not simply defensive responses to globalisation's discontents. They have evolved into proactive governance structures with their own institutional logics, financial instruments, and normative frameworks. Acharya's (2014) concept of the multiplex world captures the result: an international system in which multiple institutional architectures, global and regional, Western and non-Western, operate simultaneously, none possessing the overarching authority that the Bretton Woods order once claimed.

The functional overlap with established multilateral institutions is concrete. The BRICS New Development Bank (NDB) provides development finance without the conditionality frameworks of the World Bank. The RCEP establishes trade rules for a bloc representing 30 percent of global output without US participation. The SCO coordinates counter-terrorism and border security across Eurasia through a sovereignty-centred institutional framework that stands in deliberate contrast to the liberal interventionist logic embedded in NATO. In each domain, regional institutions perform functions that multilateral bodies have either failed to deliver or have delivered in ways that member states contest as structurally biased.

RSCT provides an especially useful analytical lens for the security dimension. Regional security complexes, defined by distinct patterns of amity and enmity among geographically proximate states, constitute relatively autonomous sub-systems of the international order (Buzan and Waever, 2003). Regional institutions function as the cooperative platforms through which states within these complexes define and protect their collective security identities, often explicitly against external interference. The SCO's normative framework operationalises this logic directly, positioning non-interference and sovereign equality as the foundations of a security architecture designed to exclude the liberal interventionism associated with Western institutions.

## CASE STUDIES

### ***ASEAN, the RCEP, and the Politics of Open Regionalism***

Founded in 1967 as a loose security arrangement among non-communist Southeast Asian states, the Association of Southeast Asian Nations (ASEAN) has over six decades developed into a comprehensive regional governance system encompassing economic integration, political dialogue, and security cooperation. The 2015 establishment of the ASEAN Economic Community (AEC) eliminated tariffs on approximately 99% of intra-member goods trade and created a single market of over 670 million people (ASEAN Secretariat, 2022). This paper focuses its analysis on the Regional Comprehensive Economic Partnership (RCEP) as the most geopolitically significant expression of ASEAN's trade governance capacity.

Concluded in November 2020 and entering into force in January 2022, the RCEP encompasses 15 states led by China, Japan, South Korea, Australia, and New Zealand and accounts for approximately 30% of global GDP and population (Petri and Plummer, 2020). Its geopolitical significance extends beyond its economic weight. The agreement was finalised without US participation and gained decisive momentum following the Trump administration's 2017 withdrawal from the Trans-Pacific Partnership (TPP), a withdrawal that created a governance vacuum that ASEAN-centred diplomacy moved swiftly to fill. The RCEP thereby demonstrates that regional economies can construct trade governance systems of global importance independent of US leadership, directly challenging the assumption that effective multilateral trade governance requires hegemonic participation.

The agreement establishes binding disciplines on intellectual property, e-commerce, and investment that will shape regulatory standards across the Asia-Pacific, generating precedents that will inevitably influence future WTO discussions. Acharya (2014) coined the concept of "ASEAN Centrality" to describe ASEAN's role as the hub of the region's overlapping institutional architecture, a concept the RCEP reinforces in practice by placing ASEAN at the centre of the largest trading bloc in history. However, the RCEP's limitations must be acknowledged. Its commitments on services liberalisation and investment protection are less ambitious than the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the agreement contains no enforceable provisions on labour rights, environmental standards, or competition policy.

Critics argue that it entrenches China's manufacturing dominance while foreclosing the structural transformation that smaller regional economies require (Petri and Plummer, 2020). ASEAN's institutional commitment to consensus and non-interference, the so-called "ASEAN Way", explains both its cohesion and its chronic inability to mount collective responses to acute crises. The bloc's slow response to the COVID-19 pandemic illustrated precisely the tension between the demands of regional governance and the constraints of its founding norms (Jones, 2015). ASEAN's central structural problem is that institutional ambitions consistently outrun normative capacity for collective action.

### ***BRICS+ and the Architecture of Financial Counter-Hegemony***

The BRICS grouping was formalised as an inter-governmental forum in 2009 with Brazil, Russia, India, China, and South Africa as founding members. Its August 2023 Johannesburg Summit announced expansion to nine members, adding Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates. BRICS+ countries now collectively account for more than 40% of global GDP measured in purchasing power parity and approximately 56% of world population (IMF, 2025). An organisation of this scale possesses legitimate standing to contest institutional arrangements designed by and for a much smaller group of advanced economies.

The most institutionally significant expression of BRICS+ ambitions is the New Development Bank, established in 2015 with an initial subscribed capital of USD 100 billion. Unlike the World Bank, the NDB distributes voting shares equally among founding members regardless of economic size, and has pledged to lend without the politically contentious conditionality principle that has driven much of the IMF's criticism from developing countries (Humphrey, 2018). The Contingent Reserve Arrangement (CRA), also established in 2015 with a committed pool of USD 100 billion, provides a framework for balance-of-payments support outside the IMF's institutional structures. While the CRA's resources are insufficient to substitute for IMF emergency financing for a major economy, its existence signals intent to build financial governance infrastructure independent of the Bretton Woods system.

De-dollarisation represents the most geopolitically charged dimension of the BRICS+ project. The 2022 exclusion of Russia from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) and the freezing of approximately USD 300 billion in Russian central bank reserves delivered an unambiguous message to every emerging economy holding dollar-denominated assets: the United States could and would weaponise the financial infrastructure on which the global system depended to achieve geopolitical aims (Sharma, 2023). BRICS+ states have since accelerated efforts to settle bilateral trade in local currencies, with Russia-China trade reportedly conducting over 90% of transactions in roubles and renminbi by 2023 (Sharma, 2023), while developing alternative payment messaging systems and exploring a common settlement currency.

The structural obstacles to this agenda are considerable. The heterogeneity of BRICS+ members' political systems, economic models, and strategic interests creates persistent coordination problems.

China's capital controls preclude the renminbi from performing the reserve currency functions that de-dollarisation requires. The dollar's dominance ultimately rests on political choices by states to hold dollars rather than on irreversible structural factors, implying that erosion is possible but gradual (Eichengreen, 2011). What the BRICS+ case demonstrates above all is that the United States' use of financial sanctions as a foreign policy instrument has generated the very incentives for institutional alternatives that its architects presumably sought to prevent.

### ***The Shanghai Cooperation Organisation and the Remaking of Regional Security***

The Shanghai Cooperation Organisation occupies a distinct position in the landscape of contemporary regionalism. Founded in 2001 by China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan to settle border disputes and coordinate counter-terrorism efforts in Central Asia, its membership has expanded to include India, Pakistan, Iran, and Belarus, along with a range of observer and dialogue partner states. Today it constitutes the world's largest regional security organisation by territory and population.

The SCO's institutional identity is defined by its normative framework, known as the "Shanghai Spirit", which encompasses mutual trust, mutual benefit, equality, consultation, respect for diverse civilisations, and the pursuit of common development (SCO Secretariat, 2023). This framework represents a direct repudiation of the proposition that state sovereignty may be overridden in the name of human rights or democratic norms, the liberal interventionist logic that has underpinned NATO and, more broadly, the Western-led international system since the Cold War. In affirming sovereign equality and non-interference as foundational principles, the SCO constructs an institutional identity explicitly opposed to the normative architecture of the Western-led security order. Central Asian member states' receptiveness to this framework is not incidental: having emerged from Soviet authoritarianism into a regional environment in which Western-backed democratisation programmes were perceived as destabilising, states such as Kazakhstan and Uzbekistan had strong pre-existing reasons to privilege sovereignty norms over liberal interventionist ones, making the SCO's principles a genuine expression of their governance preferences rather than merely an instrument of Chinese or Russian influence.

RSCT explains the SCO's structural dynamics with particular clarity. Great-power-centred regional security complexes are systems in which a dominant power structures the security relations of smaller states through patterns of both alignment and subordination (Buzan and Waever, 2003, p. 53). Applied to the SCO, China and Russia function jointly as the great-power core, providing security guarantees and economic connectivity to Central Asian member states in exchange for alignment with the complex's defining normative commitments. The theory also helps explain the SCO's management of internal tensions: it is not a collective security system in the NATO sense but a managed forum within which great powers constrain the escalation of regional rivalries while projecting their combined normative influence outward against Western institutional models.

The SCO's economic dimension reinforces this architecture through its linkage with China's Belt and Road Initiative (BRI), an infrastructure investment programme spanning more than 140 countries with over USD 1 trillion in committed funding (Hillman, 2020). A concrete example is the China-Kyrgyzstan-Tajikistan railway, a BRI-linked project designed to connect Central Asian landlocked states to Chinese export markets and reduce their dependence on Russian rail networks. SCO membership has functioned as a conduit for Chinese state capital investment in Central Asian infrastructure, reducing member states' financial dependence on Western multilateral institutions while deepening their economic integration with China. Critics have characterised this dynamic as creating debt dependency and strategic vulnerability, while proponents argue it delivers infrastructure solutions that Western institutions have consistently failed to provide (Hillman, 2020).

The SCO's expansion has simultaneously increased its geopolitical weight and its internal contradictions. India-Pakistan disputes over Kashmir, ongoing since 1947, India-China border tensions in the Himalayas, which escalated acutely in the 2020 Galwan Valley clash, and India's increasingly complex relationship with Russia following the 2022 Ukraine invasion create persistent fault lines. These tensions limit the SCO's capacity to function as a unified security actor. Applying RSCT here reveals that the SCO contains within it a sub-regional rivalry structure between India and both China and Pakistan that cannot be resolved by the SCO's consensual norms; the organisation manages rather than transcends these tensions. The SCO's most consequential long-term impact may therefore be normative: by institutionalising non-interference and sovereign equality as the basis of a major security architecture, it provides a legitimating framework for diverse governance models that directly challenges the democratic accountability norms embedded in the Western-led international order.

## **POLICY IMPLICATIONS AND RECOMMENDATIONS**

The analysis presented above generates five concrete policy implications for navigating the transition to a multipolar international order.

The IMF, World Bank, and WTO require meaningful governance reform. Current voting structures, in which advanced economies retain influence disproportionate to their contemporary economic weight, provide the Global South with a rational basis for viewing these organisations as instruments of Northern preference. The IMF's quota system should be restructured to align voting power more closely with current economic shares, and the WTO should develop plurilateral negotiating tracks enabling coalitions of willing members to advance regulatory cooperation without requiring universal consensus, a procedural innovation that could preserve the organisation's multilateral character while rescuing its substantive agenda.

Advanced economies should resist interpreting the rise of regional alternatives as a purely adversarial development. The NDB, the CRA, and regional infrastructure programmes address genuine financing gaps that established institutions have failed to close.

Productive engagement through co-financing arrangements, shared governance standards, and technical cooperation would better serve Western interests than reflexive opposition for several reasons: it reduces the total international burden-sharing cost to Western governments, creates channels through which transparency and accountability norms can be gradually incorporated into NDB and CRA lending practices, and provides a constructive alternative to the zero-sum framing that currently dominates policy discussion of BRICS+ institutional ambitions.

Regional organisations must address their own governance deficits. ASEAN's non-interference principle has consistently constrained its capacity for collective response to security crises, including the Myanmar civil war and the COVID-19 pandemic. BRICS+ must develop mechanisms for managing the deep heterogeneity of its membership if it is to evolve from a platform for shared grievances into a functional governance body. The SCO must find institutional means of managing serious bilateral disputes, particularly the India-Pakistan and India-China tensions, if it is to operate as a credible security architecture. In all three cases, institutional depth grounded in genuine rule-based frameworks with compliance mechanisms matters more than institutional breadth measured by membership numbers.

The normative conflict between liberal interventionism and sovereign non-interference requires structured engagement rather than mutual denunciation. This does not mean abandoning human rights norms; it means pursuing their elaboration through genuinely multilateral forums that incorporate non-Western perspectives rather than treating them as fixed Western prescriptions. The UN Security Council requires structural reform, including expansion of permanent membership to reflect the contemporary distribution of global power, if it is to serve as a legitimate site for this engagement.

The United States and its allies must exercise greater selectivity in deploying financial sanctions. Weaponising dollar-based payment infrastructure has paradoxically generated the strongest incentives for de-dollarisation and the construction of alternative financial systems. These are precisely the outcomes that undermine the structural leverage that makes sanctions effective in the first place. A more restrained and multilaterally legitimised approach to financial coercion would reduce these incentives while preserving sanctions as a meaningful instrument of statecraft.

## **CONCLUSION**

The liberal international order that emerged from Bretton Woods and was consolidated during the post-Cold War decade now faces challenges it was not designed to manage. The 2008 financial crisis, the COVID-19 pandemic, escalating US-China competition, and the Russian invasion of Ukraine have, in combination, accelerated a structural shift from unipolarity toward a multipolar order in which regional alliances are no longer marginal actors but central features of global governance.

Through analysis of ASEAN/RCEP, BRICS+, and the SCO, this paper has argued that contemporary regional alliances have evolved into autonomous governance structures performing functions, including trade regulation, development finance, and security coordination, that were once the exclusive province of global multilateral institutions.

This process carries a strong normative dimension: the SCO and BRICS+ explicitly contest the liberal interventionist norms of the Western-led order, advancing principles of sovereign equality, non-interference, and financial multipolarity that command the support of a substantial majority of the world's states. De-dollarisation represents a sustained challenge to the structural financial power on which much of Washington's global influence rests.

The regional alternatives examined here are constrained by significant internal limitations. BRICS+ heterogeneity, SCO intra-member tensions, and ASEAN's structural incapacity for collective action all circumscribe the ability of these organisations to fully replace the institutions they challenge. The future of global governance will accordingly be shaped not by the triumph of one institutional logic over another, but by the negotiated accommodation between global multilateral institutions and the regional architectures that have risen to contest them. For scholars and policymakers alike, understanding and shaping that accommodation is among the defining intellectual and political challenges of the present moment.

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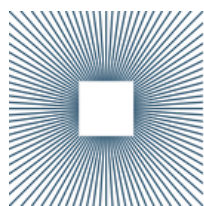
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