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# The Effectiveness Dilemma and Reconstruction Path of Emerging Countries' Cooperation Mechanisms in the Context of Global Governance Fragmentation

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Abstract: Against the backdrop of increasing fragmentation of global governance, the cooperation mechanism of emerging countries faces multiple difficulties in its effectiveness: internally, there are insufficient coordination of the mechanism, divergence in the interests of member countries, and deficiencies in the design of the system; and externally, the mechanism is constrained by the containment of power by the traditional powers, exclusion from the established system, and bias in the international cognition. The study proposes an "internal and external linkage" restructuring path: internally, the integration is strengthened through the establishment of institutional dialogue platforms, hierarchical consultation mechanisms and institutional upgrading; externally, "embedded cooperation" promotes collaboration with traditional powers, participation in the reform of multilateral mechanisms, and the enhancement of international perceptions. The study suggests that emerging countries need to balance "rule docking" and "localized innovation" in fragmented governance, and gradually accumulate institutional discourse power, so as to provide new momentum for the inclusive transformation of global governance.

Keywords: Global governance fragmentation; Emerging countries' cooperation mechanism; Effectiveness dilemma; Institutional discourse power

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# 1. Introduction

Since the 21st century, the deepening of globalization and the profound adjustment of the international balance of power have led to a significant fragmentation of the global governance system, the lagging behind of the reform of the traditional multilateral mechanisms, and the emergence of new governance platforms, as well as the intensification of the trend of fragmentation of the rules of governance in terms of issue areas and geographic space <sup>[1]</sup>. In this context, the cooperation mechanisms of emerging countries represented by BRICS, the Shanghai Cooperation Organization and the Asian Infrastructure Investment Bank have become important attempts for emerging economies and developing countries to break through the monopoly of traditional governance and enhance their institutional discourse <sup>[2]</sup>.

Currently, academic research on the fragmentation of global governance mostly focuses on the transfer of power between traditional powers and emerging countries, or the assessment of the effectiveness of a single mechanism, and lacks an integrated analysis of the systemic dilemma of emerging countries' cooperation mechanisms in the context of fragmentation <sup>[3-6]</sup>. This paper attempts to answer the following core questions: How does the fragmentation of global governance shape the development environment of emerging state cooperation mechanisms? What structural obstacles do these mechanisms face in their effectiveness? How can they be restructured through institutional innovation and strategic adjustment? Based on international institutional theories and empirical case studies, the study deconstructs the causes of the dilemma from both internal and external dimensions, and proposes a restructuring path that is both targeted and operational, with a view to providing theoretical references to enhance the effectiveness of emerging countries' participation in global governance.

# 2. Effectiveness dilemma of emerging countries' cooperation mechanisms in the context of global governance fragmentation

#### 2.1. Internal dilemma

#### 2.1.1. Insufficient coordination among emerging countries' cooperation mechanisms

Under the background of global governance fragmentation, the diversified cooperation mechanisms established by emerging countries to enhance their discourse power are caught in the contradiction between "mechanism excess" and "synergy deficiency" due to the lack of systematic integration<sup>[7]</sup>. These mechanisms overlap and cross-cutting issues, for example, BRICS focuses on economic and financial cooperation and global governance reform, while the Shanghai Cooperation Organization focuses on security and regional development, but their objectives overlap in infrastructure investment, energy cooperation, and other areas but lack of regular coordination mechanism, leading to resource dispersion and duplication of project construction<sup>[8,9]</sup>. At the same time, there are differences in the rule system and decision-making logic of different mechanisms, for example, BRICS pursues the principle of "consensus," while the G20 is constrained by the influence of traditional big powers, which makes it difficult for emerging countries to form a unified stance on cross-cutting issues such as climate change and digital governance.

#### 2.1.2. Differences in development among member countries lead to deadlock in decision-making

There are significant gradient differences among the member countries of the emerging countries cooperation mechanism in terms of economic development level, industrial structure, political system, and strategic interests, which leads to a high cost of internal consultation and inefficient decision-making. Taking the BRICS countries as an example, China, as the world's second largest economy, and India, South Africa, and other developing members of the mechanism have differences on issues such as trade liberalization, investment rules, and responsibility for climate reduction: China advocates gradual reform of the existing international financial system, while Brazil and India are more concerned about their own short-term interests in the trade of agricultural products and technology transfer, and South Africa focuses on the mechanism for obtaining the financial and technical support needed for industrialization. Some of the mechanisms have the structural contradiction of "domination by core countries" and "marginalization of small and medium-sized countries." For example, the game between Russia and Central Asian countries over security cooperation and economic sovereignty in the Shanghai Cooperation Organization, and the balance of interests between the "China-Russia-India Triangle" and South Africa and Brazil in the BRICS countries have led to a decline in the sense of identity of small and medium-sized member countries towards the mechanism and frustrated their participation in it, which further aggravated the decision-making deadlock <sup>[10]</sup>.

#### 2.1.3. Inadequate institutional framework of cooperation mechanisms in some emerging countries

Compared with mature multilateral mechanisms such as the World Bank and the International Monetary Fund, most of the cooperation mechanisms of emerging countries have problems such as sloppy institutional design, vague rules, and weak implementation capacity<sup>[11]</sup>. As the oldest coordination mechanism for developing countries, the G77 has long relied

on informal consultations and political statements to promote its agenda, and lacks a permanent secretariat, specialized working groups, and enforcement power. When implementing specific issues such as the 2030 Agenda for Sustainable Development, it has been reduced to a "platform for voices" due to insufficient institutional support. It is difficult to translate into practical actions. In addition, some regional mechanisms (such as the League of Arab States Collaborative Platform for Emerging Countries) have the phenomenon of "institutional emptiness," and the decision-making procedures stipulated in the statutes (such as the majority voting system) cannot be implemented for a long time due to the political differences among member states, which has led the mechanism to fall into the predicament of "discussing but not deciding, deciding but not doing" <sup>[12]</sup>. The imperfection of the institutional framework not only weakens the authority and sustainability of the mechanism, but also exacerbates the crisis of "institutional legitimacy" of cooperation among emerging countries in the fragmented environment of global governance—when the traditional big powers question the governance capacity of the emerging mechanism, the latter will not be able to effectively implement the mechanism due to the lack of strict institutional support. When traditional powers question the governance capacity of emerging mechanisms, the latter are unable to respond effectively due to the lack of strict institutional support. Hence in international rule-making.

#### 2.2. External dilemmas

#### 2.2.1. Traditional powers still dominate global governance

Although the total economic output of emerging countries accounts for more than half of the world, the traditional powers represented by the US and Europe still monopolize the core resources of global governance through institutional power, forming a structural suppression of emerging mechanisms. In the field of international finance, the U.S., with 16.52% of the voting power in the IMF and the dominant position of the World Bank, has long controlled the formulation of international financial rules, and the 2010 IMF quota reform program, although committed to transferring 3.6 percentage points of quota share to emerging countries, has been put on hold due to the U.S. Congress's veto, and the right of emerging countries to speak out in the international financial regulation and crisis relief is still severely limited. In the field of trade governance, the WTO dispute settlement mechanism has long been dominated by the European and American legal teams, and after the United States unilaterally blocked the appointment of judges to the Appellate Body in 2019, leading to the paralysis of the mechanism, the European Union launched the "Multi-party Interim Appellate Arbitration Arrangement" in cooperation with Japan, which excludes emerging countries such as China, in an attempt to maintain the Western monopoly on the right to interpret trade rules <sup>[13]</sup>. The monopoly of the West on the interpretation of trade rules. In response to the emerging mechanism, the traditional big powers have adopted a polarization and containment strategy: at the beginning of the establishment of the Asian Infrastructure Investment Bank (AIIB) in 2015, the U.S. pressured its allies to boycott the accession, and although it failed to prevent the United Kingdom and other countries from "reversing their positions," it has substantially weakened the space for systemic innovation of the emerging mechanism by requesting the AIIB to adopt the World Bank's environmental and social standards. In the operation of the BRICS New Development Bank, Western countries have lowered the credit rating of its financing through credit rating agencies, forcing it to rely on the US dollar bond market, and indirectly subjecting it to the old international financial order <sup>[14]</sup>.

#### 2.2.2. Misunderstanding of the international community about the emerging mechanism

The BRICS countries are often simplified by Western public opinion as an "anti-American club," and the reform of the international monetary system it promotes is misinterpreted as "weakening the hegemony of the US dollar," while in fact 65% of the loans of the BRICS New Development Bank are still denominated in US dollars, reflecting the pragmatic integration into the existing system; the Shanghai Cooperation Organization (SCO) has been criticized by credit rating agencies for reducing its financing credit rating. The Shanghai Cooperation Organization has been labeled as a "geopolitical alliance" by some Western think tanks, ignoring its constructive role in combating the "three forces" and promoting regional economic integration, which has led to Central Asian countries facing double pressures from Russia and the

West when participating in the mechanism <sup>[15]</sup>. As a result, Central Asian countries face double pressure from Russia and the West when participating in the mechanism. This misunderstanding has also given rise to "legitimacy anxiety": in the area of climate change, the principle of "common but differentiated responsibilities" put forward by the BASIC countries (China, India, Brazil, and South Africa) to balance the interests of developed and developing countries has been accused of "hindering the process of global emission reduction," while unilateral measures such as the EU's carbon border tax have been glorified as "climate leadership." Cognitive bias has led to heavy resistance to emerging mechanisms in attracting the participation of non-members and seeking international resources <sup>[16]</sup>. For example, when applying for NDB loans, African countries still need to spend a great deal of energy explaining to Western donor countries the difference between them and traditional multilateral institutions, which has inadvertently increased the cost of operating the mechanism.

# **3.** Path of reconstruction of cooperation mechanisms of emerging countries in the context of fragmentation of global governance

### 3.1. Strengthening internal coordination and integration

#### 3.1.1. Promoting dialogue among emerging countries' cooperation mechanisms

The establishment of a regularized inter-mechanism dialogue platform is the key to cracking the fragmentation of emerging countries' cooperation mechanisms. The model of cooperation between ASEAN and China, Japan, and South Korea (10+3) can be used as a reference to set up high-level dialogue forums for mechanisms such as BRICS, the Shanghai Cooperation Organization (SCO), and the Group of 77 (G77), so as to carry out joint consultations on core issues of global governance every year. For example, in the area of vaccine research and development and distribution, the BRICS Vaccine Research and Development Center and the Shanghai Cooperation Organization Public Health Cooperation Mechanism will take the lead in jointly formulating a unified technical standard and distribution plan, so as to avoid duplication of construction and waste of resources. At the same time, an "issue-driven" collaborative mechanism should be set up to integrate the advantages of the rules of each mechanism in specific areas and form a common position <sup>[17]</sup>. A permanent secretariat can be set up to be responsible for information sharing among mechanisms, and joint reports can be issued regularly to enhance the overall voice of emerging countries in global governance.

#### 3.1.2. Strengthening communication and consultation among member states

The deadlock in decision-making caused by development differences among member countries needs to be resolved through a tiered consultation mechanism and a compensation mechanism for benefits. On the one hand, in the BRICS and G20 emerging countries group, the establishment of "core issues group," according to the level of economic development and industrial advantages of member countries, such as agricultural exporters, manufacturing powerhouse, resource-based countries, group consultation, to reduce the difficulty of the overall negotiation. On the other hand, drawing on the model of the European Union structural fund, member states with stronger economic strength should set up a "South-South cooperation development fund" to compensate small and medium-sized member states for their participation in major global governance projects <sup>[18]</sup>. For example, in African infrastructure construction, the BRICS New Development Bank provides low-interest loans, and the fund subsidizes the operating costs of the projects, balancing the interests and demands of member countries.

#### 3.1.3. Strengthening the institutional design of cooperation mechanisms among emerging countries

Improving the institutional framework needs to be promoted at three levels: rule refinement, implementation strengthening, and dispute settlement. At the rule level, refer to the International Monetary Fund's share allocation formula to design a dynamic equity allocation mechanism for the BRICS New Development Bank based on economic size, trade contribution, and total population, so as to enhance the fairness of the system; in the field of digital governance, formulate a Model Law on Cross-Border Flow of Data in Emerging Countries, and make clear the boundaries of data sovereignty and openness <sup>[19]</sup>.

At the implementation level, an independent oversight body should be established, such as the Project Audit Committee under the framework of the Shanghai Cooperation Organization (SCO), so as to carry out full-cycle supervision of infrastructure investment projects and introduce blockchain technology to realize transparency in the flow of funds. In terms of dispute settlement, drawing on the dispute settlement mechanism of the World Trade Organization, a three-tier mediation-arbitration-appeal system has been constructed to provide institutionalized solutions to differences among member countries.

### 3.2. Expanding external cooperation and interaction

#### 3.2.1. Actively engaging in dialogue and cooperation with traditional big countries

In the field of global economic governance, the "Emerging Countries-G7 Policy Coordination Working Group" can be set up under the framework of the G20 to carry out joint research on hot topics such as the regulation of digital currencies and the global minimum corporate tax, so as to avoid conflicting rules. In the area of security governance, the SCO and NATO can set up a joint working group on non-traditional security to carry out technical cooperation in areas such as counter-terrorism, intelligence sharing, and cybersecurity protection, so as to dilute the color of geopolitical confrontation. In response to the institutional containment of traditional powers, emerging mechanisms can adopt the strategy of "rule docking + local innovation": the Asian Infrastructure Investment Bank has adopted the World Bank's environmental and social standards, innovated the "Climate Adaptation Index" assessment system, and incorporated the proportion of renewable energy into project approval criteria. On the basis of adopting the World Bank's environmental and social standards, the Asian Infrastructure Investment Bank innovated the "climate adaptation index" assessment system, and included the proportion of renewable energy in the project approval criteria, which not only gained the recognition of the West, but also promoted the upgrading of green infrastructure rules.

#### 3.2.2. Raising international awareness of cooperation mechanisms among emerging countries

At the level of public diplomacy, the BRICS countries can set up a "global governance transparency platform," regularly publish the "Annual Report on Emerging Mechanisms," and use data to present the jobs and emission reduction benefits created by the NDB's infrastructure projects in Africa, as well as to compare the cost efficiency of the World Bank's similar projects, so as to refute the "inefficiency theory" with empirical data. On multilateral occasions, utilizing platforms such as the United Nations General Assembly and the Davos Forum, representatives of small and medium-sized member states will share cases of benefits from participation in emerging mechanisms, so as to enhance the credibility of the narrative. In response to the "confrontational" label, emerging mechanisms can take the initiative to attract non-members to participate in cooperation: the Shanghai Cooperation Organization has set up a "project pool of observer countries," inviting non-members such as Turkey and Iran to participate in regional counter-terrorism joint exercises; the BRICS Emergency Reserve Arrangement has opened a "crisis response hotline" to non-members <sup>[20]</sup>. The BRICS Emergency Reserve Arrangement (BRICS ERA) has opened a "crisis response hotline" to non-members, and when providing short-term liquidity support to Sri Lanka in 2023, the IMF will be introduced as a technical adviser at the same time, thus demonstrating the openness and professionalism of the mechanism.

# 4. Conclusion

Fragmentation of global governance is both a realistic challenge for emerging countries and a historical opportunity for them to break through the constraints of the traditional governance system. This paper reveals the complexity of institutional innovation under the fragmented governance environment by analyzing the effectiveness dilemma and reconstruction path of the cooperation mechanism of emerging countries. The study shows that the reconstruction of the cooperation mechanism of emerging countries is not a revolutionary subversion of the existing system, but a "progressive innovation" to achieve the improvement of governance effectiveness: internally, through the platform of inter-mechanism

dialogue, layered consultation mechanism, and specialized institutional design, to solve the "fragmentation dilemma" in the coordination inefficiency of the "fragmentation dilemma," and the "fragmentation dilemma" in the "fragmentation dilemma." Internally, through inter-mechanism dialogue platforms, layered consultation mechanisms and specialized institutional designs, the coordination inefficiency and legitimacy deficit in the "fragmentation predicament" can be solved; externally, the confrontational narrative can be replaced by "problem-oriented" pragmatic cooperation, and emerging governance concepts can be integrated into the process of reshaping the multilateral rules, so as to promote the global governance system to be more inclusive and pluralistic.

# **Disclosure statement**

The author declares no conflict of interest.

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