



WHAT CAN MIDDLE POWERS DO WHEN THE RULE-BASED INTERNATIONAL ORDER IS DISRUPTED?

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Abstract

Canadian Prime Minister Mark Carney declared that the rule-based order is in “rupture not transition,” urging the middle powers to cooperate among themselves to create a new world order. Has the rule-guided order been irrevocably damaged and if so, what is the alternative? While recent US actions are serious breaches of the rule-based order, there is currently no workable alternative to US leadership. Instead of trying to go it alone, the middle powers need to be more assertive, making use of their leverage with the United States while waiting for the US political system to right itself. Middle powers should also cooperate among themselves in a variety of areas to reduce the risks of US withdrawal.

Introduction

In a speech at the World Economic Forum at Davos, Canadian Prime Minister Mark Carney declared that the rule-based order is in “rupture not transition.”^[1] Carney urged middle powers to cooperate among themselves to create a new world order as protection against predation from the great powers.

Carney was obliquely referring to President Donald J. Trump’s use of tariffs as a means of coercion, his threats to absorb Canada as the 51st US state, and demands that Denmark hand over Greenland. Since then, Trump has launched an illegal preventive war with Iran, disrupting and damaging the entire global economy.

Has the rule-guided order been irrevocably damaged? If so, then what is the alternative? Can middle powers cooperate among themselves to establish a new order?

President Trump’s recent actions are serious breaches of the international order. But Carney does not provide a workable alternative to US leadership. For the middle powers to attempt to forge coalitions among themselves is likely to result in inertia and more chaos. Instead of trying to go it alone, middle powers and smaller states need to be more assertive, making better use of their leverage with the United States while waiting for the American political system to right itself. The war in Iran is extremely unpopular, as Americans do not like high gas prices and escalating military costs, while health care and basic social services are slashed. Middle powers can also engage in prudent risk management by increasing their defence preparedness and entering into trade agreements.

[1] Transcript: Prime Minister Mark Carney of Canada Rebukes US Primacy at Davos, January 20, 2026, <https://www.nytimes.com/interactive/2026/01/20/world/carney-transcript-davos.html>

Previous lapses in the rule-guided order

Carney lamented that in the current era of current great-power rivalry, the “strong do what they can, and the weak suffer what they must.” In his view, trade and supply chains are being used for leverage against weaker states. Unless the middle powers form a bargaining coalition among themselves and make their own order, Carney warned, they will be “part of the menu” of the great powers.

Carney contrasts current great power competition with an era in which American hegemony supposedly provided public goods, such as open sea lanes, a stable financial system, collective security, and support for frameworks for resolving international disputes. While admitting that rules were not always applied evenhandedly, Carney still idealizes the post-World War II order. There has not been a uniform, consensual set of rules, nor has the United States invariably provided stability and free trade.[2] During the Cold War, the United States was concerned with containing the expansion of communism, even if this meant orchestrating coups, supporting dictators, or fighting in Vietnam. The Cold War order largely excluded communist states from the trading system. The United Nations could not function because of the veto held by permanent members.

At the height of the Cold War tensions in the 1950s, Britain and France encouraged the United States to negotiate with communist powers to achieve a *détente* and reduce dangers of escalation over West Berlin.[3] As in the Iran War today, both Britain and France as well as other European states resisted pressure from President Lyndon B. Johnson to commit troops to the Vietnam War.[4] French President Charles de Gaulle was openly critical of the US war and called for South Vietnam’s neutralization. British Prime Minister Harold Wilson refused Johnson’s entreaties to join the war even though the United States was propping up the pound.[5]

After the Cold War ended, the United States sought to extend the liberal order to the former communist sphere, with mixed results. The Biden administration preferred to use the term ‘rule-guided order’ rather than liberal world order because some US allies were not democracies. Moreover, the United States does not always respect international law nor has it ratified some important multilateral treaties such as the United Nations Convention on the Law of the Sea.[6]

Scholars have repeatedly proclaimed the end of the rule-based or liberal order after the Iraq War, the outbreak of civil war in Libya, and the 2016 election of Donald Trump.[7] Yet the order continues. Despite Trump’s threats to withdraw support from Ukraine in its war with Russia, the United States is still providing vital military

[2] John Dugard, “The Choice Before Us: International Law or a ‘Rules-based International Order’?,” *Leiden Journal of International Law* 36 (2023): 223–32.

[3] Nigel J. Ashon, “Harold Macmillan and the ‘Golden Days’ of Anglo-American Relations Revisited, 1957–63,” *Diplomatic History* 29, no. 4 (2005): 691–723; Benjamin Varat, “Point of Departure: A Reassessment of Charles de Gaulle and the Paris Summit of May 1960,” *Diplomacy and Statecraft* 19, no. 1 (2008): 96–124.

[4] Fredrik Logevall, *Choosing War: The Lost Chance for Peace and the Escalation of War in Vietnam* (Berkeley: University of California Press, 2023); Jonathan Colman, *A “Special Relationship”? Harold Wilson, Lyndon B. Johnson and Anglo-American Relations “At the Summit,” 1964–68* (Manchester: Manchester University Press, 2004); Effie G. H. Pedalieu, “Transatlantic Relations at a Time When ‘More Flags’ Meant ‘No European Flags’: the United States’ War in Southeast Asia and its European Allies, 1964–8,” *International History Review* 35, no. 3 (2013): 556–75.

[5] Douglas J. Snyder, “‘Fantastic and Absurd Utterances’: The Vietnam War and Misperceptions of Anti-Americanism in US-French Relations, 1966–1967,” *Journal of Transatlantic Studies* 10, no. 1 (2012): 84–103; Sylvia Ellis, “A Foreign Policy Success? LBJ and Transatlantic Relations,” *Journal of Transatlantic Studies* 8, no. 3 (2010): 247–56.

[6] Peter Beinart, “The Vacuous Phrase at the Core of Biden’s Foreign Policy,” *The New York Times*, June 22, 2021, <https://www.nytimes.com/2021/06/22/opinion/biden-foreign-policy.html>; Dugard, “The Choice Before Us,” 229.

[7] G. John Ikenberry, “Liberal Internationalism 3.0: America and the Dilemmas of Liberal World Order,” *Perspectives on Politics* 7, no. 1 (2009), 71–87; John J. Mearsheimer, “Bound to Fail: The Rise and Fall of the Liberal International Order,” *International Security* 43, no. 4 (2019): 7–50; Robert Jervis, Francis J. Gavin, Joshua Rovner, and Diane N. Labrosse, *Chaos in the Liberal Order* (New York: Columbia University Press, 2018); David A. Lake, Lisa L. Martin, and Thomas Risse, eds., “Challenges to the Liberal International Order: International Organization at 75,” *International Organization* 75, no. 2 (2021): 225–57.

intelligence and weapons that are purchased by European countries through NATO.[8] Trump backed down from his demands for Greenland in return for the framework of a plan. Despite his recent musings that he might withdraw from NATO, the alliance still stands.

The resilience of the rule-based order is due to structural forces and economic pressures that push Trump toward compliance with rules and cooperation with allies, no matter how reluctantly. Great powers and smaller states require a framework of rules in which to do business and to resolve conflicts. States have shared interests in a stable system in which to conduct international trade and in freedom of navigation. The United States has benefited from having a network of allies, open markets, and freedom of the sea.

Global economic interdependence, internationalization of capital, and extended supply chains constrain the actions even of a superpower

Global economic interdependence, internationalization of capital, and extended supply chains constrain the actions even of a superpower. President Trump, who does not admit to any constraints on his power, is responsive to the US stock market and bond prices, which has led to the TACO rule (Trump always chickens out).[9] Trump felt compelled to back away from his Liberation Day tariffs by the bond market. Since then, the US Supreme Court has deprived Trump of his ability to apply tariffs capriciously to friend and foe alike as a means of coercion.[10] Trump retreated on Greenland due to pressure from Europeans, Republicans, and the stock market.[11] Firms have managed to avoid the impact of the tariffs by shifting production to other locations or by undervaluing their imports.[12]

Trump needs US allies as an alternative source for critical minerals, intelligence, and overseas bases. The United States cannot project power into the Middle East without access to European bases such as Ramstein in Germany.[13] The United States currently has over 40 military bases in Europe, many of which have been used in US operations in the Middle East. It should be noted that Trump's most recent musings about revenge against selected US NATO allies have not included closures of US bases.[14] Without NATO, the United States would lose its status as a superpower. Members of the US Congress would object strongly to US withdrawal from NATO.[15]

The US war against Iran has dramatized the need for US access to overseas military bases. Having failed to consult with NATO allies before attacking Iran, Trump must ask for permission from each one; Spain has refused while Germany and the UK have placed conditions. Although NATO is a defensive alliance, Trump now demands cooperation from NATO members in reopening the Strait of Hormuz, which was closed as a result of his war of choice.[16] American allies have sources of leverage against US coercion. But just as the United States needs its allies, there are also limits to what middle powers can accomplish by themselves.

[8] Council on Foreign Relations, "Here's How Much Aid the United States has Sent Ukraine," February 23, 2006, <https://www.cfr.org/articles/how-much-us-aid-going-ukraine>

[9] Janan Ganesh, "Why Taco is a Problem for Europe," *Financial Times*, January 28, 2026, <https://www.ft.com/content/ebacd959-dbe8-423c-a38c-2ee6756dcc0c?syn-25a6b1a6=1>

[10] James Politi, Lauren Fedor, Myles McCormick and Claire Jones, "Supreme Court Torpedoes Donald Trump's Tariff Regime in Check on Executive power," *Financial Times*, February 20, 2026, <https://www.ft.com/content/d05f755c-57b4-472c-a4e7-12ed062c8944?syn-25a6b1a6=1>

[11] Gideon Rachman, "Signs of a Climbdown After Trump Finally Faces Opposition," *Financial Times*, January 22, 2026.

[12] Ana Swanson, "Finding a Way to Escape Tariffs," *The New York Times*, April 11, 2026, B1.

[13] "Ice and Heat," *The Economist*, January 24, 2026, 14.

[14] Gideon Rachman, "Are Europe and the US Headed for Divorce?," *Financial Times*, April 28, 2026.

[15] Steven Erlanger, "A North American Treaty Organization Without America?," *The New York Times*, April 3, 2026.

[16] Mark Landler and Catherine Porter, "Trump Lashes Out Again at European Allies for Lukewarm Support in Middle East," *The New York Times*, April 1, 2026.

Can the middle powers go it alone?

Carney urged middle powers to take matters into their own hands by forming multiple coalitions, issue by issue, among themselves to establish their own order. But the middle powers would have difficulty forging any order without US involvement. A fragmented approach of trying to create issue-specific coalitions could lead to incoherence and further weakening of the liberal order.

European countries are not in a position to defend themselves without the assistance of the United States. The United States is at the centre of NATO defence plans at every level. Europe is dependent on the United States for critical military capabilities: intelligence, reconnaissance, and surveillance; combat communications and cloud computing; air defences; air transport; and suppression of enemy air defences. Britain relies on United States technology to maintain its nuclear deterrent.[17] For Europe to duplicate what the United States Defense Department has developed over decades would take hundreds of billions of dollars at a time when their aging populations place greater demands on social welfare spending.[18]

Japan also has no good alternatives to alliance with the United States: increased cooperation with Asian states will not provide a nuclear umbrella, while developing Japan's own nuclear weapons would be at the expense of conventional spending.[19] Even with greater will and resources, middle powers would need US technology and information systems to build their own defence industry and weaponry.[20]

Expanding economic partnerships may seem to be more feasible. While middle powers are tempted to turn toward China, which has portrayed itself as a stable guardian of the open trading system, this is not a solution. China is willing to reach trade agreements on its own terms; Beijing does not offer to reduce subsidies to industry, which contribute to its \$1.5 trillion trade surplus.[21] Carney signed a trade agreement with Xi Jinping whereby Canada will allow the sale of a small number of Chinese electric vehicles in return for China's lowering tariffs on canola oil and other agricultural goods. But Canada exports around 75 percent of its goods and services to the United States, while China accounts for less than 5 percent of Canadian exports.[22]

A series of ad hoc coalitions among middle powers based on their immediate concerns is unlikely to amount to any coherent design for world order. Middle powers often differ among themselves in economic interests and values. The result could mean further weakening of the liberal order.[23] Canada has historically been an advocate for human rights. But recently, Carney also entered into a trade agreement with Indian Prime Minister Narendra Modi, who has repressed rights of minorities in India. Both China and India have abused the rights of Canadians: China detained two Canadians as bargaining leverage for the release of a Chinese Huawei executive and India is accused of ordering the assassination of a Sikh nationalist who was a Canadian citizen. [24]

[17] Ben Hall and Henry Foy, "NATO without America: Europe 'Thinks the Unthinkable'," *Financial Times*, January 27, 2026.

[18] David E. Sanger, "Trump Quiets Down on Greenland, but NATO May Not Recover," *The New York Times*, January 24, 2026; Jim Tankersley and Amanda Taib, "Europe Has 'Guns vs. Butter' Problem: War in Iran is Making it Worse," *The New York Times*, April 1, 2026.

[19] Leo Lewis and Demetri Sevastopulo, "The Country that Can't Say No to Trump," *Financial Times*, April 10, 2026.

[20] Patrick Foulis, "What the Iran War Teaches America's Adversaries," *Financial Times*, March 28-29, 2026.

[21] Peter Foster, "In Trade's Law of the Jungle, It is China and the US that Prosper," *Financial Times*, April 1, 2026.

[22] Matina Stevis-Gridneff and Ian Austen, "Canada Flexes on Global Stage with an Eye to Its Own Survival," *The New York Times*, <https://www.nytimes.com/2026/01/20/world/canada/carney-speech-davos-trump.html>

[23] Manjari Chatterjee Miller, "A Middle Powers Club Would Make the World More Dangerous," *Foreign Policy*, March 3, 2026, <https://foreignpolicy.com/2026/03/03/middle-powers-canada-carney-liberal-international-order/>

[24] Ian Austen, "As Carney Travels the Globe for New Alliances, He Looks Away on Human Rights," *The New York Times*, March 17, 2026.

In sum, attempts by the middle powers to create their own order through multiple partnerships are likely to contribute to increased fracturing of the rule-based order, which would be more likely to contribute to a poorer 'world of fortresses', [25] the very outcome that Carney wished to avert. Instead of abandoning the rule-based order, middle powers and other interested states should try to rebuild the resilience of the current system while strengthening their independent contributions, both for bargaining purposes and to reduce vulnerability to possible future disruptions.

The relative power of the United States is declining, and the United States is facing increasing resource constraints on its ability to project power globally

What is to be done?

Policy recommendations should be based on a realistic view of the history of the liberal or rule-based order. Trump is not the first US president to try to coerce US allies, send troops overseas in ill-conceived military interventions, or attempt to alter the Middle East. Middle powers successfully pursued independent policies during the Cold War, when they were much more dependent on US protection.

Trump has a point in that Europe has long been a free-rider on US defence. After the Cold War ended, Europe was able to convert the peace dividend into social programs and economic prosperity. President Barack Obama complained about Europe's free-riding on the US military. Obama threatened to end the 'special relationship' with the UK unless British Prime Minister James Cameron spent at least two per cent of the GDP on defence.[26]

This is no longer sustainable. The relative power of the United States is declining, and the United States is facing increasing resource constraints on its ability to project power globally.

Europe in particular needs to contribute more to the alliance and to be prepared to act independently when the United States is unable or unwilling to be involved. While selected European countries have pledged to spend up to four per cent or five per cent of GDP on defence, only Germany and Poland are expected to reach that goal.[27] More robust European defence spending will increase allies' leverage with Trump or a future US president as well as reducing the risk to their security should Trump withdraw from NATO.

Middle powers also need to draw attention to their contributions to US defence and prosperity for the benefit of transactional Trump and American voters. For example, Europe spends \$1 trillion for American goods and services. Europe supplies the United States with technology for making silicon chips, lenses, aircraft, and telecoms equipment.[28]

[25] "Prime Minister Mark Carney of Canada Rebukes U.S. Primacy."

[26] Jeffrey Goldberg, "The Obama Doctrine," *The Atlantic*, April 2016, <https://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>

[27] "The Transatlantic Divorce," *The Economist*, April 11, 2026, 9.

[28] "America's Endangered Alliances," *The Economist*, January 24, 2026, 7.

Policy recommendations

FOR TRADE

- States that are targeted by Trump's bullying must stand up to pressure and not fall back on flattery or attempts to placate him. Trump is more likely to respond to counterpressure, such as Europe's anti-coercion instrument (ACI), which has yet to be used, or China's withholding of critical minerals.
- Given the rise of protectionism in the United States, middle powers should enter into more trade agreements among themselves, such as that between the EU and Mercosur.
- Major powers should share information technology to lessen their dependence on the United States and China for essential services.

FOR CLIMATE CHANGE

- As parties to the Paris Agreement, middle powers have authority to cooperate on measures relating to addressing climate change. They can build on the agreement, for example, by establishing more equitable finance arrangements; jointly developing clean energy technologies; and helping resource-rich countries to make a transition to processing of critical minerals.

FOR DEVELOPMENT AND HEALTH

- Middle powers are best suited to act as bridge-builders and coalition-formers, making more effective use of available aid. Middle powers can abandon traditional donor-recipient relationships in favour of seeking alliances between clubs like MIKTA (Mexico, Indonesia, South Korea, Turkey, Australia) and IBSA (India, Brazil, South Africa).
- Middle powers can work through development finance institutions and recruit private financing for green energy and infrastructure projects.
- Middle powers could also work more closely with countries from the Global South to learn from their experience with aid.
- Middle powers can offer their specialized expertise, such as Australia on the environment or South Korea and India on vaccines.

FOR SECURITY

- Europe should increase spending on air defences, logistics, and munitions. They should consider how they might assume some leadership positions within NATO's existing infrastructure.
- Britain and France should continue efforts to coordinate their nuclear forces. Eventually, they might extend the protection of their nuclear weapons across European countries.
- Middle powers should cooperate to develop advanced weapons systems that will lessen their dependence on the United States. One example is the cooperation between the United Kingdom, Japan, and Italy to develop an advanced fighter to replace the US-made F-35, which is currently used by NATO.[29]

[29] Leo Lewis and Harry Dempsey, Sylvia Pfeifer and Lucy Fisher, "Japan Chafes at Delays to Joint Fighter Project," *Financial Times*, March 23, 2026.

Conclusion

Given the chaos and instability wreaked by Trump's foreign policy, it is understandable that middle powers might wish to seek more amenable partners among themselves instead of trying to work with the United States to restore the rule-based order. Unfortunately, it is necessary to deal with the world as it is, and currently there is no alternative order that does not involve a prominent role for the United States.

The question is how can middle powers best protect themselves while helping to steer the United States to more constructive policies in the future. While Carney's idea of forging ad hoc coalitions is likely to lead to increased fragmentation of the order, middle powers do have leverage that they can use, both to protect themselves from being victimized and to push towards more sensible policies.

There are structural and historical forces that push the United States toward contributing to a more stable order, one in which the dollar is the reserve currency and there is a network of US-led alliances. The American people are likely to tire of higher gas prices, inflation, and endless military entanglements and to desire a return to the stability and prosperity offered by the rule-based order.



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