

Middle Powers Trade Policy. Why International Political Economy needs to Pay Closer Attention to it

La política exterior de las potencias
medias: por qué la economía
internacional debe prestarle más
atención

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ABSTRACT

As the international system continues its shift toward multipolarity, middle powers are playing increasingly prominent and proactive roles in shaping global trade governance. This article argues for the inclusion of middle powers' trade strategies as a critical new dimension in International Political Economy (IPE) research. It first offers a comprehensive theoretical overview of the middle power concept, highlighting its evolution and definitional debates. It then presents a comparative analysis of middle power trade diplomacy through case studies from different regions, than can be study by further research. Finally, it explores how these actors are contributing to reshaping global trade architecture and why their strategies deserve deeper attention in IPE scholarship. In doing so, this study contributes to a broader understanding of how normative, diplomatic, and coalition-building capabilities intersect with trade policy to define the agency of middle powers in the 21st century.

Keywords: Middle Powers – Trade Policy – Global Trade

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Governance – International Political Economy (IPE) – Diplomatic Agency.

RESUMEN

A medida que el sistema internacional continúa su transición hacia la multipolaridad, las potencias intermedias desempeñan un papel cada vez más destacado y proactivo en la configuración de la gobernanza comercial global. Este artículo aboga por la inclusión de las estrategias comerciales de las potencias intermedias como una nueva dimensión crucial en la investigación de la Economía Política Internacional (EPI). En primer lugar, ofrece una visión teórica exhaustiva del concepto de potencia intermedia, destacando su evolución y los debates sobre su definición. A continuación, presenta un análisis comparativo de la diplomacia comercial de las potencias intermedias mediante estudios de caso de diferentes regiones, que pueden ser estudiados por estudios futuros. Por último, explora cómo estos actores contribuyen a la remodelación de la arquitectura comercial global y por qué sus estrategias merecen una mayor atención en la investigación de la EPI. De este modo, este estudio contribuye a una comprensión más amplia de cómo las capacidades normativas, diplomáticas y de formación de coaliciones se intersectan con la política comercial para definir la capacidad de acción de las potencias intermedias en el siglo XXI.

Palabras clave: Potencias intermedias – Política comercial – Gobernanza del comercio global – Economía Política Internacional (EPI), Agencia diplomática.

I. MIDDLE POWERS IN INTERNATIONAL POLITICAL ECONOMY

International Political Economy (IPE) has often approached the global system through a binary lens: the great powers—such as the United States, China, and the European Union—and the developing world, often framed as rule-takers. This dichotomy has shaped dominant theories and analytical categories in the field, leaving limited room for the exploration of actors whose influence does not derive from hegemonic capabilities, but from strategic agency, norm entrepreneurship, and institutional creativity. Middle powers, despite their relevance in pivotal moments of international institutional development—from the formation of the United Nations to the creation of the World Trade Organization—have traditionally occupied a secondary role in IPE research.

This oversight is becoming increasingly untenable in the context of growing geopolitical (and geoeconomically) complexity. The current international landscape is marked by the erosion of multilateral institutions, renewed great power competition, and the strategic reconfiguration of global value chains. These transformations have created new arenas of contestation and cooperation, offering fertile ground for reevaluating the position and potential of middle powers. Far from being

passive participants or mere policy followers, middle powers are actively shaping rules, building bridges between regions, and responding to global governance gaps.

The term “middle power” itself has evolved over time, from a label used to describe countries with intermediate material capabilities to a more dynamic and functional category reflecting diplomatic behavior and strategic intent. In the past, middle powers were seen largely as supportive actors: reliable allies of hegemons, providers of development assistance, or custodians of the multilateral order. But today, many middle powers have redefined their international roles by leveraging trade policy as a key instrument of global influence.

The argument advanced in this academic note is that middle powers are no longer simply diplomatic mediators or regional stabilizers, as classic literature often suggests. Increasingly, they are becoming trade norm entrepreneurs—actors that proactively shape the normative and regulatory dimensions of global trade. Their commercial strategies reveal not only economic ambitions, but also political and normative agendas aimed at influencing the architecture of global trade governance.

Indeed, trade policy has become a central axis through which middle powers articulate their global strategies. It enables them to project influence without resorting to coercion, to build coalitions around shared values or interests, and to participate in the design of emerging institutional arrangements. This is particularly evident in policy areas where traditional multilateralism has stalled—such as digital trade, climate-aligned commerce, and inclusive economic development. In these areas, middle powers are advancing creative frameworks that both respond to and reshape international norms.

By focusing on trade policy as a strategic vector, this article highlights the underexplored agency of middle powers in shaping a multipolar order. It suggests that middle powers are uniquely positioned to promote pluralistic, sustainable, and inclusive trade architectures, especially at a time when great powers are increasingly consumed by strategic rivalry. As such, integrating middle powers more systematically into IPE analyses not only enhances empirical understanding but also contributes to rethinking the theoretical foundations of the field itself.

2. THEORETICAL FRAMEWORK: TOWARD AN OPERATIONAL DEFINITION OF MIDDLE POWERS

Middle powers have long occupied an ambiguous space in international relations theory. Early definitions focused on quantifiable indicators such as GDP, population size, and military expenditure—factors that positioned these states between great powers and smaller developing countries. Indeed, early uses of the concept of “middle power” dates back to Giovanni Botero in the 16th century, who described a “middle power” as an entity strong enough to act independently without outside support. Since then, the idea has been frequently referenced in international relations. In 1815, after the Napoleonic Wars,

this category was officially acknowledged, including states like Germany (Wight, 1978)

In the 1990s, Cooper, Higgott, and Nossal (1993), defines middle powers not only by material capabilities but also by a behavioral disposition toward multilateralism, norm preservation, and coalition-building. These states often act as “good international citizens,” investing in the maintenance of global order while lacking the unilateral power to shape it (Cooper, 2011).

However, more recent scholarship has moved beyond static definitions to emphasize the strategic behavior of middle powers in specific policy arenas. As Jordaan (2003) and others argue, there is a key distinction between traditional middle powers—typically Western liberal democracies such as Canada, Australia, Norway or Sweden—and emerging middle powers such as Brazil, Indonesia, or South Africa. The latter often pursue more revisionist or reformist agendas, using their middle power status to challenge existing norms and promote greater equity in global governance.

At the same time, Laurence (2023) conceives middle powers as countries that hold moderate global influence—greater than small states but less than dominant ones. Though its meaning varies, it involves relative positioning, strategic identity-building by national leaders, and evolving roles in world affairs. Current debates focus on their impact amid shifting geopolitical and institutional landscapes.

Elliot (2024) presents a more pragmatic definition by saying that, while major “great powers” typically refer to nations like the U.S., China, or Russia, known for their broad authority in global security and decision-making; middle powers—such as Canada, Australia, Brazil, and Indonesia—maintain meaningful sway

through diplomacy, trade, and international cooperation, shaping global affairs without holding dominant military or political control.

This evolution in the literature has prompted scholars to view middle powers as actors whose status is relational and contingent—shaped not merely by their place in the global hierarchy but by their diplomatic performance, issue-specific leadership, and ability to form alliances. In trade policy, this relational understanding is particularly illuminating. Middle powers are increasingly seen as institutional entrepreneurs who shape international trade regimes through rulemaking, agenda-setting, and the promotion of new governance models. Their approach often includes forming issue-based coalitions (e.g., on digital trade, environmental standards, or gender-responsive trade policy), mediating between great power interests, and championing new normative frameworks in plurilateral forums.

For instance, Higgott (2017) suggests that middle powers wield significant “normative power” (p. 12) in shaping regimes of global economic governance. Unlike major powers, which often engage in strategic competition over control of global institutions, middle powers tend to prioritize functionality, resilience, and inclusivity in rule-making processes.

This is particularly evident in initiatives such as the Ottawa Group within the WTO, where countries like Canada and Australia have sought to maintain dispute settlement mechanisms and modernize trade rules in the face of great power gridlock.

In addition, middle powers exhibit what Kalinowski & Cho (2012) describes as “issue leadership,” (p. 242) where states focus on particular domains of expertise or national interest—such as sustainability, technological governance, or regional connectivity—and mobilize coalitions accordingly. This allows them to punch above their weight in specific policy areas while avoiding direct confrontation with hegemonic actors. Such strategies also allow for institutional experimentation and normative innovation, helping to shape emerging trade regimes in ways that reflect broader developmental and ethical considerations.

A more political approach, states that the concept of middle offers a way to analyze international relations beyond simple political binaries. Middle power discussions rely on second-image analysis (Shin, 2015). By “bringing the state back in” (Hobson 2000: 45), this theory emphasizes greater agency for states. Consequently, middle power frameworks expand the scope of IR theory by providing tools to interpret

and assess the foreign policies of certain countries, like middle powers, in a more nuanced and subjective way. Although there is no consensus on the exact characteristics defining a middle power, the most widely accepted theoretical approaches fall into three categories: functional, behavioral, and hierarchical (Chapnick 1999: 73-82).

More recently, Azmeh (2024), drawing on interviews with World Trade Organization members, finds that middle-power countries engaged in regional deals are leading efforts to revive multilateral trade talks. Their support stems from a commitment to global cooperation and the impracticality of excluding others in complex, deeply integrated areas of trade governance.

Thus, what unites middle powers across both traditional and emerging categories is not merely their position in the global system, but a strategic orientation toward diplomacy, multilateralism, and norm-shaping. In the domain of trade, this frequently manifests through leadership in plurilateral agreements, advocacy for inclusive governance mechanisms, and active engagement in capacity-building initiatives across the Global South.

In sum, middle powers in the 21st century should be understood

as dynamic agents of change in global trade governance. Their operational definition must account not only for material capabilities but also for diplomatic practice and institutional creativity. By incorporating these

dimensions, IPE scholars can more accurately capture the diverse roles that middle powers play in shaping the evolving architecture of international trade.

3. POSSIBLE EMPIRICAL CASES TO BE CONSIDERED BY FURTHER STUDIES

Middle powers manifest their agency through distinct trade strategies shaped by regional context, domestic priorities, and global ambitions. The following case studies illustrate how these countries use trade diplomacy not merely as economic policy, but as a tool for global influence, norm creation, and coalition-building. By examining their institutional initiatives, agreement portfolios, and economic data, we can better understand how middle powers act as innovative and stabilizing forces within the international trade system.

South Korea as an example of hybrid strategy

South Korea's trade policy exemplifies a hybrid strategy that blends innovation, regionalism, and strategic diversification. The country has positioned itself as a key player in setting global digital trade norms and advancing technological governance, including in artificial intelligence ethics

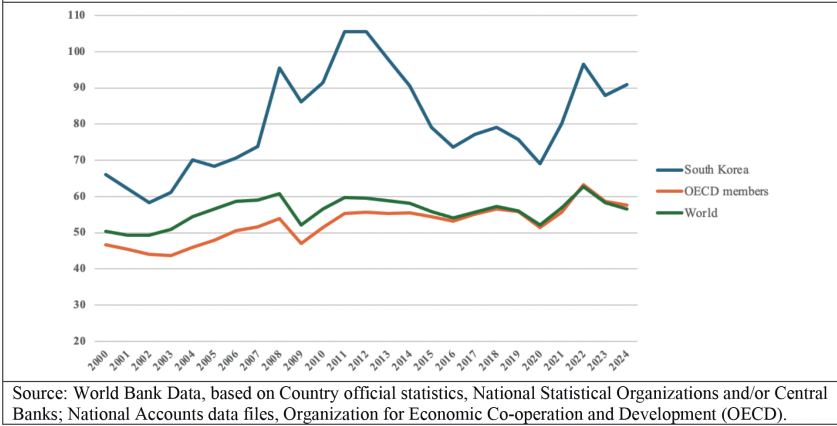
and smart manufacturing standards. Through its participation in the Digital Economy Partnership Agreement (DEPA) with Singapore, Chile, and New Zealand, Korea promotes interoperable frameworks for e-commerce and data governance¹. Additionally, it maintains a vast network of free trade agreements (FTAs)—over 18 in total—including deals with the European Union, ASEAN, and Latin American countries such as Peru and Colombia.

As Figure 1 shows, South Korea's trade as a percentage of its GDP, expressed as a percentage of Gross Domestic Product (GDP) which is the total income earned through the production of goods and services in an economic territory during an accounting period. An indicator that is normally use the level of trade

¹ To know more about the Digital Economy Partnership Agreement (DEPA), see <https://www.mti.gov.sg/Trade/Digital-Economy-Agreements/The-Digital-Economy-Partnership-Agreement>

openness of a country. As the figure shows, when we compare this indicator for South Korea, the World, and OECD countries, it clearly shows South Korea's significantly higher trade openness, reinforcing its strategic role in the global economy.

Figure 1 - South Korea's Trade as a % of GDP, in Comparison to OECD Members and the Rest of the World



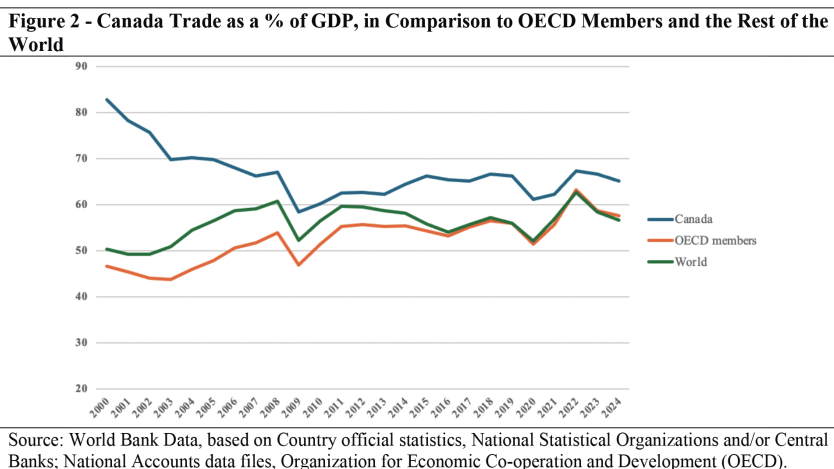
Economically, South Korea ranks among the world's top ten exporters, with merchandise exports reaching approximately USD 683 billion in 2023 (WTO, 2024). Its economy is heavily integrated into global value chains, particularly in semiconductors, vehicles, and electronics. By leveraging this manufacturing capacity alongside regulatory innovation, Korea advances a trade agenda that combines competitiveness with normative leadership in digital and green trade.

Canada as a traditional middle power trade policy commitment

Canada serves as a paradigmatic example of a traditional middle power committed to multilateralism

and institutional preservation. In response to the WTO dispute settlement crisis, Canada convened the Ottawa Group—a coalition of like-minded countries aiming to safeguard and reform multilateral dispute resolution mechanisms. Canada's trade strategy also reflects a broader foreign policy ethos, branding its commercial agenda as “progressive trade.”

This approach embeds gender equality, indigenous rights, and environmental sustainability into agreements such as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and the Canada–Chile FTA. As of 2023, Canada's total trade in goods and services exceeded USD 1.5 trillion, making it



one of the most trade-dependent G7 countries. Its feminist foreign policy reinforces its normative posture, emphasizing inclusiveness and human rights within global trade architecture. Indeed, similarly to the case of South Korea, Figure 2 shows that Canada's trade as a percentage of its GDP, when compared with the resto of the world and OECD countries, it has a significantly higher trade openness.

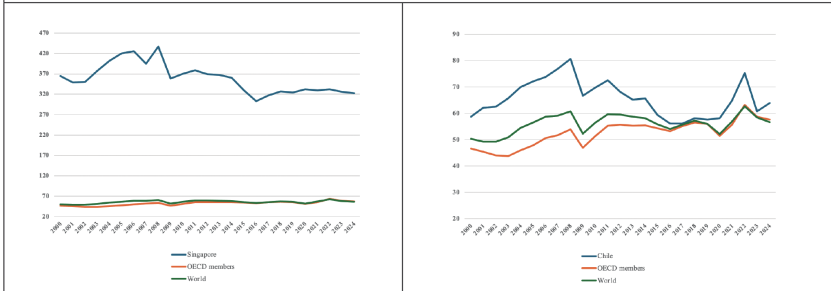
Chile and Singapore as key -although small- influence in trade governance

Chile and Singapore—despite their economic and geographic differences—demonstrate how small, outward-oriented economies can exert disproportionate influence in trade governance. Both are founding members of the Comprehensive and Progressive Agreement for Trans-Pacific

Partnership (CPTPP), where they have advocated high standards on labor rights, environmental protection, and digital commerce. Chile has also led in integrating climate provisions into trade deals, while Singapore serves as a regional hub for digital regulation and smart logistics.

As Figure 3 shows, Singapore's trade-to-GDP ratio exceeds 300%, underlining its reliance on international trade for economic sustainability. It is a key driver of digital economy agreements and recently launched several Green Economy Agreements (GEAs) aimed at facilitating sustainable trade in the ASEAN region. Chile, meanwhile, maintains more than 30 FTAs covering over 65 economies and has increasingly focused on renewable energy exports, lithium, and green hydrogen development—positioning itself at the forefront of climate-aligned trade in Latin America.

Figure 3 –Singapore and Chile Trade as a % of GDP, in Comparison to OECD Members and the Rest of the World



Source: World Bank Data, based on Country official statistics, National Statistical Organizations and/or Central Banks; National Accounts data files, Organization for Economic Co-operation and Development (OECD).

Morocco and the United Arab Emirates (UAE) as emerging middle powers

Morocco and the UAE represent emerging middle powers that are reshaping their global economic identities through assertive trade diplomacy. Morocco has signed trade agreements with the EU, Turkey, the US, and numerous African countries, and is rapidly positioning itself as a strategic platform connecting Europe, West Africa, and the Arab world. Its Casablanca Finance City and renewable energy hubs in Ouarzazate highlight Morocco’s ambition to become a logistics and energy corridor in the Global South. In 2022, Moroccan exports surpassed USD 40 billion, with automotive and agri-food products leading the surge.

The UAE, in turn, has embraced what it calls “commercial diplomacy” as part of its economic diversification

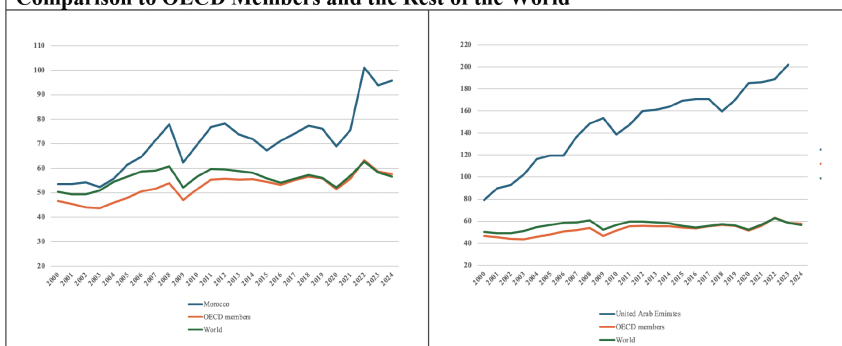
agenda. Since 2021, it has negotiated over a dozen Comprehensive Economic Partnership Agreements (CEPAs) with countries such as India, Indonesia, and Kenya. These deals are designed not only to expand trade flows but also to deepen investment ties and promote digital and green innovation. The UAE’s non-oil trade reached USD 710 billion in 2023, underscoring the success of its post-oil transition strategy. By investing heavily in trade infrastructure—like Jebel Ali Port and the Etihad Rail—the UAE is positioning itself as a critical logistics hub in a multipolar world economy.

Together, these cases exemplify how middle powers deploy trade policy as a multifaceted tool: to navigate great power rivalry, to innovate regulatory frameworks, and to forge transregional coalitions. Their experiences offer fertile ground for future empirical research that investigates

the intersection of economic performance, normative leadership, and strategic trade diplomacy in a shifting global order.

Similarly to cases mentioned above, Morocco and the UAE has higher trade-to-GDP ratio in comparison to OECD Members and the Rest of the World. In the case of UAE, this ratio was higher to 100% since 2003.

Figure 4 – Morocco and the United Arab Emirates (UAE) Trade as a % of GDP, in Comparison to OECD Members and the Rest of the World



Source: World Bank Data, based on Country official statistics, National Statistical Organizations and/or Central Banks; National Accounts data files, Organization for Economic Co-operation and Development (OECD).

4. MIDDLE POWERS IN THE AGE OF NEW REGIONALISM AND GEO-ECONOMICS

The current phase of global trade is defined by a deep structural transition marked by fragmentation, re-regionalization, and the proliferation of plurilateral agreements. As the multilateral trading system—once anchored firmly in the WTO—faces persistent stagnation and institutional inertia, the locus of trade governance is shifting toward more flexible, selective arrangements among coalitions of the willing. This “new regionalism” is not simply geographic, but functional and thematic: trade cooperation now increasingly revolves around issue-specific frameworks such as digital governance,

climate-aligned commerce, and supply chain resilience.

In this evolving landscape, middle powers have emerged as critical architects of new trade governance. They are not merely responding to a shifting order—they are actively shaping it. Unlike great powers, whose trade agendas are often entangled with geopolitical rivalry, or least-developed countries, whose agency is constrained by limited institutional capacity, middle powers occupy a unique niche. Their capacity to convene diverse coalitions, propose normatively ambitious yet pragmatic

frameworks, and engage in technical norm diffusion makes them central actors in the new geo-economic order.

Middle powers are leading the design and diffusion of trade rules on e-commerce, data governance, and sustainability standards. South Korea and Singapore, for example, have been instrumental in promoting the Digital Economy Partnership Agreement (DEPA), which sets new global benchmarks for data flows, artificial intelligence governance, and paperless trade. Canada, through the Ottawa Group, has reinvigorated WTO reform discussions with a focus on dispute settlement mechanisms and inclusive trade. Meanwhile, Chile and Morocco are experimenting with green economy provisions and sustainability clauses that embed climate goals directly into trade agreements.

Moreover, the agency of middle powers is enhanced by their ability to bridge diverse geopolitical and economic constituencies. Singapore, for instance, mediates between the Global North and Southeast Asia by promoting interoperable digital norms that appeal to both developed and developing economies. Similarly, the UAE's network of Comprehensive Economic Partnership Agreements (CEPAs) spans Asia, Africa, and Latin America, enabling it to act as a hub in emerging transregional trade corridors.

The logic of plurilateralism—selective agreements among a subset of countries with shared interests—provides a strategic opening for middle powers. These arrangements bypass the consensus-driven gridlock of traditional multilateralism while maintaining an inclusive ethos. In the case of digital trade, plurilateralism has allowed middle powers to set *de facto* standards in the absence of universal agreement at the WTO. Likewise, in climate-aligned trade, countries like Chile and New Zealand have championed the Agreement on Climate Change, Trade and Sustainability (ACCTS), pushing for a convergence of environmental and trade agendas.

Geo-economic shifts—such as the weaponization of trade tools, reconfiguration of value chains, and the rise of techno-nationalism—further increase the strategic salience of middle powers. As the global economy decouples into rival technological and regulatory spheres, middle powers are carving out intermediary roles. They hedge against binary alignment by diversifying their trade relationships, strengthening South-South cooperation, and participating in multi-hub frameworks that offer resilience against unilateral shocks.

The new regionalism also empowers middle powers to pursue value-based trade policies that reflect domestic priorities such as gender equality, Indigenous rights, and digital inclusion. Canada's "progressive trade agenda" and Chile's gender-sensitive clauses in

trade treaties exemplify how normative preferences are being internationalized through trade diplomacy. These values-oriented strategies allow middle powers to distinguish their leadership in a crowded global arena, often winning legitimacy and soft power even in the absence of hard capabilities.

In sum, middle powers are central to the transformation of global trade governance under conditions of regionalization, issue-specific cooperation, and

normative pluralism. Their initiatives not only fill institutional voids but also lay the groundwork for future global frameworks by piloting scalable, adaptable trade architectures. As the world confronts overlapping crises—from technological disruption and climate emergencies to geopolitical fragmentation—middle powers are increasingly acting as the connective tissue that binds together a new, more flexible, and inclusive global trade system.

5. SO, WHY IPE NEEDS TO PAY CLOSER ATTENTION TO MIDDLE POWERS

Despite their growing relevance, middle powers have often remained under-theorized or treated as peripheral actors in mainstream International Political Economy (IPE) scholarship. However, current developments in trade governance, technological transformation, and geopolitical instability suggest an urgent need to bring these actors to the center of analytical and empirical attention. Middle powers are not only responding to global shifts; they are actively reconfiguring the rules and coalitions that structure international trade. Their growing role invites a rethinking of core assumptions in IPE regarding hierarchy, norm diffusion, and institutional agency.

There are several compelling reasons why middle powers should now be central to IPE analyses:

- **They are leading innovations in trade governance.** Middle powers are shaping new norms in digital trade, sustainability standards, labor protections, and inclusive trade governance. Countries like South Korea and Singapore are pioneering digital economy agreements that set global benchmarks for data privacy, AI ethics, and cybersecurity. Chile and New Zealand are advancing climate-related trade frameworks, while Canada promotes gender and Indigenous rights through trade agreements. These innovations are setting *de facto* standards,

particularly in domains where the WTO remains paralyzed.

- **They act as stabilizers and norm diffusers in an unstable global order.** As geopolitical rivalry between the United States and China intensifies, middle powers perform critical buffering roles. Through initiatives such as the Ottawa Group or DEPA, they help maintain institutional continuity and moderate the centrifugal forces that threaten the multilateral system. Their preference for rule-based order and inclusive dialogue makes them valuable brokers in a time of deep international polarization.

- **They represent diverse regional and ideological perspectives.** Middle powers come from a wide variety of regions and economic systems, including the Global South and North. This diversity enables them to challenge outdated binary paradigms—such as North-South dependency or core-periphery hierarchies—that have long shaped IPE thinking. For instance, Morocco’s role in African regional integration or the UAE’s leadership in South-South economic corridors reveal how emerging middle powers are offering alternative models of economic leadership rooted in regional knowledge, developmental goals,

and post-Western diplomatic logics.

- **They are building new coalitions and institutional architectures.** Faced with gridlocked multilateralism, middle powers are turning to flexible, issue-specific arrangements that allow for experimentation and innovation. These coalitions—whether focused on e-commerce, green trade, or dispute settlement—are not merely reactive responses. Rather, they are institutional laboratories that can inform future reforms of the multilateral system. By investing in regional partnerships, thematic alliances, and plurilateral agreements, middle powers are institutional entrepreneurs constructing the scaffolding of a new trade order.

From an empirical perspective, recent data supports this rising influence. According to the World Economic Forum (2024), middle powers such as Canada, Korea, and Singapore are at a “pivotal moment” where their strategic decisions will shape global trade governance trajectories for decades. WTO (2024) data further reveals that middle powers are among the most active participants in plurilateral negotiations and are leading proposals on digital trade and sustainable development goals (SDGs). For example, Korea’s trade with digital sectors

now accounts for more than 30% of its total export value, and Chile has embedded environmental and gender clauses in more than 60% of its FTAs (WTO, 2024; IMF, 2025).

From a theoretical standpoint, incorporating middle powers more systematically into IPE scholarship challenges state-centric, hierarchy-bound models of global economic leadership. Their capacity to exercise influence through soft power, regulatory innovation, and coalition-building complicates the realist/liberal dichotomy and offers new insights into how

power operates in a multipolar, interdependent world.

In conclusion, failing to acknowledge the evolving agency of middle powers limits our capacity to understand the real dynamics shaping the international political economy. Their leadership, adaptability, and normative ambition are redefining what it means to govern trade in the 21st century. IPE scholars must respond by integrating these actors into frameworks of analysis that reflect the complexity and plurality of today's global order.

6. CONCLUSION: TOWARD A RESEARCH AGENDA ON MIDDLE POWER TRADE STRATEGY

This article has argued that middle powers are no longer peripheral actors in global trade governance but have emerged as key agents of institutional innovation, normative leadership, and strategic coalition-building. Through a comparative lens, we have observed how countries such as South Korea, Canada, Chile, Singapore, Morocco, and the UAE leverage trade policy not merely for market access but as an expression of broader foreign policy objectives. These actors are crafting trade agendas that reflect their values, interests, and geopolitical positioning within an increasingly fragmented and multipolar global system.

By foregrounding trade as a central dimension of middle power diplomacy, we move beyond traditional characterizations that framed these states as passive bridge-builders or norm-followers. Instead, middle powers must be recognized as active contributors to the global trade architecture, often filling governance voids left by gridlocked multilateral institutions or polarizing great power competition. Their ability to form agile coalitions, negotiate high-standard agreements, and diffuse inclusive norms positions them as indispensable in efforts to recalibrate the rules of global trade in the 21st century.

Future research in International Political Economy (IPE) should place middle powers at the core of both theoretical development and empirical inquiry. A robust research agenda would entail:

- Mapping coalition-building patterns in plurilateral and regional trade agreements, with attention to how middle power's structure their alliances and frame their normative agendas.
- Analyzing middle power agency in rule-making processes, particularly in cutting-edge domains such as digital trade, climate-aligned trade, AI governance, and labor standards. This includes evaluating how these actors shape and diffuse new norms through diplomatic forums and technical negotiations.
- Assessing the balancing function of middle powers in a system increasingly defined by US-China rivalry, exploring how they mitigate escalation, promote functional cooperation, and diversify trade partnerships to avoid overdependence.
- Investigating the domestic drivers of middle power trade strategies, including bureaucratic capacities, policy coherence across ministries, private sector engagement, and civil society participation. Understanding internal drivers can illuminate

why some middle powers are more effective trade norm entrepreneurs than others.

- Evaluating the impact of middle power-led agreements on developing countries and the global South more broadly, especially in relation to capacity-building, knowledge transfer, and equitable participation in value chains.

In developing this research agenda, scholars should also revisit foundational IPE theories to incorporate the dynamism and flexibility that characterize middle power strategies. Rather than treating global economic leadership as a function of hegemonic power, we must increasingly consider how distributed leadership—anchored in institutional creativity and shared norms—can shape more pluralistic, adaptive, and sustainable forms of governance.

Moreover, the evolving role of middle powers opens up new conceptual terrain for understanding global order. They serve as laboratories of policy experimentation, brokers of regional and cross-regional ties, and agents of policy diffusion. Their actions challenge the assumption that global trade governance must be either hegemon-led or adrift in fragmentation. Instead, middle powers are constructing a third path: one grounded in pragmatic multilateralism, inclusive growth, and transnational cooperation.

In sum, recognizing the centrality of middle powers in shaping the future of global trade governance not only enriches IPE scholarship, but also offers practical insights into how international cooperation can be revived and reimagined in an era of uncertainty. As we confront urgent global challenges—from climate change and digital transformation to geopolitical instability—the leadership of normatively ambitious and diplomatically skilled middle powers may well prove decisive in designing a more balanced and resilient global economic system.

Conflict of Interest Statement

The author declares that there are no conflicts of interest that could have influenced the conduct of this research or the preparation and publication of this article.

Statement of authorship roles

Nicolás Albertoni: Conceptualization, data curation, research, methodology, writing, review and editing.

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