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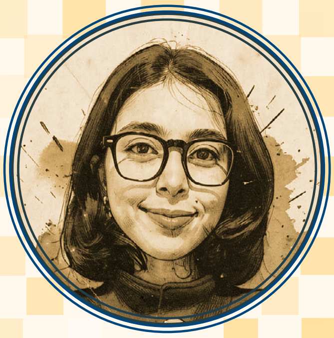
IS MINILATERALISM A SURVIVAL STRATEGY FOR MULTILATERALISM?

Morocco Navigating a Fragmented World and the Future of the Investment and Trade Partnership (FIT-P)



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About the Mentorship Program

The Mentorship Program, jointly organized by the Policy Center for the New South (PCNS) and the Youth Policy Center (YPC), was launched to support master's students in developing policy-oriented research and writing skills, and to strengthen their contribution to public policy debates.

Implemented from March to June 2026, the pilot edition brought together six selected master's students from universities across Morocco, each paired with a mentor duo composed of a PCNS Senior Fellow and a PCNS Expert. The policy briefs developed during the program covered key themes including geopolitics and conflict dynamics, international cooperation, energy and sustainable development, macroeconomic and trade policies, labor market and human capital, and equality and inclusion.

Through methodological workshops, individual mentorship, and continuous feedback, participants were guided in transforming their research ideas into concise, evidence-based policy briefs. The program fostered intergenerational dialogue and knowledge exchange between emerging researchers and experienced policy experts, while providing participants with practical tools to define policy-relevant problems, structure their analysis, formulate actionable recommendations, and communicate their research to policy audiences.

This policy brief is the result of the mentorship and research process undertaken as part of the program’s first cohort. It reflects the program’s ambition to amplify youth-led policy research while nurturing a new generation of researchers committed to evidence-based policymaking.

For inquiries, please contact: mentorship@policycenter.ma

Liste of Abbreviations:

AfCFTA : African Continental Free Trade Area
CPTPP : Comprehensive and Progressive Agreement for Trans-Pacific Partnership
EU : European Union
FIT-P : Future of Investment and Trade Partnership
IMF : International Monetary Fund
MPIA : Multi-Party Interim Appeal Arbitration Arrangement
UK : United Kingdom
US : United States
WTO : World Trade Organization

Executive Summary

The multilateral trading system appears to be eroding at its core, as no major multilateral trade agreement has been concluded in over a decade, and the World Trade Organization (WTO) Appellate Body is paralyzed. In addition, the world's largest economy has been acting against the rules it once authored. Yet, the system has not collapsed but has fragmented into smaller coalitions. States are turning to minilateralism: voluntary, issue-specific coalitions based on functional like-mindedness. Using Morocco as a lens to examine how middle-income powers navigate this shift, this brief asks whether minilateralism functions as a survival strategy for multilateralism or as a new component of an emerging hybrid order.

Morocco's experience suggests minilateralism extends an established multi-alignment strategy. A diversified network of trade agreements, strong relations across the African continent, and diplomatic momentum in the Saharan region have enabled Morocco to convert its strategic position into tangible leverage. As a founding member of the Future of Investment and Trade Partnership (FIT-P), and the group's only North African state, Morocco exemplifies a deliberate accumulation of overlapping memberships spanning African, European, Gulf, and transatlantic spaces.

The brief maps three main scenarios: minilateralism as a bridge to multilateral renewal, a durable layered governance order, or a competitive fragmentation into exclusionary clubs. The most probable path is the mutation into a multilayered, hybrid system. For Morocco, the strategic horizon henceforth concerns managing its position in a permanently plural world.

01. Background: The Erosion of Multilateralism and the Emergence of Minilateralism

In February 2026, the US Supreme Court struck down the centerpiece of President Trump's trade agenda, ruling that the emergency powers he had invoked to impose a universal tariff and country-specific *reciprocal* rates did not authorize tariffs at all. Nevertheless, within hours, the administration reimposed a flat 10% tariff under a different statute, raising it to 15% the next day. This legal case reflects the uncertainty that plagues the global trade order on a smaller scale. Rules that were once the cornerstones of the liberal post-Cold War system are contested, as the world's largest economy probes how far it can operate outside the multilateral framework it once built.

That framework is now largely inoperative at its core. Due to the US blocking of appointments, the WTO's Appellate Body, which is the enforcement engine of the multilateral trading system, has been paralyzed since December 2019. By late 2020, every seat in it was vacant. Disputes may now only be appealed in a legal void. In parallel, membership in the WTO has concluded only two multilateral agreements of broad significance: the Trade Facilitation Agreement (2013) and the Fisheries Subsidies Agreement (2022).

The system did not collapse; it fragmented into workarounds. To preserve binding dispute settlements, a coalition of members built the Multi-Party Interim Appeal Arbitration Arrangement (MPIA). This opt-in appeals mechanism now spans the EU, China, Japan, the UK, and dozens of others and has begun issuing awards. In addition, to maintain the liberalization, states turned to plurilateral pacts such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). For the critical minerals supply chains and investment flows, they formed selective clubs outside the multilateral system. This is what Patrick terms *a patchwork quilt of cooperation* (Patrick, 2016). States are inclined to engage in minilateral institutions that are voluntary, transgovernmental, disaggregated, multi-level, and multi-stakeholder.

All of this reveals a deeper shift. The asymmetric control over the chokepoints of trade and finance becomes an instrument of statecraft (Farrell & Newman, 2019). As the order absorbs a crisis of authority from within the West itself (Ikenberry, 2018), emerging powers can no longer count on universal institutions to stabilize their access to markets and capital. They must navigate a more uncertain terrain of overlapping arrangements.

This brief examines how minilateralism is emerging as an adaptive governance mechanism in the wake of the erosion of multilateralism, and how Morocco is positioning itself within this environment by deploying emerging trade and investment partnerships such as the FIT partnership as an instrument of multi-alignment. It asks whether, for states like Morocco, minilateralism functions as a survival strategy for multilateralism or as a step in the transition toward a hybrid order.

02. Minilateralism and the Logic of Likemindedness to Redefine How States Cooperate

The persistent inefficiency of multilateral institutions gave rise to the evolution of minilateralism to fill gaps in governance systems that comprehensive institutions can no longer close. This framework occupies an intermediate position between bilateral diplomacy and universal multilateral institutions. It involves small groups of countries that coordinate around clearly defined objectives. The primary advantage lies in their ability to facilitate coordination among a manageable number of participants with convergent interests and shared willingness to act. (Naim, 2009). However, the efficiency gained by narrowing the table poses the risk of weaker claims to legitimacy and reduced representativeness.

Smaller coalitions are gaining traction now due to three main drivers. First, decision-making within large multilateral forums has become increasingly constrained by political fragmentation and the difficulty of reaching consensus among diverse members. Notably, the prolonged impasse surrounding reform of the multilateral trading system, including challenges facing the dispute settlement function of the World Trade Organization, illustrates the difficulties of achieving collective action through universal institutions. Second, governments are confronted with policy challenges that require haste in making decisions. Issues such as supply chain resilience, critical mineral security, digital trade, and energy transitions need rapid coordination. Third, states are seeking partnerships based on functional likemindedness when their interests align on particular issues, rather than formal bloc membership or geographic proximity. In this context, cooperation is often driven by shared economic interests or common vulnerabilities rather than ideological alignment alone.

This logic has contributed to the emergence of a distinct form of North-South minilateralism. The outdated donor-recipient dynamic in development assistance has been replaced by contemporary minilateral arrangements. This brings together advanced and emerging economies as partners to address common governance challenges. Based on functional convergence, they seek to preserve open markets, secure strategic supply chains, attract investments, and navigate an increasingly fragmented international economy. Countries from both the Global North and the Global South face similar pressures to diversify partnerships and reduce exposure to systemic risks (Aiyar et al., 2023).

One of the prominent examples of this trend is the Future of Investment and Trade Partnership (FIT-P) founded on September 16, 2025. The initiative reflects a broader shift toward issue-based cooperation by bringing together 16 countries from different regions and levels of development regarding questions of investment facilitation and economic connectivity. Cooperation is based on a variable geometry approach, which permits members to advance work without subscribing to resulting declarations, and is not legally binding. This allows for flexible and efficient cooperation. The partnership presents itself as supportive of the multilateral trading system rather than as a substitute for it. Its agenda aligns closely with ongoing discussions within the WTO concerning investment facilitation. Several members have emphasized the need to strengthen, rather than bypass, the existing rules-based international trading order (Ministry of Trade and Industry Singapore, 2025). At the same time, the emergence of initiatives such as FIT-P raises concerns about the risk of deepening the fragmentation of global economic architecture by creating overlapping rules and standards (Patrick, 2015).

Morocco's involvement in FIT-P adds a cross-regional layer to a trade architecture it has assembled over two decades. This positions the Kingdom as a connector across regions and governance areas.

03. Morocco's Multi-Alignment Strategy: Navigating Fragmentation through Minilateralism

Morocco's foreign policy has always adopted a multi-alignment approach. Rather than anchoring itself within a single geopolitical bloc, it has pursued a strategy of diversified partnerships spanning Africa, Europe, the Gulf, and the broader Atlantic. This layered positioning maximizes diplomatic flexibility and economic opportunity across multiple, and at times competing, networks with divergent strategic goals.

It is bound to the European Union through the Association Agreement in force since 2000, which established a free-trade area and was upgraded to "advanced status" in 2008. Moreover, it is the only African state with a free trade agreement with the United States, in force since 2006. Within the Arab Mediterranean, it is a founding party to the Agadir Agreement alongside Egypt, Jordan, and Tunisia, and it maintains a free trade agreement with Türkiye. On the continent, it is a signatory to the African Continental Free Trade Area (AfCFTA), the institutional anchor of its longstanding ambition and determination to deepen South–South integration.

As the global economy fragments, this strategy has proved to be valuable. Recent analyses by the International Monetary Fund estimate that deeper geoeconomic fragmentation could reduce global output by up to 7% in the long term, with developing economies facing particularly high costs due to disruptions in trade, investment, and technology flows (Aiyar et al., 2023). In such conditions, maintaining access to multiple economic and diplomatic networks has become an important source of resilience. In this broader context, Morocco's participation in minilateral initiatives represents an extension of a well-established foreign policy trajectory.

What distinguishes Morocco's position today from earlier multi-alignment is the tangible economic and diplomatic leverage to negotiate its position. On the economic side, it has emerged as a significant player in the electric-vehicle supply chain, since it holds free trade agreements with both the United States and the European Union. In addition, Chinese battery manufacturers facing Western tariffs and the Inflation Reduction Act's "foreign entities of concern" restrictions have relocated their production to Moroccan soil to preserve access to Western markets. These large investments are illustrated by Gotion High Tech's multibillion-dollar gigafactory at Kenitra, as well as ventures by the Chinese company CNGR, including a joint venture with Al Mada Fund. For Rabat, this presents a strategic balancing challenge as U.S. and European de-risking agendas intersect with China's industrial expansion. Navigating these dynamics while preserving diversified partnerships will be central to maintaining Morocco's diplomatic flexibility.

On the diplomatic side, the Sahara case serves as the lens through which Morocco assesses the depth of its bilateral relations. As a result, Rabat has secured the United States' endorsement of the autonomy proposal and recognition of Moroccan sovereignty, followed by endorsements from France and the United Kingdom. This culminated in the UN Security Council Resolution 2797 of October 2025, framing autonomy under Moroccan sovereignty as a feasible framework.

These dynamics are assets that give Morocco room to choose which minilateral coalitions to join. Being the only North African founding member of the FIT-P initiative grants the Kingdom a distinct role within the partnership, connecting North African, African, European, and transatlantic economic spaces within a single cooperative framework. Thereby, Morocco can hedge fragmentation while preserving the freedom of manoeuvre that its position grants.

04. From Fragmentation to Layered Governance: Future Pathways of Trade Cooperation

All of the above suggest not a linear decline of multilateralism, but an ongoing reconfiguration of global economic governance. The trajectory of this reconfiguration offers us three main plausible scenarios based on current institutional behavior.

The first scenario is that minilateralism will act as a bridge to multilateral renewal. Minilateral platforms operate as incubators rather than substitutes for policies that will subsequently be uploaded into the WTO architecture. According to Naim (2009), minilateralism is a pragmatic route to outcomes that the full multilateral table cannot deliver. Both the WTO and the IMF characterize geoeconomic fragmentation as economically costly across trade, capital, and technology channels, which creates incentives to preserve a rules-based core even while operating through smaller clubs (Aiyar et al., 2023). Moreover, the Investment Facilitation for Development initiative illustrates how a subset of members can negotiate binding text intended for incorporation into the WTO framework. In this context, Morocco becomes a standard shaper; its involvement in platforms such as FIT-P allows it to embed in coalitions that draft rules it can later carry into multilateral and pan-African spaces.

The second scenario, which represents a continuity of current trends, is that cooperation will survive through layered governance. This scenario assumes that global trade governance evolves toward a stable but fragmented architecture in which multiple governance layers coexist without hierarchy; thus, layering becomes the *rule of the system*. Minilateral arrangements are added atop existing structures without displacing them. This is the world Keohane and Victor (2011) anticipate: neither integrated nor chaotic, but a negotiated equilibrium of partially overlapping mandates.

Morocco's multi-alignment strategy is structurally optimized for a layered system. It acts as a connector economy straddling several networks at once, simultaneously deepening EU and African integration, Gulf and Chinese investments, and joining sector-specific minilateral platforms such as FORGE (Forum on Resource Geostrategic Engagement) for an integrated supply chain in which critical minerals are effectively mined and consumed. For Morocco, layered governance rewards diversification and strengthens its role as a bridging economy between North and South.

The third and final scenario is not optimistic. Minilateralism leads to the gradual erosion of universal institutions. Instead of reinforcing the multilateral system, minilateral coalitions begin to operate as exclusionary clubs and instruments of friendshoring and conditional market access, therefore eroding the nondiscrimination principle on which the WTO is based. Evidence of this scenario can be found in the increasing securitization of trade and investment policy. In addition, the accumulated stock of import restrictions reached 11.8% of world imports, and trade is increasingly conducted among likeminded economies (WTO, 2024).

For Morocco, this scenario may force alignment that forecloses partners. However, its strategic sectors, such as critical minerals, become bargaining leverage even in a fragmented order. Fragmentation offers Morocco short-term courtship but long-term entrapment, as the multi-alignment that constitutes its strategic signature becomes structurally unsustainable.

05. Conclusion: Mutation Rather Than Survival

We started with an observation that minilateralism is emerging and multilateralism is struggling, and that the former functions as a survival strategy for the latter. The international system already operates as a multilayered web of interdependence, and minilateralism is best understood not as a rupture in that web but as a further layer woven into it. Hence, it is neither rescuing the universal system nor discarding it; it is reshaping it into a hybrid order. *Minilateralism has to be seen not in contradiction to multilateralism but as a smaller parallel offshoot that could help the latter adapt to the twenty-first-century challenges, provided basic conditions of peace and security are met* (Panda & Park, 2024). The persistence of the World Trade Organization (WTO) as baseline infrastructure, even amid the paralysis of its Appellate Body, alongside the proliferation of issue-specific clubs, is the institutional signature of this mutation, rather than renewal or collapse.

Whether this configuration is durable or transitional remains the question. A hybrid format may be a workable equilibrium, or it could be a way toward a deeper fragmentation, in which the normative shell is gradually hollowed of operative content. For a state like Morocco, the relevant strategic horizon is a binary between multilateralism and a fragmented world, but it is also more about managing its position within a permanently plural one.

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