

# Inadvertent Cooperation in a G-minus world

---

Danny Quah

Nov 2025

Lee Kuan Yew School of Public Policy, NUS

## Objective

What is optimal economic statecraft for Third Nations, i.e., those not frontline in geopolitical rivalry? Many in Southeast Asia find need for strategies on this, to keep from being collateral damage in someone else's conflict. Third Nations take as given many of the parameters of world order but need to estimate those parts of the global environment where they can and cannot exercise agency to influence outcomes: Should they choose to align, acquiesce, or mitigate? This paper describes the circumstances where each of these policies might be preferred. As mitigation is the policy choice that is historically least considered, this paper develops strategies of inadvertent cooperation and pathfinder multilateralism appropriate for it. World order in this case is neither G2 nor G-zero, but G-minus.

# Align, acquiesce, or mitigate?

Tariffs and Trade Tariff Tracker Timeline U.S.-China Relations Deal With South Korea U.S.-Mexico Talks Tariff Increase on Canada

## ***Xi Delivers Veiled Warning to Nations Not to Take the U.S.'s Side***

At an Asia-Pacific summit, the Chinese leader urged countries to "resist unilateral bullying," an appeal that seemed at odds with his country's recent actions.

Listen to this article 6:40 min [Read more](#) Share full article [Print](#) [Email](#) [60](#)



President Trump and Xi Jinping, China's leader, on TV at a restaurant in Gyeongju. Mr. Xi was the sole superpower leader at the Asia-Pacific Economic Cooperation summit with Mr. Trump gone. Chang W. Lee/The New York Times

**By David Pierson and Berry Wong**  
David Pierson reported from Gyeongju, South Korea, and Berry Wong from Hong Kong  
Oct. 31, 2015  
한국판면 중앙판 | 中國版面中文版

## THE STRAITSTIMES



### Global fragmentation still likely after Trump-Xi meet, but countries can act to mitigate: PM Wong

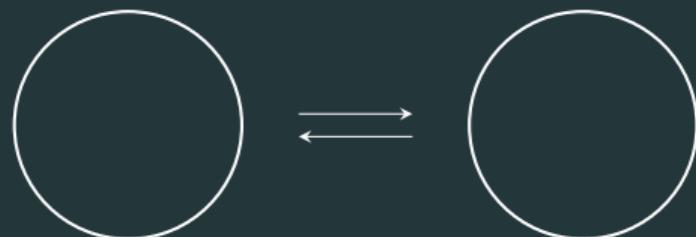
[Sign up now:](#) Get ST's newsletters delivered to your inbox



# Model

---

“The Great Powers do what they will. The rest of us suffer what we must.”  
(Thucydides 400BCE, *The Peloponnesian War*)



$$g \in G = \{0, 1\}$$

... ○ ○ ○ ...

$$s \in S = \{\dots, -1, 0, 1, \dots\}$$

# Model

$$V_g(r) = \sup_{(e, n, R)} \{ U_g(e, n, R; r) + \beta V_g(r') \}$$

$$\text{s. t. } r' = \phi(r, e, n, R).$$

$$V_s(R) = \max_{x \text{ in } \{l, c, m\}} \{ U_s(x; R_0, R_1) + \beta V_s(R') \}$$

$$\text{s. t. } R' = R'_0 \cap R'_1.$$

- Great Powers  $g \in G$  compete with each other, optimizing over economic policies  $e$ , national security policies  $n$ , rules  $R$  (their “rules of the game”). Great Powers value their ranking  $r$ , which is a state variable that evolves endogenously according to law of motion  $\phi$ .
- Small states  $s \in S$  align, acquiesce, or mitigate, subject to Great Powers’ rules.

## Best Responses

---

# Align

AOCAI; CN 0, US 1			
	1995–2009	2010–2024	$\Delta$
BN	50.3	45.1	-5.2
KH	43.1	33.2	-9.9
ID	56.1	43.7	-12.4
LA	33.3	24.9	-8.4
MY	52.1	47.3	-4.8
MM	26.4	23.6	-2.9
PH	64.1	60.4	-3.7
SG	53.6	48.1	-5.5
TH	50.6	43.7	-6.9
VN	41.1	45.2	+4.2

## Alignment, pre-Trump 2.0

- “I’m going to war. Who’s with me?!”  
(obviously don’t read it that way)
- China drift, under  $\Delta$ : all except VN:  
most marked ID, KH, LA
- China drift, from above to below 50:  
BN, ID, MY, SG, TH
- US aligned: PH
- (Pol-Dip. Mil-Sec. Econ-Trad. Soft  
Power. Signalling)

**Table 1:** Khong-Liow (2025) Anatomy of Choice  
Alignment Index

# Acquiesce

		Investment	Returns
VN	TL-DJT		LDT 46% to 10-15% to 20% and 40% on trans-shipments. USD1.5bn Trump family golf complex Hung Yen.
PH	FM-DJT		LDT 17% to 20%, then 19%, potentially 40% on trans-shipments. Zero tariffs and NTBs on US. Alignment with US export controls. No FTAs with “countries of concern”.
ID	DC		LDT 32% to 19%, USD34bn purchases of US energy, agricultural products, aircraft, investment in Louisiana
MY	DC		LDT 24% to 19%, but USD240bn commitment on spending and investment on US energy, aircraft, and equipment
IN	DC		LDT 26% to 25%, but then to 50% on Russia connection
KR	DC; FTA		LDT 25% to 15% plus USD350bn commitment to US “strategic projects”
JP	DC		LDT 24% to 15% plus USD550n commitment on US-directed projects

[excerpt from extended table in “Negotiating an Inelastic US” (Oct 2025)]

# Mitigate

1. As with global climate crisis: Adapt. Mitigate.
2. Inadvertent cooperation
  - EVs
  - Bakers
  - “Doing the right thing, even if it’s for the wrong reason”
3. Pathfinder multilateralism
  - Level playing field; peaceful dispute resolution; cooperation. Hegemony and multilateralism.
  - MPIA
  - TPP → CPTPP
  - FIT-P
  - G20 → G2 → G-zero → G-minus

# Conclusion

---

## Objective

What is optimal economic statecraft for Third Nations, i.e., those not frontline in geopolitical rivalry? Many in Southeast Asia find need for strategies on this, to keep from being collateral damage in someone else's conflict. Third Nations take as given many of the parameters of world order but need to estimate those parts of the global environment where they can and cannot exercise agency to influence outcomes: Should they choose to align, acquiesce, or mitigate? This paper describes the circumstances where each of these policies might be preferred. As mitigation is the policy choice that is historically least considered, this paper develops strategies of inadvertent cooperation and pathfinder multilateralism appropriate for it. World order in this case is neither G2 nor G-zero, but G-minus.

# Inadvertent Cooperation in a G-minus world

---

Danny Quah

Nov 2025

Lee Kuan Yew School of Public Policy, NUS