

# The Architecture of Alignment: Quantifying Geoeconomic Fragmentation

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## Introduction

- **The Post-Cold War Paradigm:** The era of hyperglobalization was defined by market efficiency superseding Westphalian security concerns.
- **Systemic Rupture:** The liberal consensus is destabilized by:
  - **U.S.–China trade war:** Strategic decoupling.
  - **COVID-19 pandemic:** Supply chain brittleness.
  - **Invasion of Ukraine:** Weaponized interdependence.
- **Research Question:** Is the global system structurally bifurcating into rival blocs or merely adapting routes within a singular integrated topology?
- **Approach:** Moving beyond gravity models toward **Network Topology Analysis** to identify shifts from global integration to modular intra-bloc structures.

## Research Hypotheses

### H1: G7–BRICS Strategic Decoupling

Quantifying the trade relationship using bilateral export data:

$$S_t = \frac{\sum_{i \in G} \sum_{j \in B} X_{i,j,t} + \sum_{i \in B} \sum_{j \in G} X_{i,j,t}}{\sum_i \sum_j X_{i,j,t}}$$

### H2: Consensus Connector Stability

Structural influence measured through weighted betweenness centrality:

$$S_i = 1 - \frac{\sigma_{BC}}{\mu_{BC}}$$

### H3: Network Modularity

Newman–Girvan modularity index to detect systemic fragmentation:

$$Q_t = \frac{1}{2m_t} \sum_{i,j} \left( A_{ij}^t - \frac{k_i^t k_j^t}{2m_t} \right) \delta(c_i, c_j)$$

### H4: Community Alignment

Validation via Z-scores derived from Monte Carlo permutations:

$$Z = \frac{ARI_{obs} - \mu_{null}}{\sigma_{null}}$$

### H5: Systemic Fragility

Resilience Loss Index (RLI) based on global network efficiency:

$$RLI_t = 1 - \frac{E_t(G_t \setminus C_t)}{E_t(G_t)}$$

## Data & Methodology

- **Data Universe:** Global bilateral export datasets from UN COMTRADE (2010–2024), covering 95% of global trade value.
- **Node Classification:** States categorized into G7, BRICS+ (pre and post-2024 expansion), and Global South cohorts.
- **Graph Construction:** Directed, weighted adjacency matrices  $A_{ij}$  where weights represent nominal USD trade volumes.
- **Statistical Baseline:** 10,000 Monte Carlo permutations to establish significance for ARI and Modularity scores.

## The Decline of G7–BRICS+ Trade Interdependence

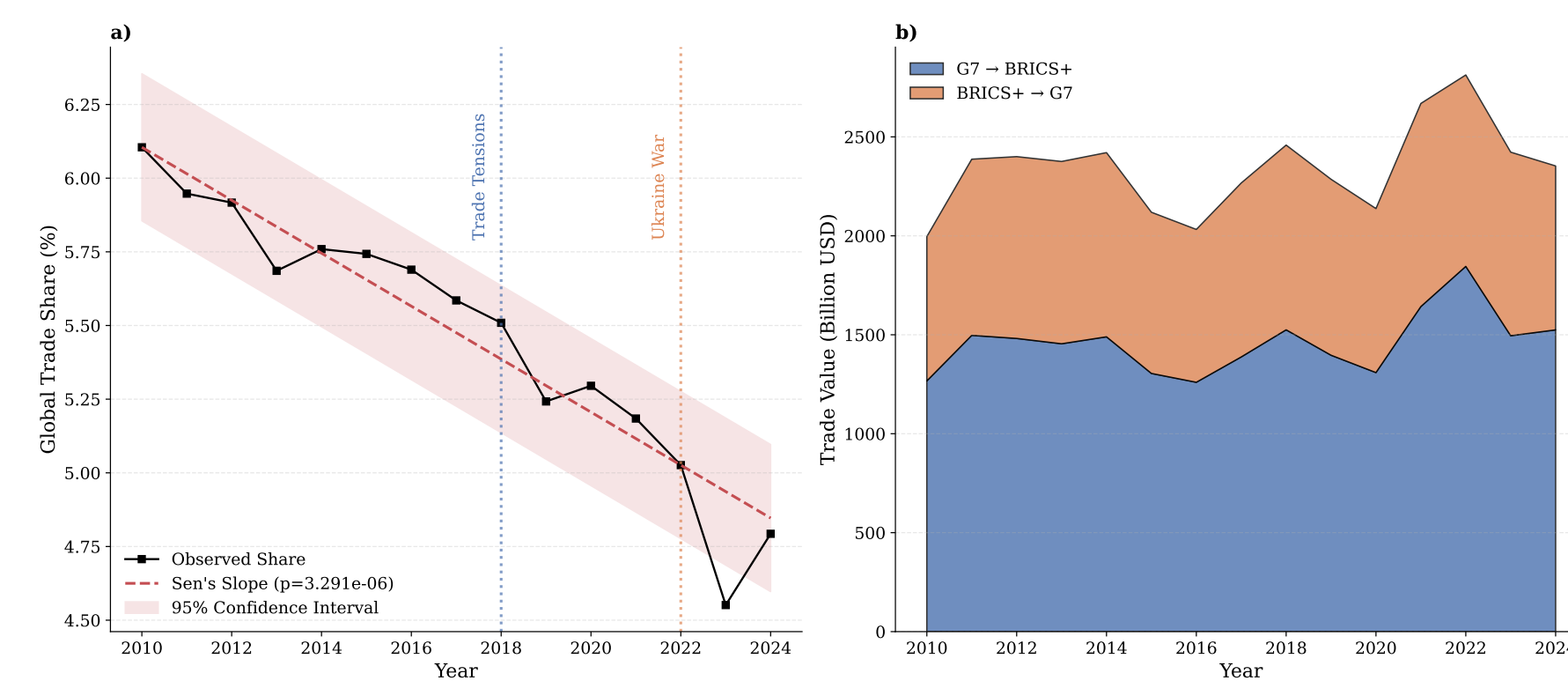


Figure 1: Declining G7–BRICS+ Trade Integration (2010–2024).

- **Structural Trade Contraction:** The G7–BRICS+ global trade share ( $S_t$ ) fell from 6.1% (2010) to 4.8% (2024), a 21% reduction driven by a steady annual decline of  $\approx 1.8\%$  ( $\beta = -0.0177, p < 0.001$ ).
- **Post-2018 Decoupling:** A significant structural break ( $\Delta S = -0.72, p = 0.0006$ ) coincides with U.S.–China tensions; 2024 trade levels sit 1.67% below pre-2018 projections.
- **Volatility and Robustness:** Trade flow variance increased 3.60x due to geopolitical fragmentation; placebo tests (2014) confirm this shift is uniquely tied to the post-2018 landscape.

## The Persistence of Strategic Trade Intermediaries

- **The Stability Triad** USA, China, and France are dominant global brokers with mean betweenness  $> 0.025$ .
- **US Invariance** Primary transatlantic/transpacific coordinate with the highest stability index ( $S_i = 0.92$ ).
- **European Anchors** France ( $S_i = 0.77$ ) surpasses Germany ( $S_i = 0.74$ ) via EU and Francophone networks.
- **Logistical Bridges** Netherlands ( $S_i = 0.80$ ) and Spain ( $S_i = 0.83$ ) act as gatekeepers via port/financial infrastructure.
- **Endpoint Paradox** Manufacturing hubs (Vietnam  $S_i = -0.66$ , Mexico  $S_i = 0.33$ ) show near-zero brokerage ( $BC < 0.0004$ ).
- **Influence vs. Volume** High export volumes  $\neq$  structural power; systemic influence relies on bridging disconnected partners.

## The Absence of Network Fragmentation

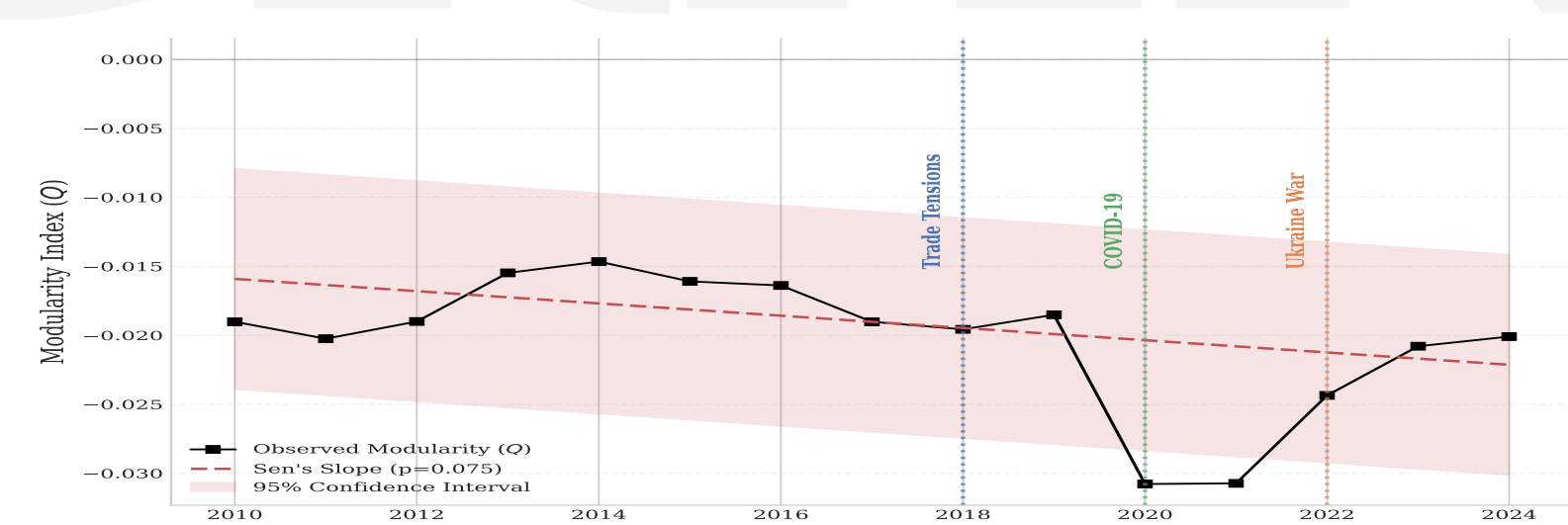


Figure 2: Absence of Structural Fragmentation, 2010–2024.

- **Global Systemic Cohesion (H3):** Mann–Kendall tests ( $p = 0.075$ ) reject fragmentation into discrete regional blocs; the network remains "disassortative" ( $-0.015 > Q > -0.031$ ), confirming G7 and BRICS+ economies are structurally inseparable.
- **Crisis-Induced Interdependency:** Supply chain stress reinforces cross-bloc ties rather than severing them; notably, modularity reached its most negative value ( $Q = -0.031$ ) during the COVID-19 pandemic, highlighting a reliance on existing global networks.
- **Inertial Integration and Costs:** Geopolitical shocks (2018 Trade War, 2022 Invasion) failed to trigger positive modularity, as deep-seated manufacturing complementarities and prohibitive decoupling costs maintain a unified topological core despite "de-risking" rhetoric.

## The Emergence of Geopolitical Bloc Formation

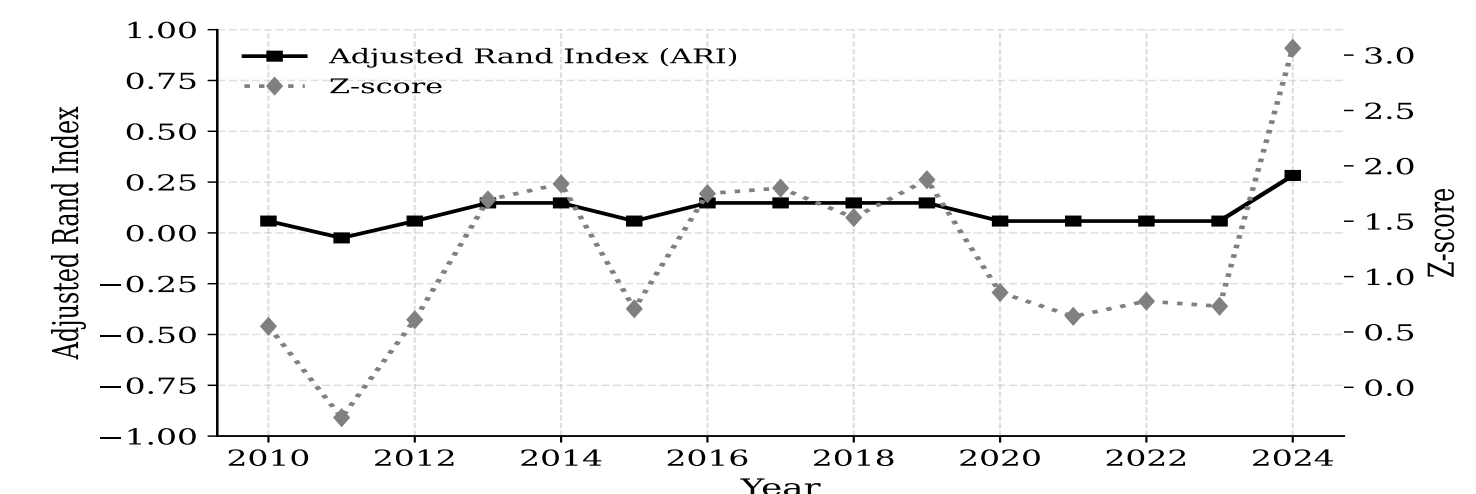


Figure 3: Geopolitical Realignment of Global Trade, 2010–2024.

- **2024 Regime Shift:** Community detection reveals a fundamental transition from "bloc-blind" trade ( $ARI < 0.15$ ) to geopolitical alignment ( $Z\text{-score} = 3.06, p < 0.01$ ), marking the end of the post-1991 era.
- **Rapid Binarization:** The alignment index leaped to  $ARI = 0.28$  in 2024, driven by the BRICS+ expansion and G7 "de-risking" policies, indicating states are significantly more likely to trade within their own blocs.
- **The ARI-Modularity Paradox:** While the system remains topologically unified, trade is increasingly concentrated within blocs; this mirrors a Cold War-style topology where connectivity persists despite a heavy geopolitical overlay.

## The Evolution of Systemic Vulnerability

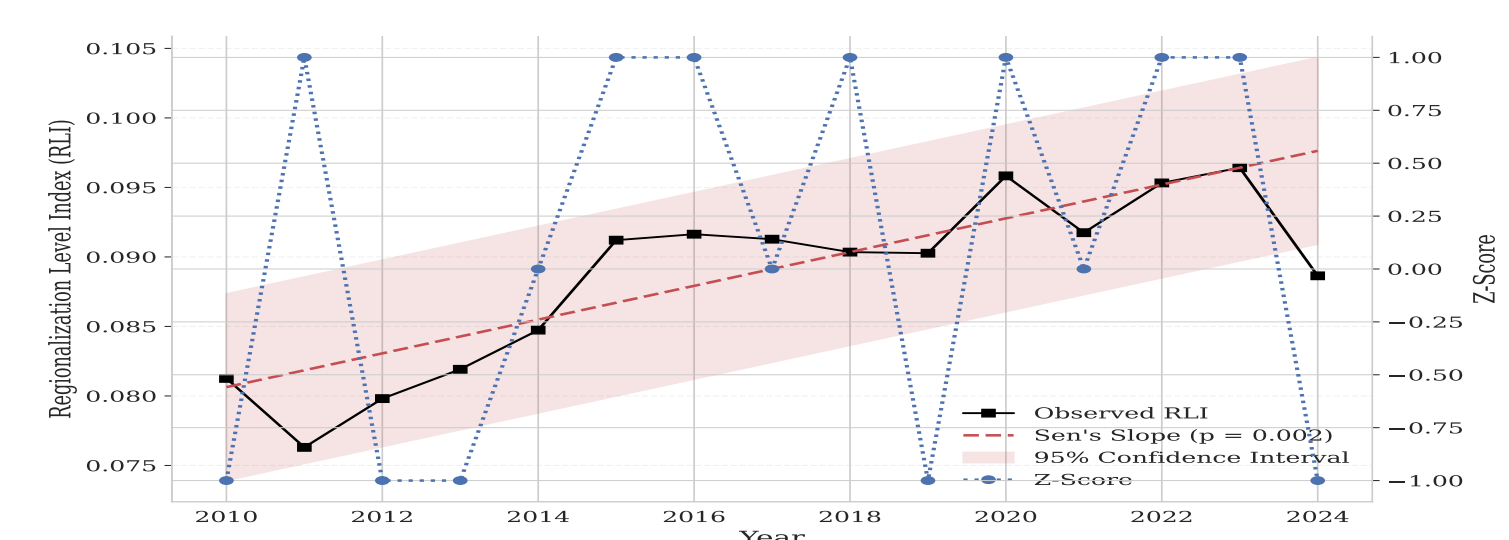


Figure 4: Temporal Evolution of Systemic Vulnerability, 2010–2024.

- **Systemic Fragility (H5):** A 15-year trajectory of increasing vulnerability saw the Resilience Loss Index (RLI) rise 18.5% (0.081 to 0.096), driven by a diffuse fragility across neutral intermediary nodes rather than just "super-connectors."
- **The 2024 Inflection Point:** The RLI recorded its first significant decade-long decrease (falling to 0.089), signaling a strategic shift toward supply chain diversification and "China Plus One" strategies.
- **Security vs. Efficiency:** Recent industrial policies and export controls mark a move toward systemic restructuring, prioritizing geopolitical security over market-driven concentration in a more resilient, albeit costlier, global framework.

## Conclusion

- **Inertial Integration vs. Structural Power:** Despite "weaponized" interdependence, deep functional complementarities (minerals, semiconductors) resist modular fragmentation; while hubs like Vietnam and Mexico grow, systemic influence remains concentrated in the *Stability Triad* (USA, China, France).
- **The 2024 Structural Rupture:** A significant surge in the Adjusted Rand Index (ARI) paired with a decadal dip in the Resilience Loss Index (RLI) signals the end of "bloc-blind" commerce and a fundamental rewiring of the global trade topology.
- **Strategic Trade-offs and Bridge Nations:** The post-1991 era of efficiency-led hyperglobalization is being replaced by a "re-binarized" system prioritizing security; the stability of this high-friction order now depends on "stabilizing bridges" (e.g., Netherlands, Spain) to maintain cross-bloc connectivity.