The Bretton Woods Committee

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Modernizing Multilateralism: Filling Governance Gaps in the Global Economy

The global economy is entering a more shock-prone era, increasingly shaped by a mismatch between today's economic realities and the institutions designed to govern them. The postwar international economic architecture, anchored by the IMF, World Bank, and the GATT/WTO system, was built around market-led economic integration. Today, industrial policy, economic and national security measures, technology policies, and other government interventions have become permanent features of the global economy, reshaping trade, investment, finance, and competition. In this environment, sustaining global growth and stability will depend on more, not less, international cooperation.

While existing institutions continue to perform important functions, they were not originally designed to fully address today's cross-cutting challenges that have transcended across institutional boundaries and national borders. This has created gaps in the governance of the international economic system, contributing to growing fragmentation, unilateral measures, and declining confidence in international economic cooperation.

To ensure that multilateralism continues to preserve the benefits of openness, stability, innovation, and international cooperation, BWC launched the **Modernizing Multilateralism** initiative to examine how international economic cooperation can remain effective in today's modern global economy. This is especially important as the current environment is continuously evolving amid geopolitical competition, technological transformation, and heightened national security concerns.

The initiative focuses on areas where the tension between domestic policy choices and global spillovers are most acute, such as industrial policy and trade, advancements in digital infrastructure, the future of money and payments, and the governance of artificial intelligence (AI). Across these topics, BWC will produce analytical papers that identify practical pathways for adapting existing institutions and governance mechanisms that address the realities of the modern economy.