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The goal of scenario planning is to understand more about the future, not to predict it. Identifying key drivers of change, as well as understanding their second- and third-order effects and the interrelationships between them, does more than help to prepare for contingencies—it also helps to look for warning indicators and triggers of profound change, and it can drive action to prevent scenarios from coming about in the first place.

The CSIS Brzezinski Chair in Global Security and Geostrategy drafted several scenarios to help think through aspects of the world in 2035. It then turned to trusted experts, inside and outside of CSIS, for their comments, insights, and concerns. The experts' contributions overlay the scenarios themselves, highlighting further areas of emphasis, implications, or alternative outcomes.

# Scenario 1: China Stalls

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China faces serious headwinds, and it is possible that its economic challenges have begun to sap the energy behind its global rise. One headwind is not China's fault: By their very nature, developing economies tend to grasp the low-hanging fruit early in their growth. As their economies grow larger and more complex, and as businesses begin to maximize efficiencies and streamline processes, economic growth inevitably slows. It is easy to grow swiftly from a low base, and it is nearly impossible to do so from a high one. 1

Another headwind for China is its demographic outlook. China's adoption of the one-child policy in 1979 created a demographic dividend. In 1975, the United Nations estimated that for every 10 Chinese of working age, there were 8 who were too old or too young to work; by 2010, the number who were not expected to work was half that. Now, with Chinese fertility stubbornly low and the population aging, the trends are reversing. According to current estimates, by 2075, every 10 Chinese workers will be supporting 10 dependents, and by 2093, that number will rise to 13.

In addition, China's population peaked in 2021 at 1.4 billion people. It is set to sink to under a billion in 2070 and continue drifting down to 639 million by 2100. While these are still very large numbers by any measure, shrinking populations depress markets for everything from real estate to manufactured goods. 2

The other headwinds are many: a burst real estate bubble, sagging productivity growth, growing tensions 3 with the United States that restrict technology inputs, and a leadership that seems less willing than its predecessors to let entrepreneurs roam free. Government statistics are enjoying less trust amid suspicions that conditions are worse than the government is willing to admit. Businesspeople are concerned that the Chinese banking system is not only full of nonperforming loans but has also lost much of its dynamism. Local governments in China have been especially affected by deteriorating economic conditions, and they are cutting spending on infrastructure projects and other important initiatives.

While China has steadily expanded for four decades, it is worth considering what a steadily contracting China might look like in the future. In part, it would enjoy less soft power. China has earned widespread admiration for producing sharp economic growth uninterrupted by social upheaval. Economic stagnation maintained through authoritarian control is a less remarkable feat, and while it is not currently the Chinese calling card, it could be. 4

If some in the United States have their way, the movement of manufacturing out of China and into countries that are closer to the United States—whether ideologically or geographically—would drop Chinese growth further. Whether one calls it “de-risking” or “decoupling,” a reduced U.S. export market for China, combined with restrictions on technology that China can import from the United States and its partners, would change conditions in China significantly. Arguably, that would advance U.S. interests at China's expense, although how the United States would pursue it and how China would respond are open questions.

Whichever way the United States pursues de-risking, it would likely put a further damper on foreign direct investment in China because it would create uncertainty about the prospects of exporting to the United States, the world's largest market. While that alone would not force a contraction in the Chinese economy, it would contribute to it.

A contracting China would also spread less cash around the world. By 2017, China had become the world's largest official creditor, with its loans exceeding the combined value of those of the World Bank, International Monetary Fund, and all 22 wealthy governments that constitute the Paris Club. The Belt and Road Initiative seized imaginations because of expectations about its scope and scale. Not only has the initiation of program projects slowed, but overall Chinese lending to developing countries has slowed as well. According to data from Boston University, China financed $87.0 billion of overseas development projects in 2016; by 2021, the total had dropped to $3.7 billion. The university also notes that over the last decade, Chinese lending to Africa has increasingly come from Chinese commercial banks rather than policy banks. The resultant loans are concentrated less on infrastructure and more in revenue-producing industries such as mining and financial services. They also have less favorable terms of repayment and can complicate sovereign debt burdens. In the last five years, Sri Lanka and Zambia have defaulted on past loans from China, and countries such as Pakistan have enacted draconian budget cuts to meet their Chinese debt burdens. Increasingly, China is appearing in the role of extractor rather than developer of resources in target countries.

China asserts that it spends $230 billion per year on defense; some in the U.S. government assert that the true number is $700 billion. While Westerners can debate the size of the Chinese military buildup, there is little question that the Chinese military footprint is currently expanding in Asia and around the world. 5 China has the world's largest navy, with more than 370 ships and submarines, and it is fielding a nuclear-capable refueled bomber. The Chinese navy paid 27 naval port calls in 2023, demonstrating its capacity to operate far from Chinese shores. In addition, China sent more than 2,000 troops abroad on peacekeeping missions, building goodwill and exhibiting a capability to deploy and operate far from Chinese shores. China is also rapidly expanding its military technology base, with advancements ranging from aircraft carriers to advanced fighter jets and autonomous systems.

An economic slowdown would constrain China's military growth. Facing a traditional choice between guns and butter, 6 China's leaders would have to be even more selective about what military capabilities they are willing invest in, what contingencies they will prepare for, and what locations they will protect. A tightening fiscal environment will narrow the choices China's leaders have to exercise national power. 7

Despite its challenges, China is currently more economically, diplomatically, and even militarily dominant than Russia. Yet, over time, it may begin to fall behind India, which has already surpassed China in population and is exhibiting stronger economic growth (albeit from a lower base). 8 India has attracted significant investment from the Arabian Peninsula, which has historic ties to the subcontinent. A growing India could hem in China's rise in Asia, and it could squeeze out Chinese relationships in parts of the Middle East. Since the United States views India as a more benign power, the United States may abet India's rise in a way that constrains China and gives the United States a relative advantage.

# Scenario 2: U.S. Global Leadership Falters

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The United States has seen itself in a global leadership role for so long, it is hard for many to imagine how a retreat from that role would manifest itself. The United States leapt onto the global stage as the Cold War unfolded, abandoning decades of inward focus. It found both security and purpose restoring war-ravaged countries in Europe and Asia, as well as building the emerging postcolonial countries in Africa and the Middle East. For decades, the United States invested its overwhelming economic and military dominance into shaping a global system that others would feel a stake in sustaining. What many Americans have come to call the “rules-based order” certainly privileged the economic, legal, and governance patterns of the United States and its allies, but it was also constraining. 1 It led to limits on U.S. action and lent a certain predictability to it.

But for many Americans, and for the Trump administration, the United States has invested too much and reaped too little from subordinating U.S. interests to a so-called “rules-based order” that seemingly lets others take advantage of the United States. For them, the U.S. commitment to international affairs is an elite luxury, not a bedrock concern, and they perceive recent U.S. international efforts as expensive failures—not least multitrillion-dollar efforts in Iraq and Afghanistan in the wake of 9/11 whose results fell far short of expectations.

Amid this international context, the U.S. government's budget is under strain, and that strain will increase in the coming years. With $7.3 trillion in planned outlays in 2025 and only $5.5 trillion in receipts, the U.S. federal budget is far out of balance. A growing cohort of retirees entitled to government support, combined with promises to cut taxes further, will put increased pressure on government spending. The calls to focus on curtailing foreign engagement are likely to survive long beyond when the Trump administration's term ends in January 2029. 2

The effects of a U.S. pullback in international affairs would not be evenly distributed. Given a deep and bipartisan consensus that China represents the largest challenge to U.S. global interests, the United States will almost certainly maintain a strong if not growing military commitment to the western Pacific. 3 India's growing economy, combined with its increasingly agile diplomacy and its sometimes-strained ties to China, will draw increased U.S. attention in the coming years, too, as will rising economies in Southeast Asia. For countries in the Pacific, it may feel in many ways like the United States has not pulled back at all.

But for much of the rest of the world, the United States would likely be felt less. 4 The voices of Americans who have argued for more than a decade that the United States has been overcommitted to the Middle East would rise, and the time and attention the United States pays to Africa and Latin America would fall. Not only would Europe be expected to fend more for itself, but the intra-European rivalries and tensions that had been blunted under three-quarters of a century of U.S. primacy would flourish. 5

Russia and China would seek to expand their ties further into regions that feel newly neglected. 6 Even more importantly, a growing number of governments would seek to expand their own ties with Russia and China, partly to hedge against U.S. abandonment, but also to gain leverage against a newly hegemonic United States that feels less bound by international rules. Regional hegemons would almost certainly seek to fill the vacuum the United States has left in its wake, requiring regional states to make new accommodations to their interests. 7

U.S. commitment to international organizations could also shrink, which would be felt both in terms of diplomatic attention as well as budget support. 8 The United States is the largest contributor to the UN system, paying just under a quarter of the organization's expenditures. The United States spent more than $15 billion on humanitarian assistance in 2023 (including more than $10 billion in voluntary contributions to UN agencies such as the World Food Programme, UNICEF, and the UN High Commissioner for Refugees) and about $10 billion more on global health. The U.S. role supporting the orchestration of such assistance could also diminish, reducing the efficiency and effectiveness of aid missions. 9

The broader economic effects of a more unilateral U.S. approach to international affairs are unclear. We should expect some slowdown in U.S. efforts to integrate global financial networks, and an increase in transparency is expected, combined with an increased effort by others to create parallel institutions. Trade would likely grow more regionalized as the security of sea lanes diminishes and the robustness of global free trade efforts languishes (or potentially withers under U.S. assault). The United States would also emerge as a more aggressive trading partner, using the size of its domestic market to win concessions for U.S. exporters.

While none of this necessarily would lead to warfare, there would be a period of adjustment and volatility as the world settles into a new equilibrium. Throughout, and perhaps even afterwards, governments would need to put a premium on hedging and agility, and businesses would be evaluating their prospects in a higher-risk environment. 10 Of course, returns would be higher for some, but probably not for all.

# Scenario 3: Trust Fails

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One of technology's relatively unappreciated qualities is that it has helped boost global trust. The internet has become an ecosystem whereby anyone can purchase goods from any seller anywhere in the world. Both the buyer and seller have relatively high confidence that the promised goods will be delivered and the seller will be paid, even if this is a one-time transaction where the parties have no connection to each other. Government identification documents have increasingly moved beyond photographs to include definitive biometric data. The global banking system mostly has abandoned paper documents that can be forged—or lost—and sends money around the world in a fraction of a second. Databases contain vast amounts of information that can verify almost any data point and make information available to any mobile phone user anywhere.

Technology's ability to ensure that strangers can trust each other has accelerated and deepened economic activities, even in remote places. 1 If one side or another fails to meet obligations, that will be recorded in some way in the vast depository of shared information: Credit reports will be hurt, online reputations will be tarnished, and platform access will be revoked. In that environment, individuals and firms need not limit their engagements to a small number of well-known entities, promoting efficiency, innovation, and agility.

However, just as technology has boosted trust, there are increasing signs that technology can be used to diminish trust. One part of this dynamic involves disinformation and misinformation. 2 Deepfakes—which use advanced technology to create visual and audio records of people saying and doing things they have not done—are just the beginning. 3 Computing power can be used to create false records that either build or tarnish a reputation and can create entities and events that exist only in the imagination. 4 Once corruption infects an information system, it compromises the presumed integrity of everything in that system. For example, if a hostile actor can change even a limited amount of information in a government employment database, every data point for every employee potentially becomes suspect.

Disinformation can also reduce the perceived credibility of news sources, spreading knowledge of false stories and undermining the credibility of true ones. 5 Citizens' trust in institutions, in governments, and in those around them would diminish. 6

A second way technology can diminish trust is through spreading disinformation through social media. Because social media's algorithms are optimized for engagement, it tends to support material that evokes an emotional reaction. Under these circumstances, misinformation that elicits outrage becomes widespread, and information that corrects the misinformation is downplayed. In addition, malign actors' own algorithms can create vast amounts of disinformation with relative autonomy, allowing those actors to experiment with a wide variety of products to see what works. 7 While most social media platforms have a vetting process meant to curb the most serious excesses, critics have argued that they are insufficient. When it works at its best, social media connects people with shared interests and identities. But social media sometimes does so at the expense of larger, more heterogenous communities and can promote internal division. In addition, social media also allows for cyberbullying and anonymous attacks, diminishing social trust.

The consequences of a collapse in trust over the next decade would be broad. Economically, it would reverse a trend toward global trade dynamism. It would likely result in increased tariffs, require increased inspections of shipments, and make arms-length trade connections more difficult. 8 Digital platforms would be encumbered, and financial platforms would become less efficient. Reduced trust in supply chains, exacerbated by disinformation or fears of cyber sabotage, could disrupt global trade. The increased costs of identity verification within societies would also spread widely, and it would increase friction in commerce and slow growth. 9 Small- and medium-sized enterprises, which lack the resources of larger corporations to manage these risks, would be particularly vulnerable, widening economic inequality.

Politically, less trust would be likely to polarize societies, reducing confidence in governmental institutions and deepening a sense of pervasive unfairness. 10 Because central governments are responsible for engaging with other governments, diminished support for governments would be likely to encumber international cooperation, especially on complex regulatory matters.

Internationally, a decline in trust would diminish foreign direct investment and international loans, especially in countries that do not have a robust digital infrastructure to protect trust. Creating and supporting such an infrastructure would be an expensive proposition, and diminishing global trust would likely deepen the divide between wealthier and poorer states. 11 In addition, perceptions that foreign governments are using their technological power to weaken adversaries could set off an escalatory spiral of attacks and counterattacks that further diminish trust within societies, making agreements between governments even harder to strike. That could promote a world that is not only less peaceful and less prosperous, but one with more robust criminal networks that can escape government control.