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Global Risks and Alternative Worlds

Spheres of Influence in the Coming Decades: Four Alternative Scenarios

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May 2023

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Spheres of Influence in the Coming Decades: Four Alternative Scenarios

Putin's invasion and Xi's pandemic mismanagement have opened a narrow window of strategic opportunity for the West

By Collin J. Meisel, Caleb L. Petry, Jonathan D. Moyer, Mathew J. Burrows

Russian President Vladimir Putin's full-scale invasion of Ukraine on February 24, 2022, appears to have been an attempt to restore Russian greatness and the borders of its former empire. As a drastic departure from widely held post-Cold War era norms, what are the implications for shifting patterns of geopolitical influence in the coming decades? And what, too, should we make of Chinese President Xi Jinping's own strategic blunders in managing the COVID-19 pandemic, and perhaps also China's diplomatic image abroad?

We forecast geopolitical influence across four scenarios, each of which begins with plausible near-term trajectories for the war in Ukraine and parallel geopolitical developments, before expanding to potential long-term shifts in US-China competition through the year 2045. Results are benchmarked against a hypothetical *No War* scenario.

We find that Putin's and Xi's relative losses correspond with relative long-term Western gains, including a consolidation of influence within Europe. There is also a potential for the U.S. to recover recently lost strategic ground, particularly in Southeast Asia. Together, these findings highlight a narrow window of opportunity for U.S. policymakers to achieve a long-term setback to revisionist powers' attempts to reshape the international order.

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Executive Summary

On February 24, 2022, Russian President Vladimir Putin's forces launched a full-scale invasion of Ukraine. It was perhaps the first in what may have been meant to be a series of campaigns to restore the borders of Ancient Rus, which in Putin's mind extends in the west from "Ladoga, Novgorod, and Pskov to Kyiv and Chernihiv."[1] More than one year in the wake of the invasion, Putin's effort is failing.

Except for the most extreme scenarios, the geopolitical winds in the wake of the war in Ukraine are not expected to shift substantially relative to prior trends—other than to accelerate Russia's marginalization for the extent of Putin's tenure. However, they do appear to have forced open a window for the West to further capitalize on Putin's poorly executed aggression. Perhaps more important will be Xi's (in)ability to revive China's economic growth and image in the world, efforts which have, at least in the short term, been hamstrung by pandemic mismanagement at home and a combative style of diplomacy abroad.

We examine some of the implications of Putin's failures and parallel geopolitical developments—including Chinese President Xi Jinping's strict implementation and then rapid abandonment of a "zero-COVID" strategy—as well as longer-term developments for the future of geopolitical influence and great power competition through 2045. We do this by forecasting the Formal Bilateral Influence Capacity (FBIC) Index—an annual bilateral measure of state capacity to weaponize interdependence across economic, political, and security domains. The FBIC Index is designed to capture formal influence capacity—as in state-authorized, publicly acknowledged, largely transactional relationships, such as goods trade and arms transfers. Importantly, it is a measure of capacity, but not the willingness or ability of policymakers to leverage that capacity. Keeping these stipulations in mind, the FBIC Index has proven to be a powerful tool for tracking geopolitical influence at the macro-level, particularly in the context of great power competition.[2]

We forecast the FBIC Index with the International Futures (IFs) tool. IFs allows for the comparison of long-term, dynamic forecasts across alternative scenarios.[3] Here, these scenarios include broad representations of the world along four alternative paths: *Great Power Coopetition*, *The Doldrums*, *Western Resurgence*, and *Pariah State*.

Great Power Coopetition represents a continuation of current trends, in which the war in Ukraine is protracted but reduces in intensity while most countries in the developing world —including many democracies—remain neutral. Meanwhile, China's rise continues, albeit more slowly than in recent decades, approaching parity with the U.S. as a global leader by 2045. China's rise occurs despite its notable demographic challenges, which exist in all scenarios presented here, but which we do not expect to have severe impacts until mid-century,[4] just past the end of our forecast horizon in this report. Elsewhere in this future, human development is expected to improve worldwide across a host of indicators through

2045, including increased average education years, increased life expectancy, and decreased poverty rates (although absolute poverty headcounts will likely increase across this period in some countries, such as Nigeria). Additionally, democracy spreads in terms of the share of the global population living under democracy, but this is less due to increased democratization than it is to population growth in already democratic countries, particularly India.

The Doldrums assumes that global growth will veer into a long recession, that the war in Ukraine stalls, and that long-term efforts by the U.S. and China to maintain or expand each country's geopolitical influence see few gains. Along this path, decreasing capacity for domestic consumption in virtually all economies leads to a decreased demand for imports and reduced economic interconnectedness. More broadly, policymakers face increasingly difficult tradeoffs—not only between "guns and butter"-type issues but also between health care and education, for example—investments that can put the present and future well-being of a country's people at odds. The U.S. sees a relative increase in influence capacity vis-à-vis its competitors in this scenario, but only because it loses less, with ample inward migration, geoeconomic institutions that largely favor American interests, and a strong propensity for innovation each offering the U.S. the ability to better weather *The Doldrums*.

Western Resurgence assumes that Western countries will avoid recession in 2023 and that Ukraine will continue to make gains in its eastern territory. Other longer-term developments—including an opening of U.S. trade policies and the crafting of expansive multilateral trade agreements—lead to a tipping of the balance of geopolitical influence in the West's favor relative to China. If such a future were to come to pass, it would mark a revival of the post-World War II liberal international order, with the West serving as an unambiguous bastion of opportunity and a center of economic, political, and security networks for a vast majority of the globe. This would have important consequences for U.S. and European soft power—a concept not directly measured in this analysis, but which would likely manifest in increased educational and cultural exchange opportunities provided by greater-than-expected economic growth and deepening interconnectedness with Western businesses and governments.[5] Rather than seeking to decouple from China, the West is able to confidently invite interdependence with all comers, secure in the knowledge that a more equitable international order remains in its favor as it further incorporates the perspectives of the Global South.

Pariah State reflects a more unfortunate path. Following Russia's violation of a seven-decade taboo against nuclear first use, there is a further deepening of the "comprehensive strategic partnership of coordination for a new era"[6] between China and Russia as much of the rest of the world recoils. In this world, the coming decade is characterized by volatility and radical uncertainty. International investment decreases as holders of capital shy away from risk. Interest rates rise substantially as domestic capital becomes more tightly held. Russian trade with the world outside China shrinks to a small fraction of current values. Meanwhile, trade protectionism worldwide shifts into overdrive in an attempt to both decrease dependence on foreign economies and to appease nationalistic calls to boost domestic production in advanced economies.

The various elements of these scenarios are unlikely to unfold in a manner that is mutually exclusive. Reality is, of course, often messier than we give credit.[7] Yet, by examining a few scenarios that track along broadly different trajectories, we can gain an understanding of the range of plausible trajectories along which the future can be expected to unfold while ensuring our analysis is tractable.[8] Most revealing is not a single takeaway from a single scenario but the patterns that unfold across scenarios.

TAKEN TOGETHER, OUR KEY FINDINGS ACROSS THESE SCENARIOS ARE AS FOLLOWS:

- **Putin's invasion and Xi's pandemic mismanagement have opened a narrow window of opportunity for the U.S. and its allies** and partners to beat back revisionist powers' attempts to reshape the international order. Namely, we forecast that in the next five to ten years the U.S. will be in its most advantageous relative position to consolidate and reinforce its influence capacity in countries where it currently leads competing influencers, particularly China. The U.S.'s success will be conditioned upon additional outreach through trade and a further incorporation of the Global South into global decision-making, among other factors.

- Yet, across all scenarios, **forecasted Western gains are expected to slow**, but not stop, China's rise given its tremendous economic potential, especially its capacity for trade. In other words, the story here is an opportunity to lose less strategic ground to China in a relative sense than might have otherwise been the case.

- The Middle East alternates between its own and China's sphere of influence across scenarios, suggesting that **the era of U.S. dominance in the region is over.** These dynamics are being driven by a substantial Chinese diplomatic presence in the region, China's increasing demand for Middle Eastern oil, and an increasingly integrated and potentially influential Middle East.

- Over the long term, it also appears that in all scenarios, even amid a *Western Resurgence*, the West will only be able to compete with China for influence capacity in sub-Saharan Africa if the U.S. and European partners **develop a coordinated aid strategy and develop substantial trade agreements** with the region.

- Meanwhile, **intra-European interdependence and influence is expected to increase markedly** relative to a *No War* world while at the same time becoming more diffuse among European countries. In other words, we are likely to see a more equal and consolidated Europe than otherwise might have been, which could mean the long-hypothesized emergence of Europe as a cohesive geopolitical power.

- Through at least 2045, **Russia is expected to maintain its own unique sphere of influence** that includes Belarus, the Caucasus (excluding Georgia), and much of Central Asia. This is despite an accelerated Russian decline and projected enlargement of China's sphere of influence, which by 2045 may comprise much of Asia, the Middle East, and Northern Africa. Thus, while China will become an increasingly crucial bilateral, if not alliance, partner for Russia, structural factors have and are expected to continue to distinguish their areas of influence.

These findings are contingent upon several factors. Over the long term, our scenarios assume that broad, longstanding patterns of development across demographic, economic, and other issue areas will experience largely continuous rather than discontinuous change. These forecasts are not extrapolations, but major discontinuities, such as the sudden widespread availability of nuclear fusion, are not implicitly factored in. (Such a change would require a direct scenario intervention.) Persistent changes, including some of their measurable second- and third-order effects, are factored in.

In the short term, our forecasts assume that Western governments will continue to attempt to meet Ukraine's need for arms, ammunition, and aid for the duration of the conflict and amid post-conflict recovery efforts, even if that support is limited by economic stagnation, such as in *The Doldrums*. Future domestic political shifts could dictate otherwise. We also assume that some Western aid that was previously earmarked primarily for developing countries in sub-Saharan Africa will be redirected to Ukraine, even amid a *Western Resurgence*. If instead total Western, and especially U.S., foreign aid budgets increased to the point of eliminating the need for tradeoffs in order to support Ukraine, then China's rise in geopolitical influence capacity would be further slowed.

WITH THESE FINDINGS AND PROVISOS IN MIND, OUR ANALYSIS OFFERS THE FOLLOWING POLICY RECOMMENDATIONS:

- Across all scenarios, U.S. policymakers should seek to connect the concept of formal bilateral influence capacity and its primary components into the broader concept of integrated deterrence—a concept that combines integration of efforts across domains, regions, the spectrum of conflict, the U.S. government, and allies and partners.[9] U.S. influence capacity is a product of economic, political, and security dimensions, and it can manifest both bilaterally and through network effects with allies and partners.

- Policymakers should seek to understand where the U.S. is expected to struggle to compete via formal bilateral influence capacity and consider cultivating alternative sources of influence, such as soft power. For example, through leadership by example at home—including strengthening democratic institutions, enacting policies that seek to reduce economic inequality, and advancing social justice—the U.S. image will be enhanced abroad, generating an intangible but invaluable influence capacity in much of the developing world.

- Policymakers must also seek to leverage the U.S. capacity for innovation, which offers a decisive edge against competitors.

Additional scenario-specific policy recommendations are summarized in the table below.

Policy recommendations to enhance U.S. influence capacity across alternative scenarios	
Great Power Coopetition • Enhance U.S. ties with rising regional powers, such as India in South Asia and the United Arab Emirates in the Middle East and Eastern Africa, to build influence capacity via network effects. • Re-gear U.S. diplomatic efforts toward an increasingly multipolar reality.	**The Doldrums** • Resist the urge for increased trade protectionism, which, although potentially bolstering selected industries, will further harm economic growth prospects and reduce U.S. influence capacity. • Encourage increased inward migration.
Western Resurgence • Further reduce trade barriers. • Expand government spending to allow for increased foreign aid. • Provided that Russian leaders abandon revanchism, rebuild Western ties with Russia, demonstrating that the liberal order offers its best path forward.	**Pariah State** • Dramatically increase energy and agricultural production and exports from the U.S. and European partners, especially the Netherlands, to fill the vacuum left by Russia. • Federally back investments in critical industries to reduce uncertainty.

UKRAINE

Introduction

Absent a long-term global recession or a major Western economic resurgence, China is on track to match U.S. influence capacity at the global level by mid-century. In the latter case, absolute and relative gains in goods trade, arms transfers, and foreign aid result in a world where the U.S. enjoys greater influence capacity than at any point since the 1960s. In the former case, while a US-China transition may not occur, it would simply be because the U.S. loses less than others amid a general global malaise.

These long-term dynamics extend from a short-term increase in U.S. influence capacity, where Russia's war in Ukraine has corresponded with a bump in U.S. influence capacity. This includes in Ukraine itself, where U.S. support far exceeds all other countries and, as of January 2023, has placed the U.S. in the top five of bilateral aid donors as a percent of gross domestic product (GDP).[10] At the same time, China's influence capacity is also forecast to take a slight hit relative to the U.S., particularly in Europe. These dynamics have opened a narrow window of opportunity for the U.S. and Western powers to provide a long-term setback to Chinese revisionism and Russian revanchism.

Russia's full-scale invasion of Ukraine appears to have marked a new era in geopolitics, leading U.S. policymakers to concede that we are now in a post-post-Cold War era.[11] Perhaps we have returned to a prior era, where *realpolitik* and the logic of "might makes right" determined the course of history. Or perhaps norms of the liberal international order will ultimately hold up in spite of strains that pre-dated, and have now been amplified by, the wider war in Ukraine.[12]

Much will be determined by the success or failure of Russia's "no limits" partner, China. President Xi Jinping has presented his country's style of domestic development and international relations as an alternative to the Western model that has dominated world politics in recent decades. In the wake of the COVID-19 pandemic and a less than successful campaign of "wolf warrior" diplomacy, it is unclear whether China's model will withstand current economic pressures. The stakes may be the very shape of the international order in the decades to come.

This study marks an early step in leveraging bilateral forecasts of macro-level indicators to assess the present and plausible future state of geopolitical influence—a central component of international order—across the next two decades. After briefly introducing our index and forecasting methodology, we compare four alternative scenarios for the medium- to long-term course of geopolitics.

At present, our forecasts offer a broad measurement of present and likely future areas of relative advantage and disadvantage for the U.S. and its partners in contests with great and regional power competitors and other rivals for geopolitical influence. They also offer us the ability to quantitatively measure overlapping international orders in the past, present, and future. Finally, they provide a fuller understanding of the world(s) we can expect in 2045.[13]

Deutsche Kolon
N. Mecklenburg
Bougainville
Koralle Meer
Cooktown
Bartle Frere
Townsville
Lihou-Riff
QUEENSLAND
Mackay
Swain-R.
Keppel-B.
Cato-I.
Hervey-B.
Gr. Sandy I.
Brisbane
K. Byron
Grafton
Pt. Macquarie
Maitland
Newcastle
Sydney
Bundes-Territm
Mt. Townsend
Mt. Koscius
Viti Levu
Kandavu
Hunter I.
Norfolk-I.
(zu Australien)
NW
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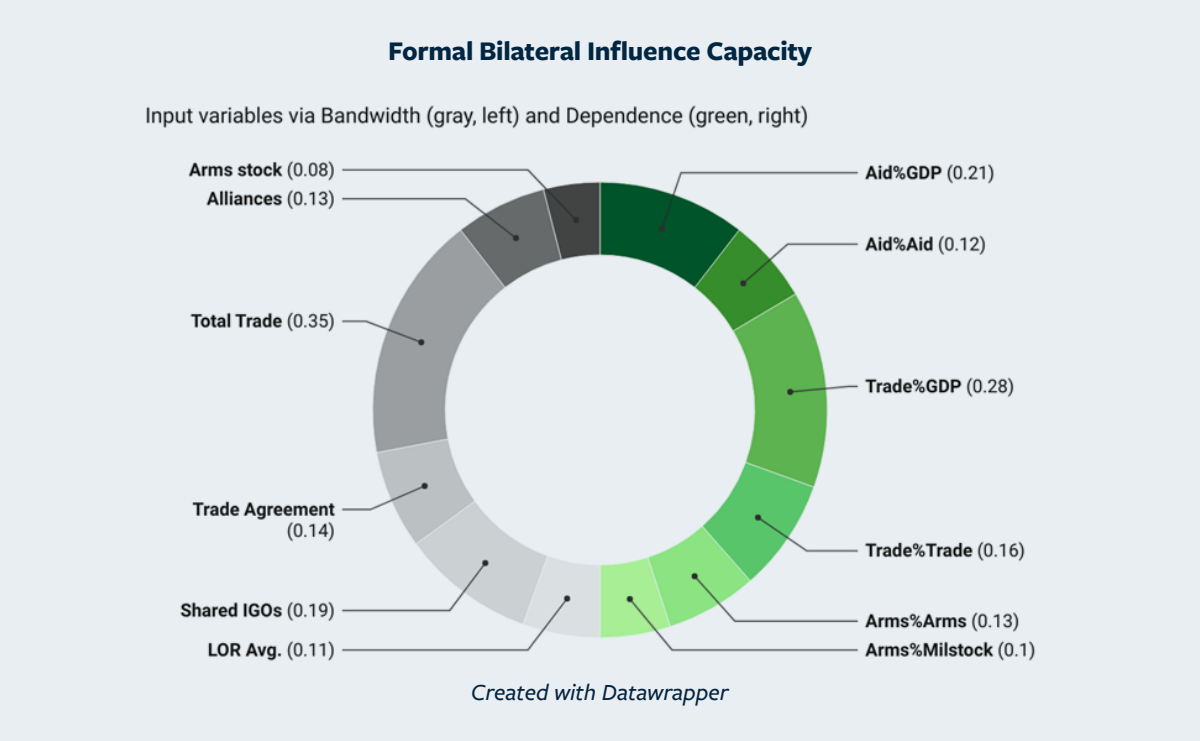
Measuring and Forecasting Influence Capacity

Power and influence among countries can be characterized by, and manifests in, a variety of features and factors. One measure that we have previously introduced is the Formal Bilateral Influence Capacity (FBIC) Index, which has been shown to adequately capture influence dynamics among great power competitors, particularly the U.S. and China.[14]

The FBIC Index is a multivariate measure of countries' bilateral capacities for weaponized interdependence, which, in Farrell and Newman's words, includes both "market power," or a country's aggregate potential, and "source of power," a phrase which they use to mean the balance of partner countries' bilateral dependencies.[15] These are measured in the FBIC Index using subindices of economic, political, and security bandwidth, along with economic and security dependence. The full set of inputs and weightings are presented in the figure below.[16] At present, historical data for the FBIC Index are available for nearly 40,000 country-pairs from 1960 through 2022.



FORMAL BILATERAL INFLUENCE CAPACITY

Power and influence can be conceptualized in myriad ways. In this report, influence and influence capacity are used interchangeably to refer to a specific concept: formal bilateral influence capacity. *Formal* indicates the state-sanctioned or state-sponsored and publicly acknowledged nature of the leverage we seek to measure. This includes interactions like diplomatic exchange, arms transfers, and goods trade but excludes actions like state financing of violent non-state actors or covert attempts to disrupt foreign elections. *Bilateral* highlights the country-to-country nature of the measures we examine. Multilateral and network effects can be examined by analyzing a collection of bilateral connections together, highlighting patterns such as spheres of influence. However, these are byproducts of the collections of bilateral interactions rather than explicit components of our measures of influence capacity. By *influence*, we intend to measure relational power between countries, where power refers to one country's ability to get another country to do what it otherwise would not do (or to refrain from doing what it otherwise would do). In other words, influence can play into strategies that involve both compellence and deterrence. Finally, *capacity* emphasizes the material-based foundation of our measures of influence, which exclude policymakers' willingness or ability to act.

In this report, we introduce long-term forecasts of the FBIC Index using the International Futures (IFs) tool. IFs is a long-term, dynamic, recursive global forecasting and scenario analysis tool that provides a best approximation of persistent, interacting, long-term trends across hundreds of variables tracking developments in human, natural, and social systems for 186 countries.[17] Its scenario analysis features allow us to compare a most likely *Current Path* scenario with forecasts that rely on alternative assumptions. Here, we compare four alternative scenarios, presented next, with a *No War* scenario, where the February 24, 2022, invasion and parallel geopolitical developments that have transpired since never happened.[18]

To create these forecasts, our team built bilateral forecasts for each of the FBIC Index's input variables, which were then algorithmically constrained by each country's country-level forecasts. For example, bilateral trade forecasts use econometrically specified gravity models for six broad sectors of trade. This estimates trade shares, which are then used to distribute forecasts of each country's total trade in goods. These total trade forecasts are the product of a deeply integrated social accounting matrix, which is used to forecast and reconcile household, firm, and government accounts within and across 186 economies in one-year timesteps.[19] Together, this produces long-term, dynamic, highly complex forecasts of geopolitical influence that can be examined across scenarios at the global, regional, country, bilateral, and network level.

Necessarily, our forecasts of geopolitical influence capacity are simplified representations of reality. They do not explicitly include the myriad social and cultural interactions that lay the groundwork for influence across countries, although some of these factors are implicitly incorporated into the FBIC Index's macro-level measures, including trade, aid, arms transfers, alliances, trade agreements,

diplomatic exchange, and shared membership in international organizations. We also exclude several macro-level measures that are of undoubted importance but lack substantial historical data coverage, such as foreign direct investment (although here the IFs social accounting matrix makes up for some shortfalls by ensuring that national accounts broadly constrain and reconcile with the factors that we explicitly incorporate into the FBIC Index, such as trade).

Importantly, the FBIC Index is also designed only to capture formal means of influence. That is, it does not seek to measure illicit or unofficial sources of influence, such as information operations, sponsorship of violent non-state actors or other proxy forces, or soft power-related influence that might extend from a country's or society's representation in sports, entertainment, or other popular media. Keeping its limitations and limited focus in mind, the FBIC Index offers a powerful tool to track, analyze, and forecast patterns of influence in the international system.

INFLUENCE CAPACITY IN ACTION: U.S. POLICIES IN VIETNAM

U.S. President Barack Obama's termination of the long-standing U.S. arms embargo on Vietnam offers a useful example of a policy shift that drastically improved U.S. influence capacity in another country. Upon the Obama administration's termination of the arms embargo in 2016—a policy that had been in place since the U.S. war in Vietnam—U.S. influence capacity in Vietnam nearly doubled over the next few years, according to the FBIC Index. This took Vietnam from being a country where China held a significant advantage in influence capacity over the U.S. to being what could be considered a competitive country, where U.S. and Chinese influence capacity is roughly at parity.[20] Notably, the share of Vietnamese with a favorable opinion of the U.S. increased from 78% to 84% from 2015 to 2017[21]—a shift that coincided with the termination of the U.S. arms embargo as well as other Obama administration efforts to nurture ties in the region.[22] In that same time period, which coincided with increased tensions in the Spratly Islands, favorable opinions of China in Vietnam nearly halved, shrinking from 19% to 10% from 2015 to 2017.[23]

Influence in the Wake of the War: Four Scenarios

Russia's full-scale invasion of Ukraine has aroused many debates about the present and plausible or preferable future of the international order, including: Europe's role in the world and its balance between strategic autonomy and dependence,[24] whether the war highlights a supposed battle between democracy and autocracy,[25] and whether we have seen the end of the liberal or rules-based international order.[26] These and other questions lead toward a more general point that merits examination: What are the implications of Russia's war in Ukraine for the shape of the international system and, more specifically, for patterns of geopolitical influence in the coming decades? Have Putin's fateful decision and the events since then changed the trajectory of international relations, and if so, how and by how much?

What of China's recent challenges? Whipsawing from a strict "zero-COVID" strategy to a post-COVID strategy of free movement among a largely unvaccinated population, China saw its economic growth prospects steadily downgraded in 2022. And it is unclear if it can meet its 5% growth target in 2023. Meanwhile, the Chinese government has backpedaled from its abrasive "wolf warrior" style of diplomacy, perhaps in recognition that China's star may not have risen as far or be rising as fast as once thought. What might China's relative success or failure in the coming years mean for the shape of the international order?

To answer these questions, we compare forecasts along four alternative trajectories and a hypothetical *No War* path.[27] Given the importance of Russia's war in Ukraine and its seismic effects on contemporary international relations, the trajectory of this conflict is the focus of many of the short-run (next one to five years) prospects presented in the scenarios below. These conflict trajectories are paired with broader global economic and political developments. In the medium to long run (next five to twenty years), our focus expands to spheres of geopolitical influence in the coming decades generally and US-China relations more specifically.

The scenarios presented here offer a range of plausible futures.[28] While far from comprehensive, they are intended to offer an idea of the array of pathways along which the future may unfold, providing a set of quantitative indicators against which analysts and policymakers can anchor or at least frame their expectations.[29] Reality is, of course, more complicated, and the future is likely to unfold in a manner that cuts across any set of scenarios that may be devised. The utility of the scenarios and results that follow is in their ability to assist in long-term planning. As U.S. President Dwight D. Eisenhower famously observed, "Plans are useless, but planning is everything."[30]

Great Power Coopetition

Synopsis

This scenario is our best approximation of a business-as-usual future. In it, the war in Ukraine grinds on. Meanwhile, so does the global economy, with Ukraine's military and the majority of the world's economies seeing modest gains in 2023—a reality driven in part by the war but by many other factors as well, such as Europe's steady but difficult transition away from Russian energy and the sharp downturn in growth that the World Bank expects 2023 to bring for both advanced and developing economies.[31] Long-term US-China competition tends toward coopetition, whereby the great powers develop an economic and diplomatic modus vivendi that avoids direct conflict in Taiwan and beyond.

Short run

Ukraine's impressive gains since the fall of 2022 slow considerably in 2023. The fight for the Donbas becomes increasingly expensive in terms of equipment, ammunition, and human life for Ukrainian and Russian forces, leading both sides to consider an armistice, though not a full-fledged peace agreement, by year's end. Western support for Ukraine continues in a steady but somewhat diminished fashion as the U.S. and European economies narrowly avoid recession in 2023.

Meanwhile, and more impactful for geopolitical influence dynamics, China experiences its own growth struggles, with a cessation of zero-COVID policies leading to more than a million excess deaths among older and immunocompromised persons in the first half of 2023. The result is a geopolitical muddling through, with neither the U.S. nor China standing out as a clearly superior model in the eyes of the developing and non-aligned world. Here, India's stance becomes increasingly critical, with the ability to tip the balance of power for a host of diplomatic, economic, and security arrangements.

Long run

Along this path, China's economic, political, and security ties continue to expand in relative and absolute terms across much of the world. At the same time, slow U.S. economic growth translates to relative political and economic declines vis-á-vis China. However, rather than China replacing the U.S. as the world's hegemon, the two appear increasingly poised to share the world stage. Despite occasional flare-ups in diplomatic relations, overt war is avoided, as is an extensive decoupling of trade ties. This long peace allows for a continued improvement in human development across much of the world, including increased average education years, increased life expectancy, and decreased poverty rates (although absolute poverty headcounts will likely increase across this period in some countries, such as Nigeria).

The Doldrums

Synopsis

Global growth veers into a long recession—a considerably worse economic trajectory than that of *Great Power Coopetition*—and the war in Ukraine stalls as Western support flags substantially. Long-term efforts by the U.S. and China to maintain or expand their geopolitical influence see few absolute gains, although the U.S. is better able to weather the storm, leading to an increased relative advantage over China.

Short run

Weak consumer demand in reaction to high inflation and increased unemployment—the latter a response to raised interest rates, themselves an attempt to curb inflation—combine to drag most countries into an economic recession through 2023. With domestic economic concerns taking priority as governments tighten their purse strings—combined with additional domestic distractions in the U.S. amid a contentious 2023 congressional session—Western financial and other material support for Ukraine begins to flag.

Meanwhile, near-depression-level economic shrinkage in Russia means that President Vladimir Putin can afford little in terms of expanding his war in Ukraine. The war for the Donbas grinds on, with occasional modest breakthroughs from each side as slivers of territory are traded for thousands of lives and a great deal of equipment and ammunition.

In the wake of Russia's abrupt termination of the deal that temporarily opened Black Sea ports for grain shipments, the bulk of Ukrainian wheat and other agricultural products rot in their containers. Famine strikes the most vulnerable populations in the Middle East and North and sub-Saharan Africa. All told, the prospects for the coming years are gloomy.

Long run

In such a world, we could expect long-term debt struggles for developing economies, including China. While China's substantial foreign exchange reserves help to mitigate these effects, its need to rebalance its economy toward domestic consumption becomes more acute, and more difficult. There is little movement on multilateral trade agreements and economic frameworks for both the U.S. and China and potential partner country blocs, resulting in reduced trade openness. Neither NATO nor the European Union expand further, and actions within each organization become more disjointed.

Western Resurgence

Synopsis

Western countries avoid recession and Ukraine makes gains in the Donbas. The long-term balance of geopolitical influence tips in the West's favor relative to China, aided by ample inward migration and increased worker productivity, which offset the economic burden of shrinking and aging populations. Rather than seeking decoupling from China, the West is able to confidently invite interdependence with all comers, secure in the knowledge that a more equitable international order remains in its favor as it further incorporates the perspectives of the Global South.

Short run

Through deft management of monetary and fiscal policies, leaders in the U.S., Europe, and partner countries are able to curb inflation and avoid recession, even slightly exceeding International Monetary Fund (IMF) expectations. China proves less adept, with the echoes of restrictive policies in the recent past, increasing domestic costs, shifting demographic pressures, and technocrats' inability to question Xi's increasingly ideological decisions dragging the economy into a slow-growth stall.

The balance of power in the war in Ukraine begins to tip heavily in Ukraine's favor given minimal Chinese support for Russia, an expanded ability among Western countries to provide non-Russian alternatives for goods and services to the non-aligned world, and popular opinion in many Western countries continuing to strongly favor support for Ukraine's resistance against Russian aggression. While Russian forces continue to hold territory in much of the Donbas, negotiations lead to a ceasefire west of the Dnipro River, save Kyiv, and enable a full opening and demining of the port and sea surrounding Odessa.

In combination with healthy aid packages, the continued expansion of grain shipments—enabled by a continuation of the Black Sea grain deal along with the development of alternative logistical avenues for export—allows the majority of vulnerable populations to avoid famine. Although the war in Ukraine drags on through 2023, persistent (if modest) Ukrainian gains and ample reserves of Western-provided military equipment and other resources make clear that ceasefire negotiations are likely to gain prominence, perhaps even restoring pre-February 24 borders.

Long run

Amid a potential long-term Western resurgence in influence capacity, the European Union continues to expand, incorporating Ukraine and Moldova within the next five or so years while making progress toward including Georgia within the next decade. While many today see this outcome as unlikely, such significant political developments are made possible by much higher than expected prosperity, which softens public resistance within current

European Union member countries. This similarly paves the way for the West to become more inclusive in a broader sense by further easing restrictions on inward migration. This, coupled with increasing worker productivity, sows the seeds for sustainable, long-term economic growth.

While NATO does not expand its alliance further beyond Finland and Sweden, its partnerships with non-NATO countries, including East Asian and Oceanic partners South Korea, Japan, and Australia, deepen substantially via security cooperation agreements, joint military exercises, and increased arms transfers. U.S. and European multilateral trade agreements and initiatives with the rest of the world, such as the Indo-Pacific Economic Framework, gain substantial appeal relative to Chinese-led alternatives without insisting that anyone choose sides in the US-China competition. Despite failing to influence opinions across much of the Global South with respect to the present war in Ukraine, this increased trade openness and broader diplomatic efforts ensure that Western leaders are much better poised to shape global opinions amid the next geopolitical crisis.

Pariah State and the Precipice of World War III

Synopsis

Following Russia's violation of a seven-decade taboo against nuclear first use, there is a deepening of the "comprehensive strategic partnership of coordination for a new era" between China and Russia as much of the rest of the world recoils. The coming decade is expected to be characterized by volatility and radical uncertainty.

Short run

Facing slow but persistent military losses in southern Ukraine and the Donbas and the reality that Ukraine may be able to restore pre-2014 borders by the end of 2023 if its forces maintain their momentum, Russian President Vladimir Putin does what many believed unthinkable and launches three ~20 kiloton nuclear attacks in Ukraine's south and east. Rather than seeking tactical gains, these attacks are a strategic warning, marking what Putin sees as the frontiers of a buffer zone between Ukraine proper and Russia.[32]

Outside a handful of countries, the economic and diplomatic response is swift and severe, relegating Russia to global pariah status for the remainder of Putin's life. Global energy trade networks are rapidly rewired as India and others deem Russian supplies—comprising more than one-tenth of the world's energy exports—to be not worth the price. Of major economies, only China's response is muted, paying lip service to the nuclear taboo but suggesting that Putin "had no choice" in his response to "legitimate security concerns" while defending Russia's illegally annexed territory.

Meanwhile, North Korean leader Kim Jong Un ramps up his rhetoric around potential nuclear weapons use on the Korean peninsula. Nuclear war in pursuit of a reunited Korea becomes a real possibility. Global markets are thrown into chaos given the high degree of uncertainty.

Long run

Russia's economy transforms into a Soviet-style closed economy, heavily relying on China to bridge the gap for the years it takes to complete the transformation. While there is some global realignment of trade and security relations toward the West, many countries turn toward self-reliance agendas and regional political, economic, and security partnerships as needed. In the terminology of the FBIC Index, the bandwidth of ties between countries remains far lower than it otherwise would have been as countries seek to avoid substantial economic and security dependence on one another. The risk of world war looms large but is avoided.

Forecast Results

The patterns that emerge from our forecasts reveal a host of shifting geopolitical influence dynamics. We appear to be at the dawn of what German Chancellor Olaf Scholz has dubbed a *Zeitenwende*,[33] or turning point—although our forecasts demonstrate both continuity and change relative to the current structure of the international system.

Across all scenarios, the following results stand out:

- U.S. global influence capacity declines from the present through 2045—except in a *Western Resurgence* scenario. Only in this case, which assumes an expansion of U.S. trade agreements, among other building blocks of influence capacity, will the U.S. plausibly be able to lead the Global South in a future crisis in a way that it has failed to thus far in the present Ukraine crisis. In all other scenarios, the U.S.'s relative decline is expected to see a brief pause, opening a narrow window of opportunity to lose less strategic ground than it otherwise might along a business-as-usual trajectory.

- China's global influence capacity increases from the present through 2045 across all scenarios, largely thanks to goods trade but also due to an expanded capacity for arms transfers and further displacement of U.S. and European aid in Africa, narrowing the gap with U.S. influence and achieving parity with the U.S. by 2050 in the *Great Power Coopetition* base case. The more successful Western policymakers are at making the best of China's and Russia's recent setbacks by establishing trade agreements while conditions remain favorable, readjusting diplomatic efforts to better recognize the views of the Global South, and filling agricultural and energy supply gaps left by Russia, the broader the influence gap between the U.S. and China and the more delayed their power transition will be.

- The Middle East tips between its own and China's sphere of influence across scenarios, suggesting that the era of U.S. dominance in the region is over. China maintains a larger diplomatic presence in the Middle East than the U.S. in terms of diplomatic exchange via embassies,[34] and its recent brokerage of a normalization of ties between Iran and Saudi Arabia is a harbinger of China's growing diplomatic influence in the region.[35] Meanwhile, China is expected to see increasing demand for oil imports from the Middle East through the end of this report's forecast horizon; forecasts suggest that U.S. demand for Middle Eastern oil has peaked.[36] Moving beyond, though certainly assisted by, China and the U.S., the Middle East continues to more closely integrate

politically and economically, setting aside, or at least de-emphasizing, once deep-seated animosities. This is establishing the conditions for a potentially stand-alone, relatively stable Middle Eastern sphere of influence separate from the great powers.

- Even with a *Western Resurgence*, the U.S. will only be able to compete with China for influence capacity in sub-Saharan Africa if the U.S. and European partners develop a coordinated aid strategy and develop substantial trade agreements with the region.

- Despite an accelerated Russian decline and reduction of its pre-war sphere of influence across all scenarios, including notable but perhaps smaller than expected reductions in Central Asia, Russia remains in a separate influence community from China by 2045, even in a *Pariah State* scenario.

These and other findings are discussed next.

Global Balances

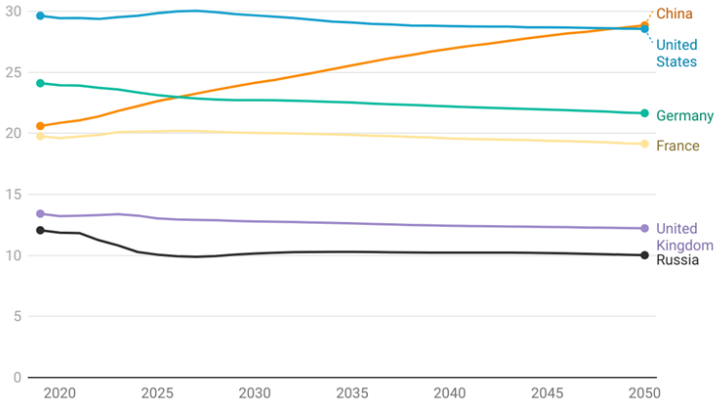
Along our business-as-usual trajectory (*Great Power Coopetition*), China's influence capacity is projected to equal that of the U.S. at the global level by 2050. Amid a *Western Resurgence*, however, this transition would be avoided given substantial relative Western gains in aid, arms, and trade exchanged between countries. A long-term global recession (*The Doldrums*) would also substantially delay, if not deny, a US-China influence transition, but only because the resilience of the U.S. economy and diplomatic networks would mean it loses less than its main geopolitical competitor, China.

In the short run, Putin's strategic miscalculation in Ukraine and Xi's economic missteps at home and diplomatic overreach abroad have offered a bump to U.S. influence capacity. This represents a narrow window of opportunity for Western powers, particularly the U.S., to deepen economic, political, and security ties that will collectively entrench favorable influence dynamics for the West. This assumes their economies steer clear of *The Doldrums* and that Putin is dissuaded from actions that would drag the world to the precipice of another world war.

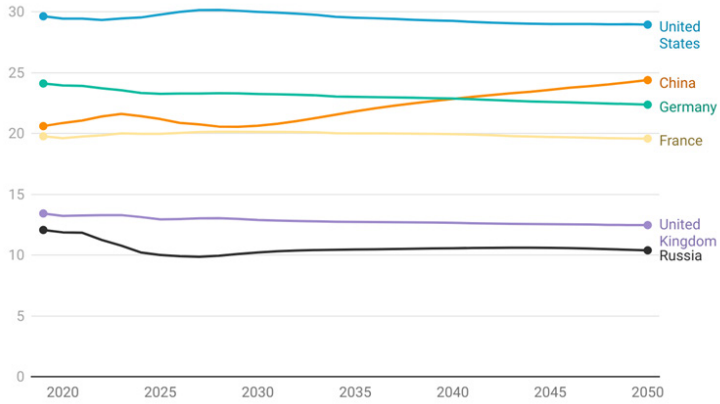
More immediately, across all scenarios it appears that China's "no limits" friendship with Russia will become increasingly asymmetric.[37] As a direct result of its invasion and related geopolitical shocks since, Russia is, even in the best-case scenario, forecast to lose more than one-tenth of the influence capacity that it would have otherwise had over the coming five years and beyond. Russia's deep structural ties with Belarus, the Caucasus (excluding Georgia), and much of Central Asia, along with the reality that influence (as operationalized in this report) has a shelf life, gird against further losses. These dynamics are discussed further below. Summarized briefly, arms transfers often provide unique weapon systems that other forces may rely upon for decades. And it can take many years to realign supply chains and resultant trade dependencies. While aid, diplomatic ties, and other tools of geopolitical influence may be shifted more quickly, national memories are long.[38]

SUM OF FBIC WORLDWIDE, BY SCENARIO

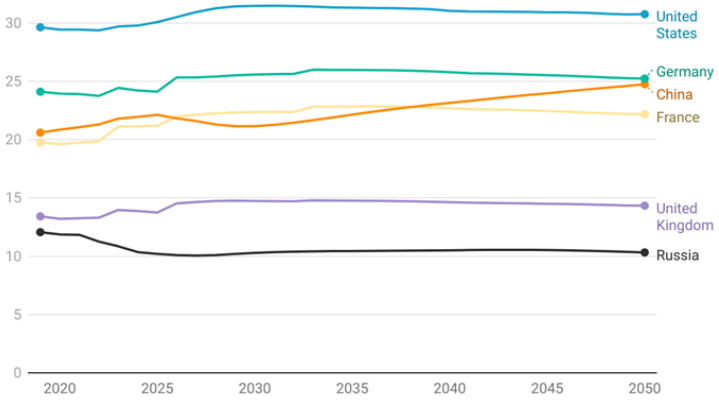
Great Power Coopetition



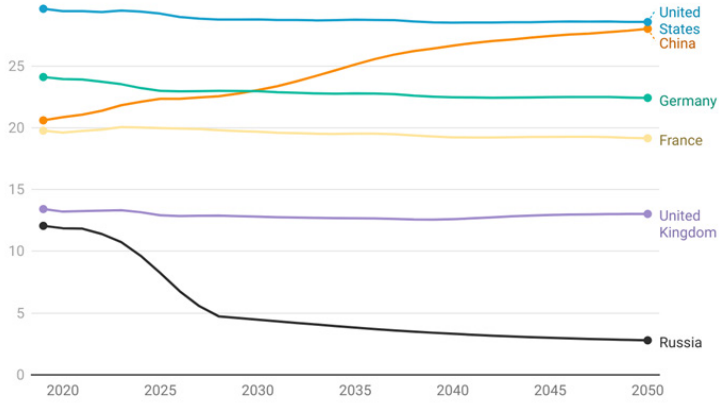
The Doldrums



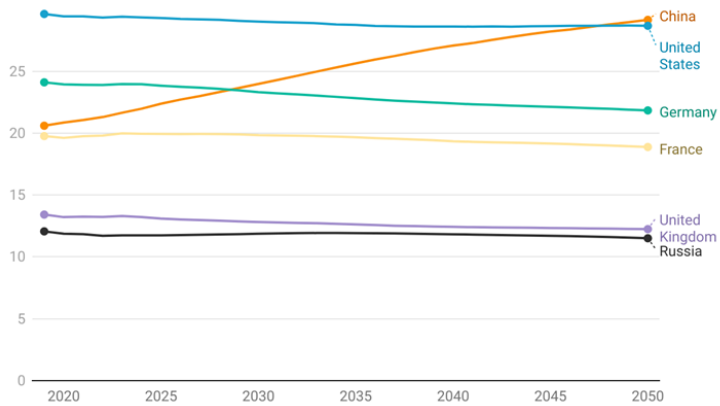
Western Resurgence



Pariah State



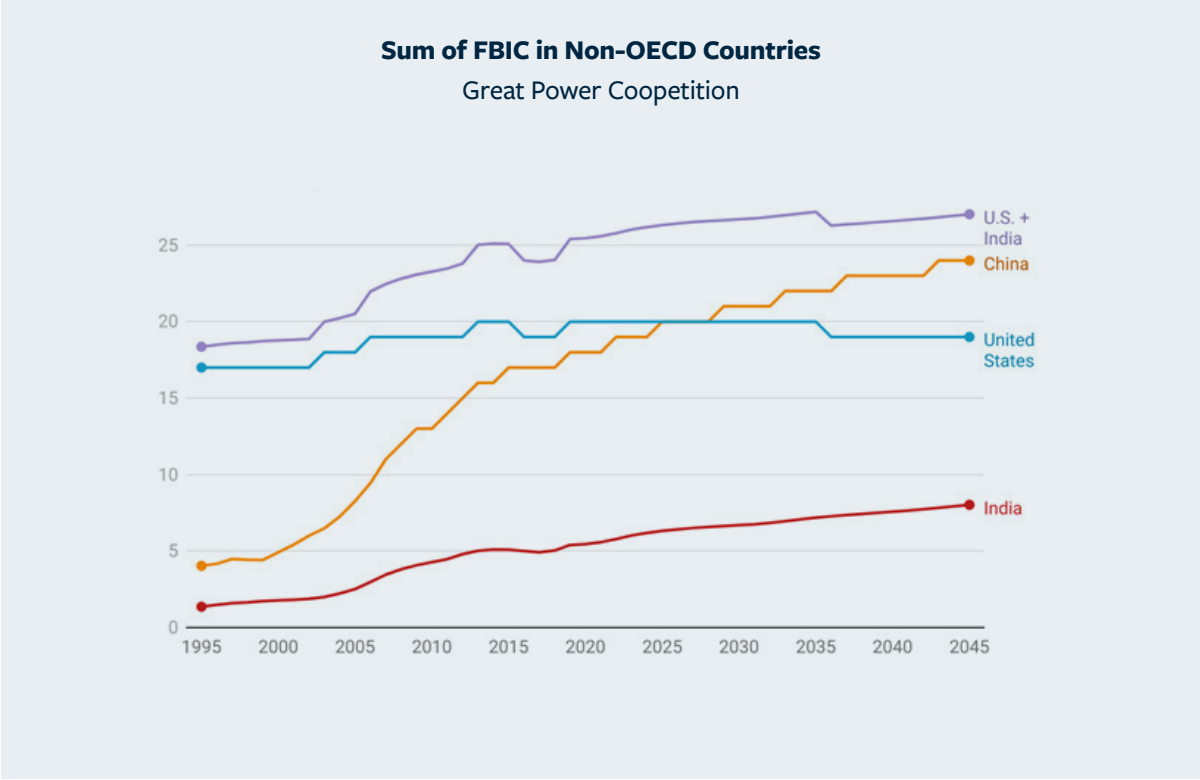
No War



All graphs created with Datawrapper

Russia's losses primarily translate into relative Western gains, particularly for the U.S. but for the United Kingdom as well, provided the latter stays the course of support for Ukraine first provided by Prime Minister Boris Johnson and, in the long run, returns to the European fold.[39] These Western gains are the result of substantially increased aid and arms transfers relative to what would have been in a *No War* world. Outside of Ukraine, other countries where the U.S. is expected to make notable gains in potential influence capacity include the Baltic States, Poland, and Finland, along with Sweden, assuming its accession to NATO is approved. Meanwhile, the U.S. is expected to see very minor losses in influence capacity in the United Kingdom and Germany due to diverted arms transfers.

Within the permanent five members of the United Nations Security Council plus Germany (P5+1), the difference across scenarios is more muted for France and Germany. Only in a *Western Resurgence* do they avoid long-term declines in geopolitical influence, largely through trade agreements made by an expanding European Union.



As its European partners' influence in the Global South wanes, the U.S. may need to rely on countries outside of the transatlantic partnership to help shape the international political agenda. Chief among the list of candidate partners is India. While the U.S. continues to hold a narrow lead in influence capacity among non-OECD member

countries, it will soon be eclipsed by China in a *Great Power Coopetition* world. While China's influence portfolio is multifaceted, its rise as modeled in this report is primarily a product of its enormous capacity for trade. However, a US-India partnership would be expected to outpace China through 2045 due primarily to India's increasing role in global trade networks.

The larger question is whether India would be interested in a closer partnership with the U.S. India's history of conflict with China and its membership in the Quadrilateral Security Dialogue, or "Quad," with the U.S., Japan, and Australia suggest yes. On the other hand, India's history of non-alignment and pursuit of strategic autonomy suggest that, if India does continue to build strong ties with the U.S., it will be on India's own terms, which will at times be at odds with U.S. interests.[40]

East and Southeast Asia

While global sums of influence capacity provide a general indicator of the relative gains and losses of geopolitical influence among major powers, regional balances are more salient for the day-to-day practice of international relations and the foreign policy of governments. Although a US-led order certainly affects the interests of Southeast Asian nations, for example, an overwhelming share of respondents in a recent survey from the ASEAN Studies Centre at the ISEAS-Yusof Ishak Institute named China as the most important economic, political, and strategic power in the region.[41] With these dynamics in mind, how have regional alignments of influence shifted in the wake of Putin's war? For brevity, we highlight the regions with the most substantial shifts across scenarios, beginning with East and Southeast Asia.

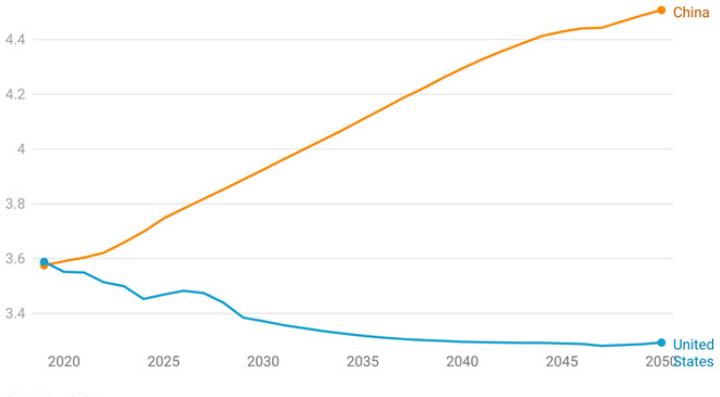
Despite a persistent loss of strategic ground relative to China in East and Southeast Asia, broadly speaking, the U.S. appears to have two paths toward recovering some of its influence in the region. These are worlds where the U.S. simply loses less than others (*The Doldrums*), or one where the Western model of democratic governance and a mix of market-based economic competition and cooperation prevails (*Western Resurgence*). Yet even in the latter case, China appears poised to remain in or reclaim its position as the dominant influencer in the region by 2045. This suggests that difficult-to-negotiate economic, military basing, and other agreements would best be addressed now, with U.S. negotiators keeping in mind that time does not appear to be on their side.

Russia's already minimal influence in the region is expected to decline further, particularly given that it will likely have difficulty maintaining its substantial arms transfers to Vietnam and lesser but still meaningful arms transfers to Indonesia, even in a best-case scenario. We expect that the U.S. will be able to fill some of this gap.[42]

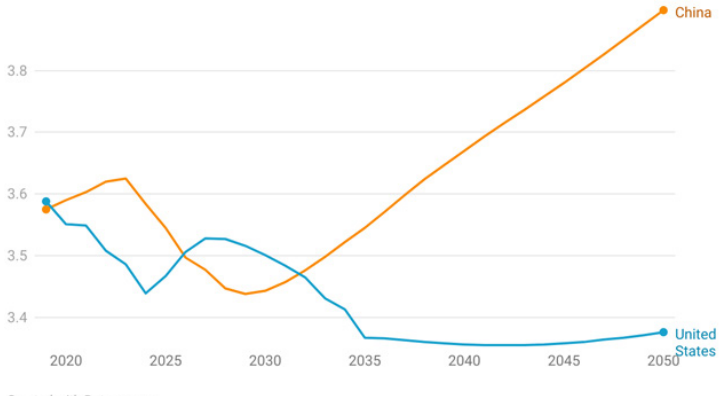
Interestingly, Germany is expected to lose up to 5% of its influence capacity in East and Southeast Asia as a result of the geopolitical shocks generated by Putin's war, only seeing

SUM OF FBIC IN EAST AND SOUTHEAST ASIA, BY SCENARIO

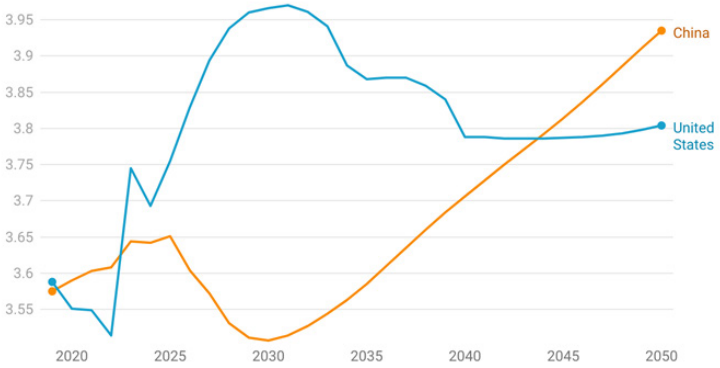
Great Power Coopetition



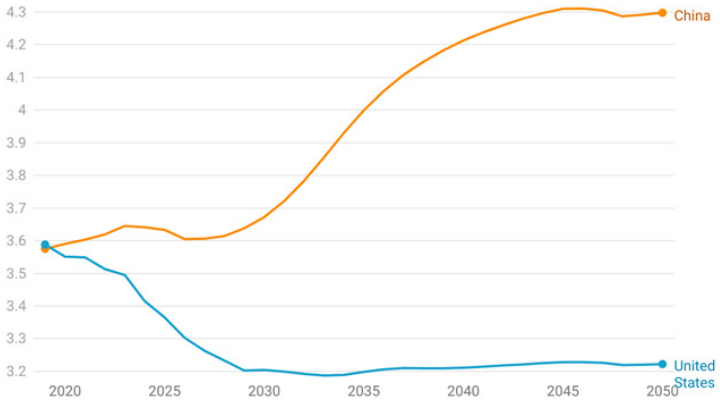
The Doldrums



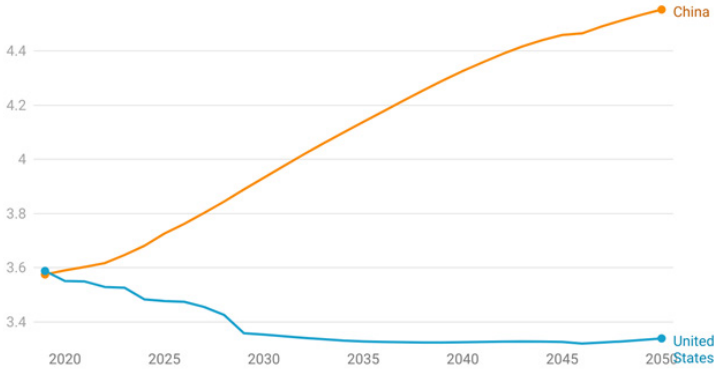
Western Resurgence



Pariah State



No War



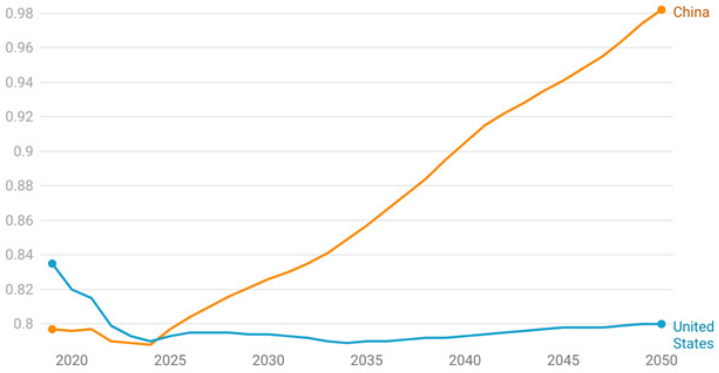
All graphs created with Datawrapper

gains if a *Western Resurgence* scenario manifests and Germany's overall capacity for trade, aid, and arms transfers is much higher than currently expected. In the near term, this projected loss of German influence capacity is largely a product of a fair share of German aid and arms being redirected to Ukraine. Yet it is also part of a broader global reduction in German influence capacity over the long term, which in turn is a product of the several percentage-point hit to economic growth forecasts seen by the German economy since the start of the war—an economic blow that will be difficult to recover from in the absence of inexpensive Russian oil.

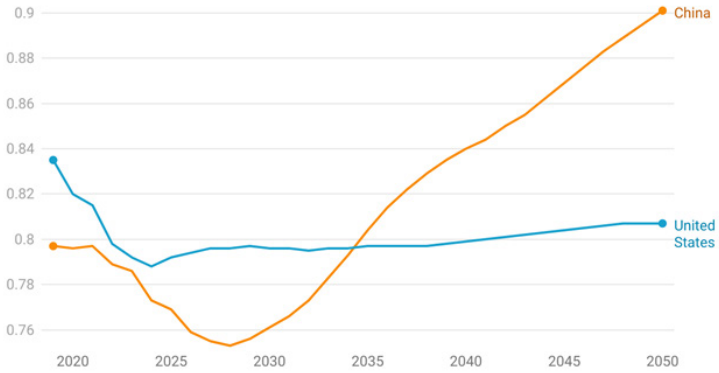
Similar regional dynamics across scenarios are seen in Oceania with regard to the US-China balance. The next five to ten years appear likely to be the most advantageous for U.S. policymakers, whereafter China's influence capacity in Oceania is forecast to be dominant. On this point, many Pacific Island leaders recognize that U.S. policymakers already fear losing strategic ground to China.[43]

SUM OF FBIC IN OCEANIA, BY SCENARIO

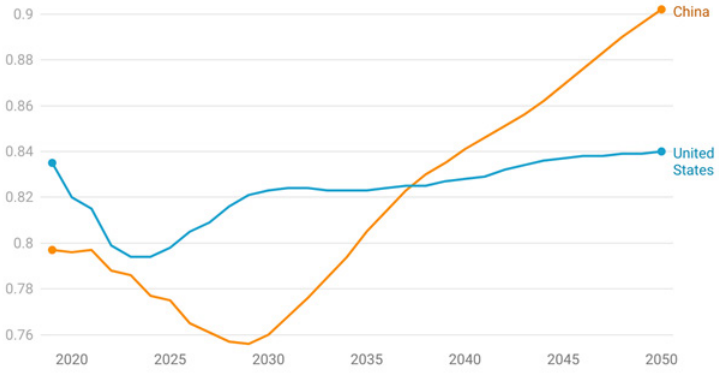
Great Power Coopetition



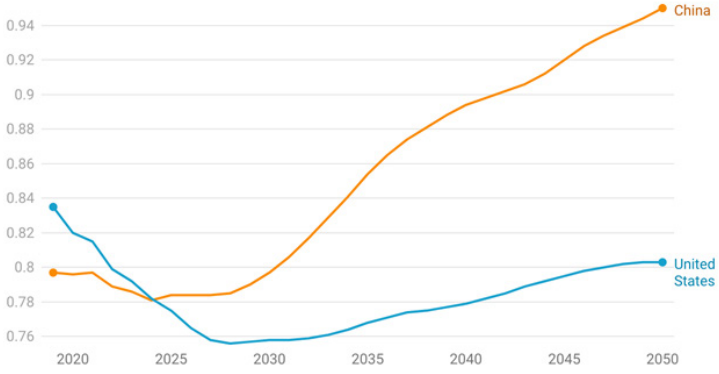
The Doldrums



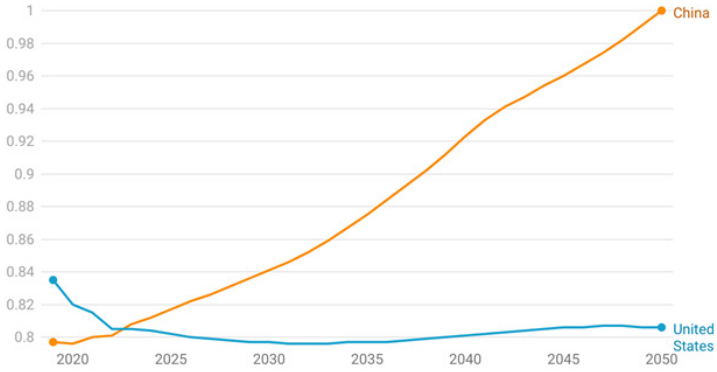
Western Resurgence



Pariah State



No War



All graphs created with Datawrapper

Central Asia

In Central Asia, although Russia's prospects have undoubtedly dimmed, our forecasts suggest that the likelihood of China soon dominating the region may be overstated. Across most scenarios, we forecast that Russia will lose roughly one-tenth of its influence capacity in the region relative to a world where Putin opted against a full-scale invasion of Ukraine. This loss would be greater were it not for Russia's deeply entrenched relationships with many of its Central Asian neighbors—relationships for which energy trade arguably acts as the glue.

Additionally, China's recent economic stumbles appear to have offset potential gains that would have otherwise been made at Russia's expense. Only in a *Pariah State* scenario does Chinese influence capacity in Central Asia surpass that of Russia before the year 2045.

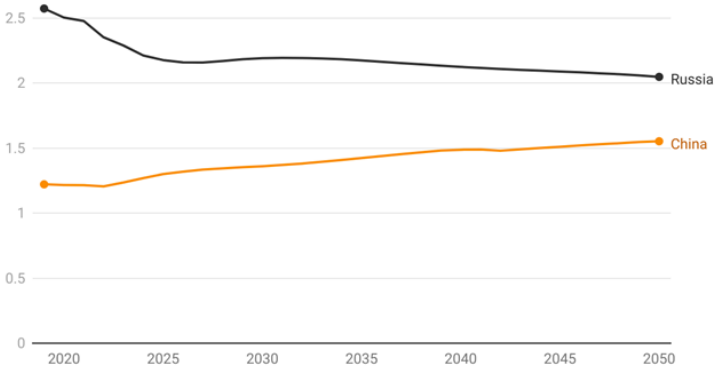
This stems from Russia's deep structural (and, in some cases, literal) ties with Kazakhstan and Kyrgyzstan. All three share broad-gauge railway lines common among former Soviet Union countries, which differ from China's standard-gauge system and substantially complicate rail transit between Central Asia and China.[44] Russia is also connected to Central Asia by substantial oil pipeline infrastructure, with the ability to halt flows through the Caspian Pipeline Consortium, for example, and thus deny the government in Astana as much as 40% of its annual revenue.[45]

The successful buildup of a "Middle Corridor" could defy these forecasts, with Central Asia serving as a connection point between European and Chinese markets that bypasses Russia.[46] However, with transit costs that are nearly double that of the "Northern Corridor" through Russia and a fraction of the total transit capacity (as little as 3% to 8% of that presently available via Russian railways), the Middle Corridor would require substantial long-term investment before it would threaten Russia's influence capacity in the region.[47]

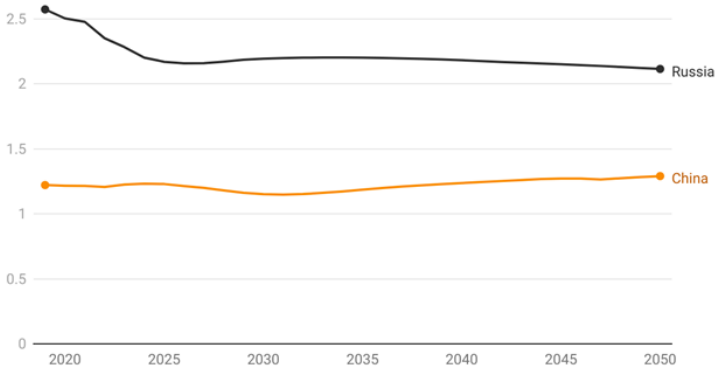
Meanwhile, elite-level connections between Russian and Central Asian political leaders remain substantial, if strained.[48] Among other factors, including the specter of weaponized economic interdependence, the "coup-proofing" potential of the Collective Security Treaty Organization, which in January 2022 helped prop up President of Kazakhstan Kassym-Jomart Toakyev amid domestic unrest, may also prove to be worth Central Asian leaders' while despite popular and international pressures to abandon Putin's Russia.[49] Only in a *Pariah State* scenario might Central Asian leaders be forced to cut these ties.

SUM OF FBIC IN CENTRAL ASIA, BY SCENARIO

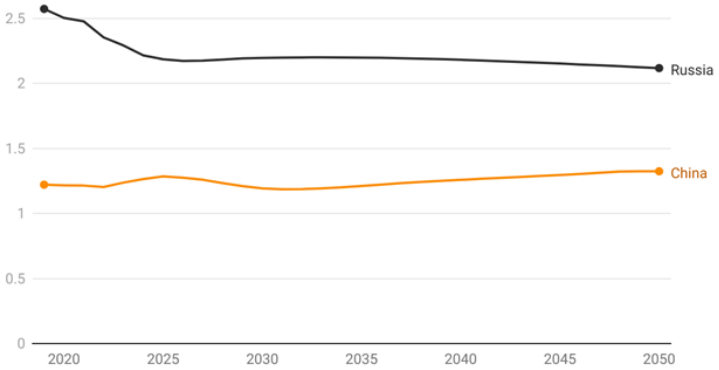
Great Power Coopetition



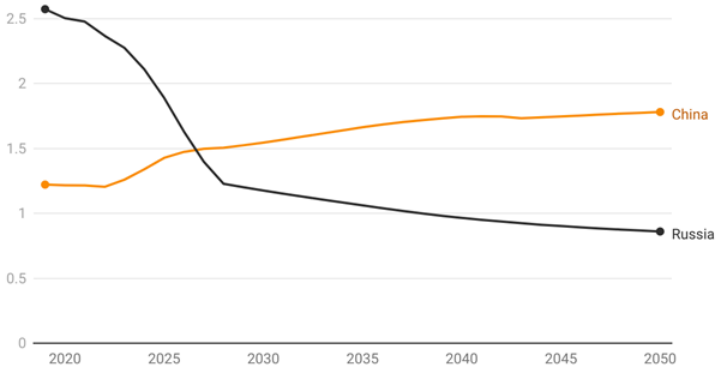
The Doldrums



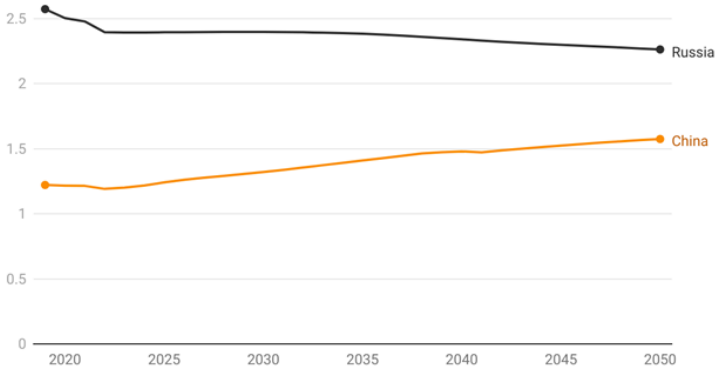
Western Resurgence



Pariah State



No War

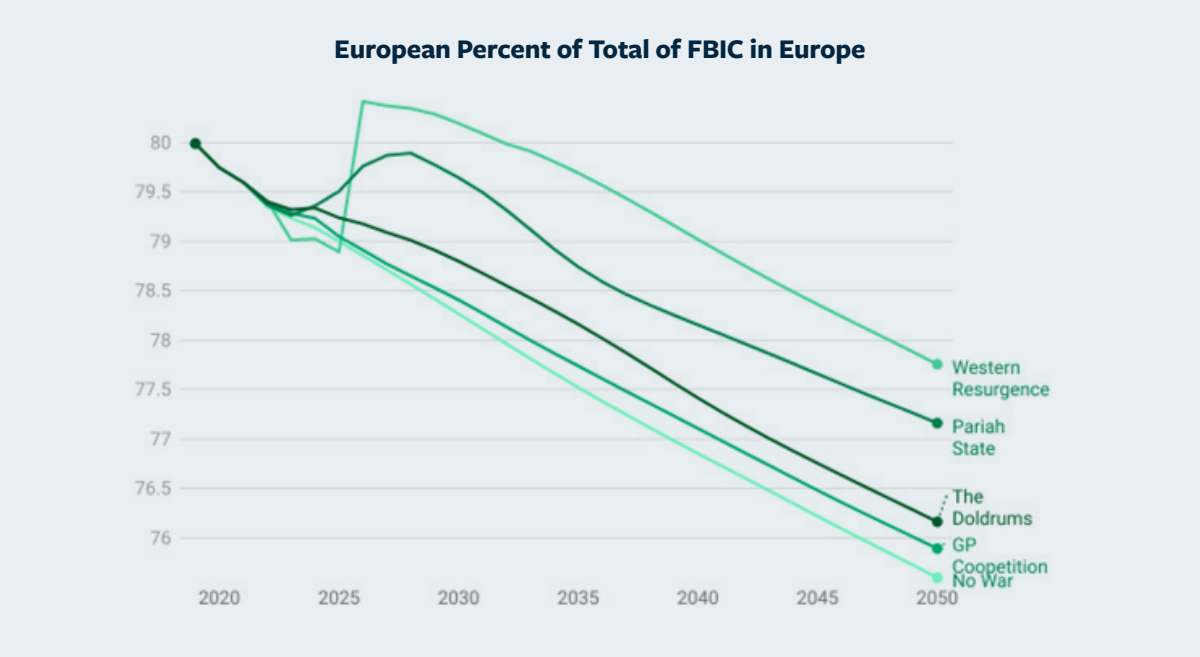


All graphs created with Datawrapper

Europe

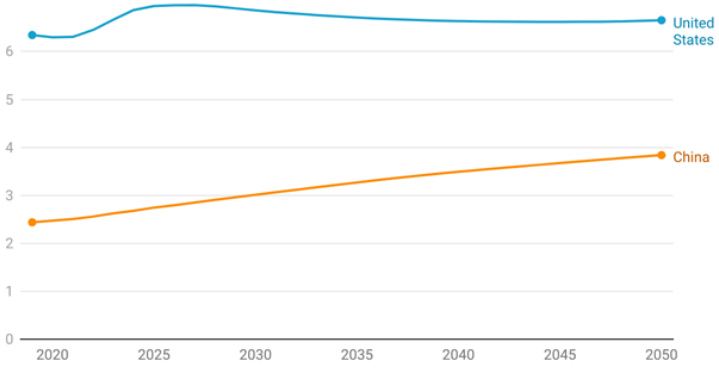
With U.S. and intra-European influence capacity in Europe holding steady along all paths and increasing substantially in the event of a *Western Resurgence* scenario, Russia's invasion appears to have created dynamics that will continue to promote both a more independent Europe and one where the U.S. remains deeply involved on the continent. Hence, Putin has failed in multiple ways: first in failing to topple Ukraine's leadership, second in failing to sow political division across Europe, and third in encouraging rather than discouraging U.S. political, economic, and strategic engagement on the continent. Deeper European integration also imposes strategic costs on Putin's partners in Beijing, where, despite absolute gains, China's growth in influence in Europe will now be slower than it was otherwise expected to be along a *No War* path.

Interestingly, not only is influence expected to be more consolidated within Europe relative to a *No War* scenario, it is also expected to diffuse across Europe. In other words, each scenario results in a world where Europe is more focused on Europe. This comes partly as a result of the rising influence capacity of non-traditional regional powers, such as Poland. In Ukraine in particular, "Poland's rise … has resulted from the vacuum left by Russia since the start of its war with Ukraine in 2014. As Russo-Ukrainian bilateral goods trade in particular plummeted, Poland has stepped in to partially fill the gap."[50] Across the rest of Europe, Poland's trade bandwidth is expected to continue pre-war trends of expansion along with growth in its global diplomatic presence, albeit on a smaller scale.

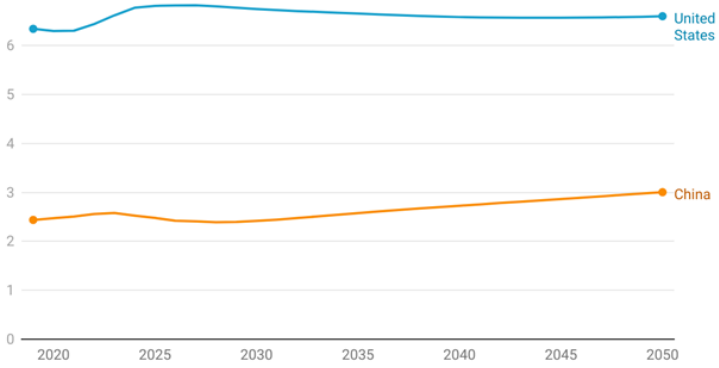


SUM OF FBIC IN EUROPE, BY SCENARIO

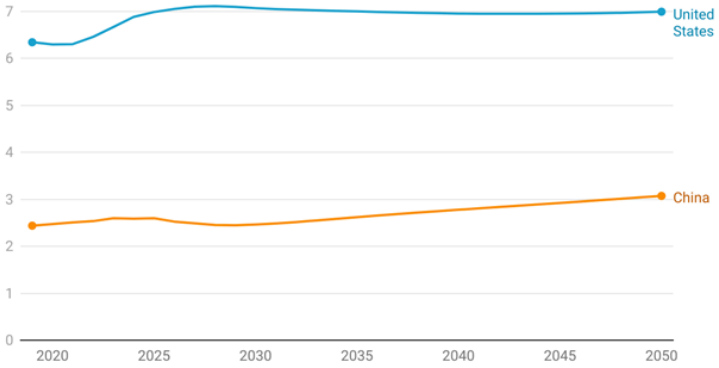
Great Power Coopetition



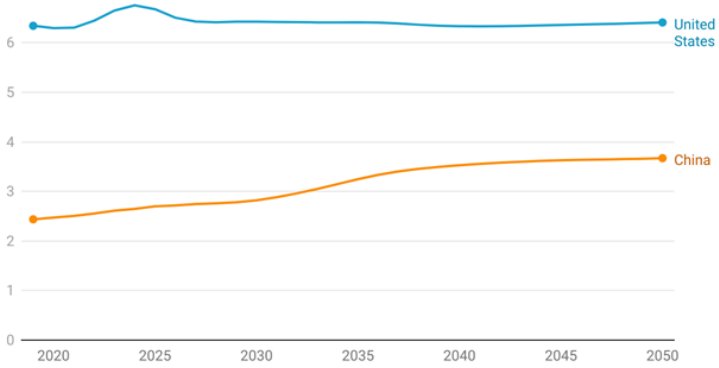
The Doldrums



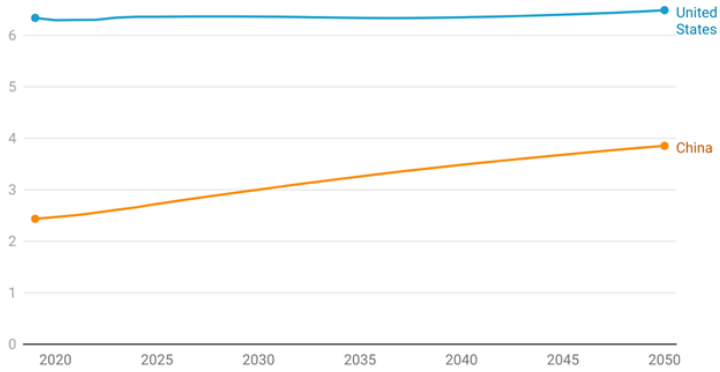
Western Resurgence



Pariah State



No War



All graphs created with Datawrapper

Yet, we expect that Europe's consolidation will come at the cost of reduced European influence outside the continent. In the logic of the FBIC Index, countries—or groups of countries—have a certain amount of bandwidth for economic, political, and diplomatic interactions with the rest of the world. This bandwidth can grow if underlying conditions allow, such as substantial economic growth, but at a given point in time the amount of bandwidth available is fixed. If bandwidth is redistributed toward a country or set of countries, such as European Union members, it must be redistributed away from another country or set of countries, such as African Union members. If there is growth in a country's or set of countries' bandwidth over time, this growth must outpace that of others to increase relative influence capacity.

Aside from Europe and North America, the sum of European Union member countries' influence capacity abroad is expected to be as much as 5% lower than projected on a *No War* path unless a *Western Resurgence* occurs. While this may seem like a small value, in absolute terms it would be equivalent to Russia losing the entirety of its influence capacity in Belarus (an FBIC Index value of roughly 1). For Europe to escape this fate, its policymakers would need to expand their trade, aid, and arms portfolios at a faster rate than China—a tall order for a region with a shrinking population comprised of economies that are slated to grow slower than much of the rest of the world.

Unsurprisingly, Russian influence capacity in Ukraine, which already reduced drastically in the wake of its seizure of Crimea and invasion of the Donbas in 2014, is expected to see further substantial long-term declines in the wake of its full-scale 2022 invasion. At the same time, a perhaps underappreciated effect is that Russia's strategic partner China is also expected to see substantial losses in influence capacity in Ukraine relative to a *No War* path in all scenarios presented here. Until recently, China was on track to become the top influencer in Ukraine by 2045 thanks to increased trade, purchases of arms, and other deepening ties. Instead, Germany, Poland, and the U.S. are now expected to outpace China through this time horizon. This is built on the assumption that, while Chinese companies could possibly play a substantial role in the reconstruction of Ukraine, any support falling short of the requirements to qualify as official development assistance would not develop the same influence capacity that Western grant-based aid and arms transfers are expected to build.[51]

Sub-Saharan Africa

Aside from Russia's decline, which is common to every region in the world, the most important shift in influence dynamics in sub-Saharan Africa is likely to play out over roughly the next five to ten years. In this time, we expect that a substantial portion of U.S. aid that likely would have been targeted to the region in a *No War* world will now be redirected to support Ukraine's resistance and recovery efforts.

This loss is China's gain, as China will likely be able to fill voids left by the U.S. and Europe in the region. Combined with even more substantial relative reductions in influence for Germany, these results suggest that the competition for influence in sub-Saharan Africa could, at least in the short term, tip against the West's favor. Over the long term, it appears that even amid a *Western Resurgence* the West will only be able to compete with China in the region if the U.S. and European partners develop a coordinated aid strategy and develop substantial trade agreements with the region.

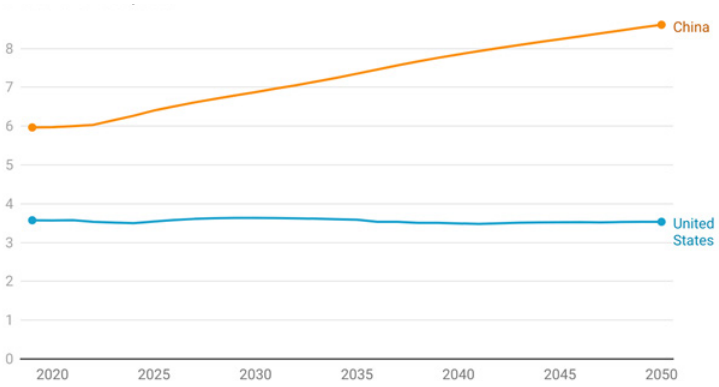
Russian military assistance can be expected to continue to play a role on the African continent, albeit in a potentially diminished state for the next several years as it seeks to recover from military and Wagner Group losses in Ukraine.[52] The scenarios presented here result in modest increases in Russian arms transfers in sub-Saharan Africa in the coming years, but a modest decline is also plausible. More immediately, Russian influence capacity in sub-Saharan Africa appears to have been bolstered by its oil exports, although its economic-based influence pales in comparison to that of China and the U.S. in the region.[53]

Any shift in short-term influence dynamics in the region could have substantial long-term ramifications, not least because many young Africans alive today will comprise a notable share of the roughly two billion Africans in 2045, who will amount to a quarter of the world's population at that time.[54] More immediately, African leaders appear to be deeply divided as to their stances on Russia's invasion of Ukraine, with many preferring to stay neutral.[55]

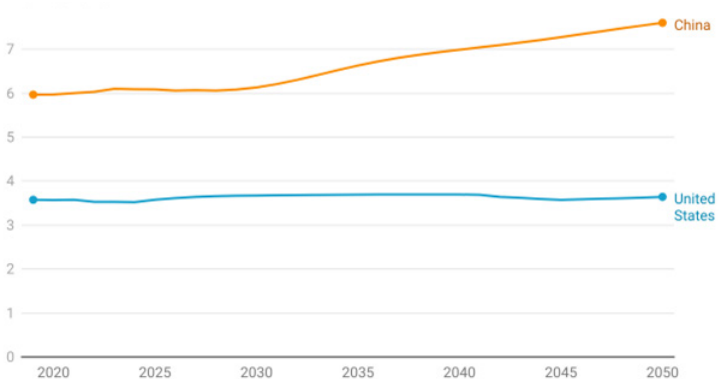
The U.S. and its Western partners have failed to lead public opinion in the Global South with respect to Russia's full-scale invasion of Ukraine. If such a situation persists, it would have the potential to deal a fatal blow to any notion of democracies uniting to resist autocracy, and would suggest that perhaps we have indeed seen the end of the liberal international order. We evaluate prospects for the international order's structure next, examining influence networks and resultant spheres of influence.

SUM OF FBIC IN SUB-SAHARAN AFRICA, BY SCENARIO

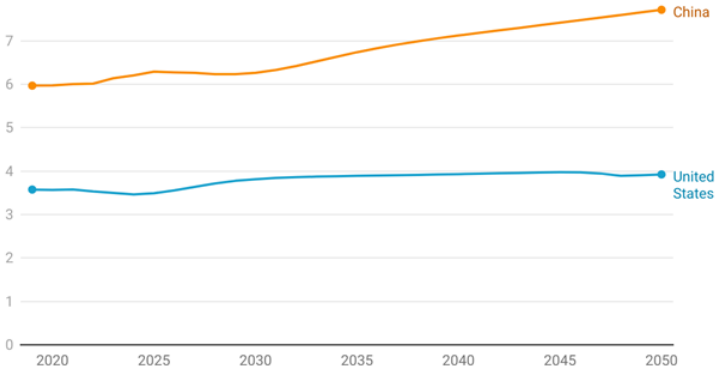
Great Power Coopetition



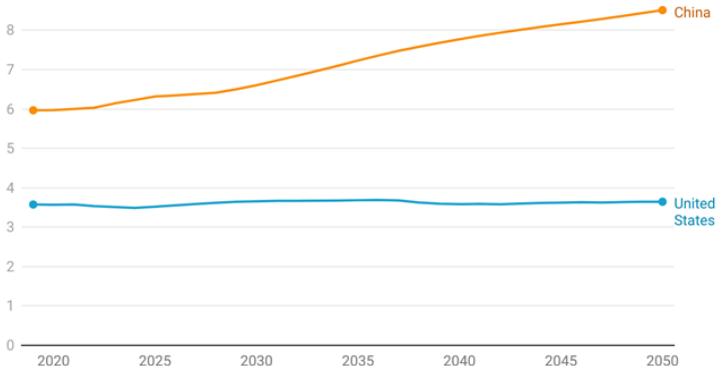
The Doldrums



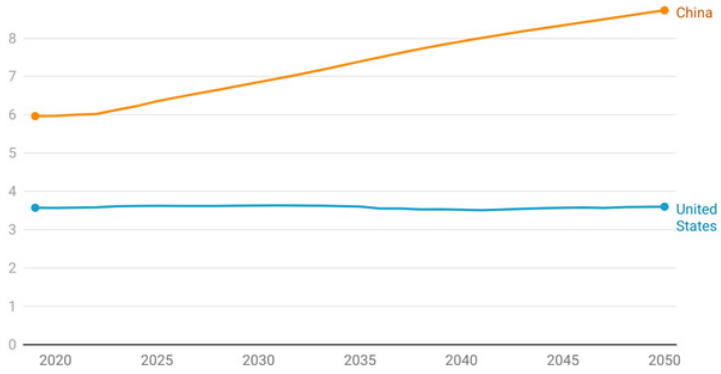
Western Resurgence



Pariah State



No War



All graphs created with Datawrapper

ALTUN SHAN
QILIAN SHAN
Qinghai Hu
Xining
Zhangye
Yinchuan
Taiyuan
Lanzhou
Paoki
Xi'an
Shiyan
Huang He
Chengdu
Wanxian
KUNLUN
SHAN
Hochland von Tibet
Himalaya
NEPAL
Kathmandu
Moradabad
Bareilly
Agra
Lucknow

Spheres of Influence

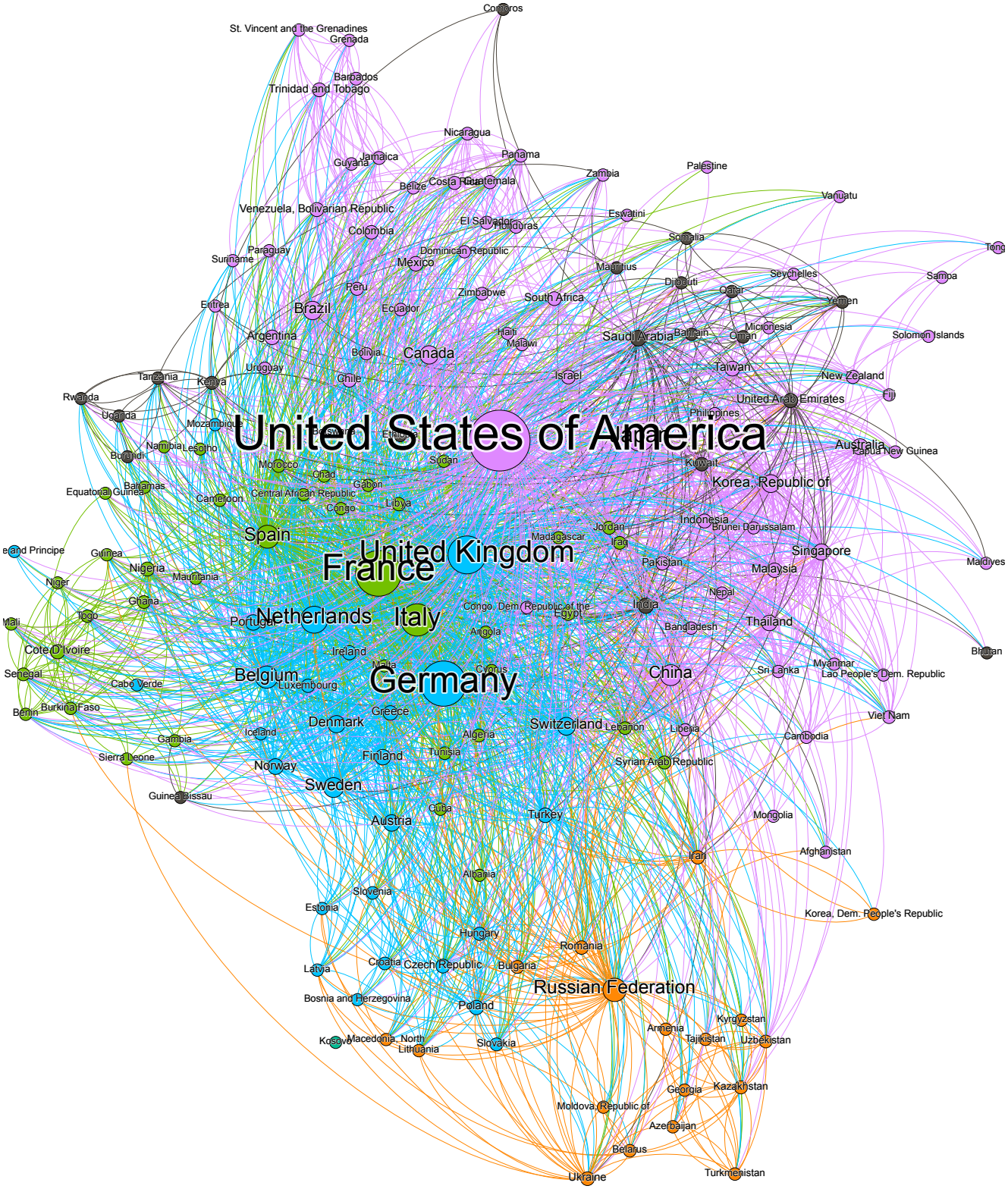
The combination of economic, political, and security-related interactions between and across countries can be depicted as networks and thought of collectively as generating spheres of influence—or groups of countries with similar inward and outward influence profiles, often where one country possesses outsized importance compared to others.[56] In the graphs that follow, countries are represented by "nodes" and connected by "edges" between them. Node sizes are determined by each country's global sum of influence capacity in that year, and edges are scaled to the size and colored by the source of influence capacity from one country in another.

The layouts of the networks represent a balance of all countries' total outward and inward influence pressures against all others (controlling for physical distance) and place countries with similar pressures in that year next to one another. Meanwhile, countries with similar geopolitical circumstances, such as those with fates affected most by the U.S. or China or perhaps a collection of European or other countries, share the same color. In other words, the color of each node provides a heuristic assessment of the sphere of influence in which each country belongs.

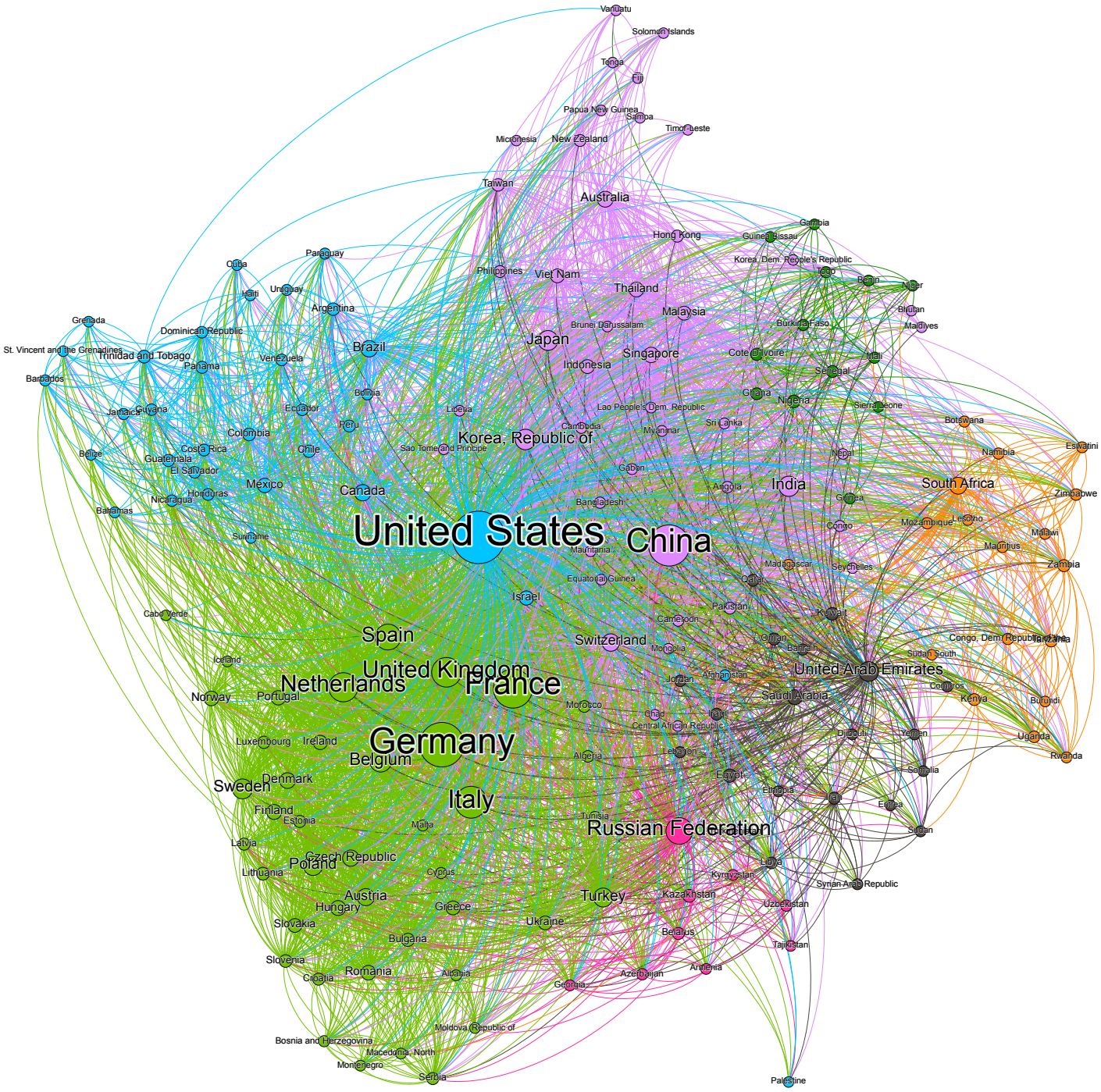
Yet, it is important to note that a country's existence in one or another country's general sphere of influence—or, in an increasingly multipolar world, within another country's sub-international order—does not necessarily mean that their leaders would prefer to be there. In other words, it is not a measure of affinity. Rather, it highlights the country or countries whose interests, and the views of their leaders, matter most for their present geopolitical situation. Returning to the recent ISEAS survey of academic, business, civil society, and government leaders in ASEAN member countries, nearly half of respondents expressed concerns about Chinese dominance, which has worsened their impression of China and fomented resentment of China's "strong-arm" tactics in the region. This is despite, or perhaps because of, the majority's recognition that China is presently the most influential country in the region.

Before considering our forecasts of spheres of influence, it is important to consider the recent and present state of the international system. Depicted first is 1995, arguably the height of America's unipolar moment. Here we see a relatively dominant U.S. sphere of influence. A not-yet-fully-consolidated Europe accounts for the next largest spheres, followed by a Russian sphere in parts of Eastern Europe and Central Asia, and a "non-aligned" sphere that includes the Middle East, India, and parts of East Africa.

HISTORICAL INFLUENCE: 1995



HISTORICAL INFLUENCE: 2022 (EST.)



By 2022, China rose to bring much of East, Southeast, and South Asia into its own sphere of influence. The U.S. remained central to global influence networks, including retention of a "Monroe Doctrine" sphere for itself despite the notable loss of Indo-Pacific partners. Meanwhile, most of Europe consolidated into a single sphere, Russia continued its notable decline due to both pre-full-scale invasion and post-invasion forces, and Western and Central-Southern African spheres of influence emerged.

In a *Great Power Coopetition* scenario, we see China begin to halt recent trends of geopolitical regionalization, with the Middle East and much of Africa becoming absorbed into China's sphere by 2045. Meanwhile, the U.S. brings several key Oceanic partners back into its sphere, even if other, arguably more crucial partners in the Indo-Pacific, such as Japan, continue to see China as the dominant force with which their leaders must reckon. In this scenario, the U.S. sphere of influence comprises 40 countries and roughly 28% of global GDP in 2045.

See "Great Power Coopetition: 2045" on page 44

With *The Doldrums*, much remains the same, although China's growth in influence capacity is significantly stymied. Although the U.S. sees few gains in absolute terms, it gains vis-à-vis China in a relative sense. That is, Americans and Western European allies lose less than Beijing. In this scenario, the U.S. sphere of influence comprises 41 countries and roughly 30% of global GDP in 2045.

Other subtle shifts appear to occur on the African continent, where, in *The Doldrums* scenario, several East African countries remain in a joint sphere of influence with several Southern African countries but sit much farther apart in the network. This suggests that the global balance of inward and outward influence pressures is much different in this scenario, with East African countries facing a geopolitical situation more similar to the Middle East than in other scenarios. In other words, what might be called East African countries' "influence profiles"—the balance of influence sent to and received by all other countries on a bilateral level, plus the balances for their geographic neighbors—are very similar in this scenario to the "influence profiles" of Middle Eastern countries. At the risk of oversimplification, East African and Middle Eastern leaders' ranked assessments of "who matters" and by "how much" for their respective geopolitical fates would be expected to match more closely in this scenario than in others.

See "The Doldrums: 2045" on page 45

In the event of a *Western Resurgence*, the U.S. sphere of influence grows considerably relative to the current path, comprising 81 countries and roughly 67% of global GDP in 2045. This means retaining India, Japan, South Korea, and Australia, and even adding China to the U.S. sphere (making this scenario similar to the circumstances at the turn of the millennium and a realization of the hopes of analysts and policymakers who "got China wrong").[57] This situation manifests through expanded U.S. diplomatic, trade, and alliance networks. Rather than seeking to decouple from China, in this scenario U.S. policymakers would have

embraced American interdependence with Chinese markets, provided the latter opted for non-protectionist trade and investment practices—an outcome made more likely by the U.S.'s networked influence and ability to collectively encourage Chinese policymakers and businesses to act in good faith.[58]

In this scenario, Europe's sphere of influence broadens as well, as does Russia's, which leverages increasing energy trade tries with sub-Saharan Africa as Russia gradually transitions back into the fold of the liberal international order. Perhaps counterintuitively, then, a *Western Resurgence* is Russia's best hope for a revival of its former status as a notable geopolitical influencer using non-subversive or overtly conflictual means.

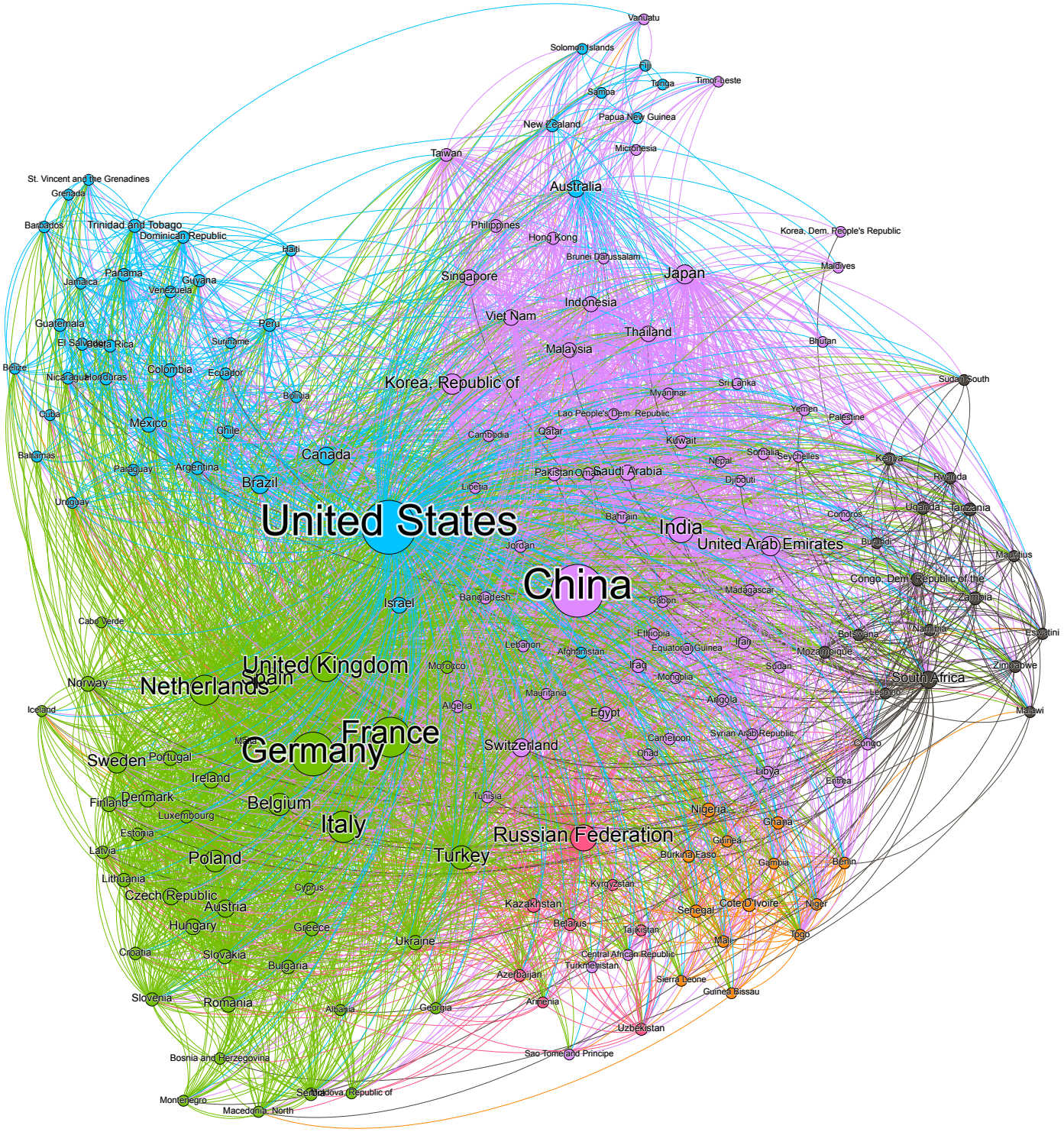
See "Western Resurgence: 2045" on page 46

Unsurprisingly, if Russian actions lead to a global *Pariah State* status, we expect it will be forced to the periphery of the international system, possessing a minimal amount of global influence. More surprisingly is that Russia remains outside China's sphere of influence despite dramatic scenario interventions. This is not to say that a Sino-Soviet Split redux is likely. But it does highlight the uniqueness of Russia's geopolitical situation and suggests that its recent strategic partnership with China should not be overemphasized.

The factors that provide for a separate Russian sphere of influence are many. For one, Russia maintains strong economic and security interests in retaining its predominance in Central Asia. At the same time, Chinese policymakers have in recent years increasingly acted upon a perceived desire to shore up what they deem to be insecure regions bordering Central Asia—a goal that can be achieved with enhanced Chinese power and influence in the region.[59] Another factor is that China's rise has depended upon an opening to, and increased interconnectedness with, the world. While content to deepen its strategic relationship with Russia, the maintenance of some distance allows for China and its trade and investment partners to avoid U.S. and Western diplomatic and economic pressure associated with revanchist Russian actions.

More specifically, in the FBIC Index forecasts presented here, the separate Russian and Chinese spheres of influence are a product of a contrasting set of ties for Russia and China. Here, Russia maintains its geopolitical influence using a narrow set of instruments—namely energy trade, and in some regions, security assistance—with a relatively narrow set of partners (in terms of high-bandwidth relationships). In contrast, China uses a broad-spectrum approach that leverages a broad set of economic and diplomatic instruments (with the potential to substantially increase its capacity for arms transfers) at a high level of bandwidth with nearly all potential partner countries.[60] Thus, the balance of geopolitical influence exerted by and on Russia and China, as well as their specific bilateral relationships and most pressing foreign policy issues at any given time, will often be very different.

See "Pariah State: 2045" on page 47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Sierra Leone
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Guinea-Bissau
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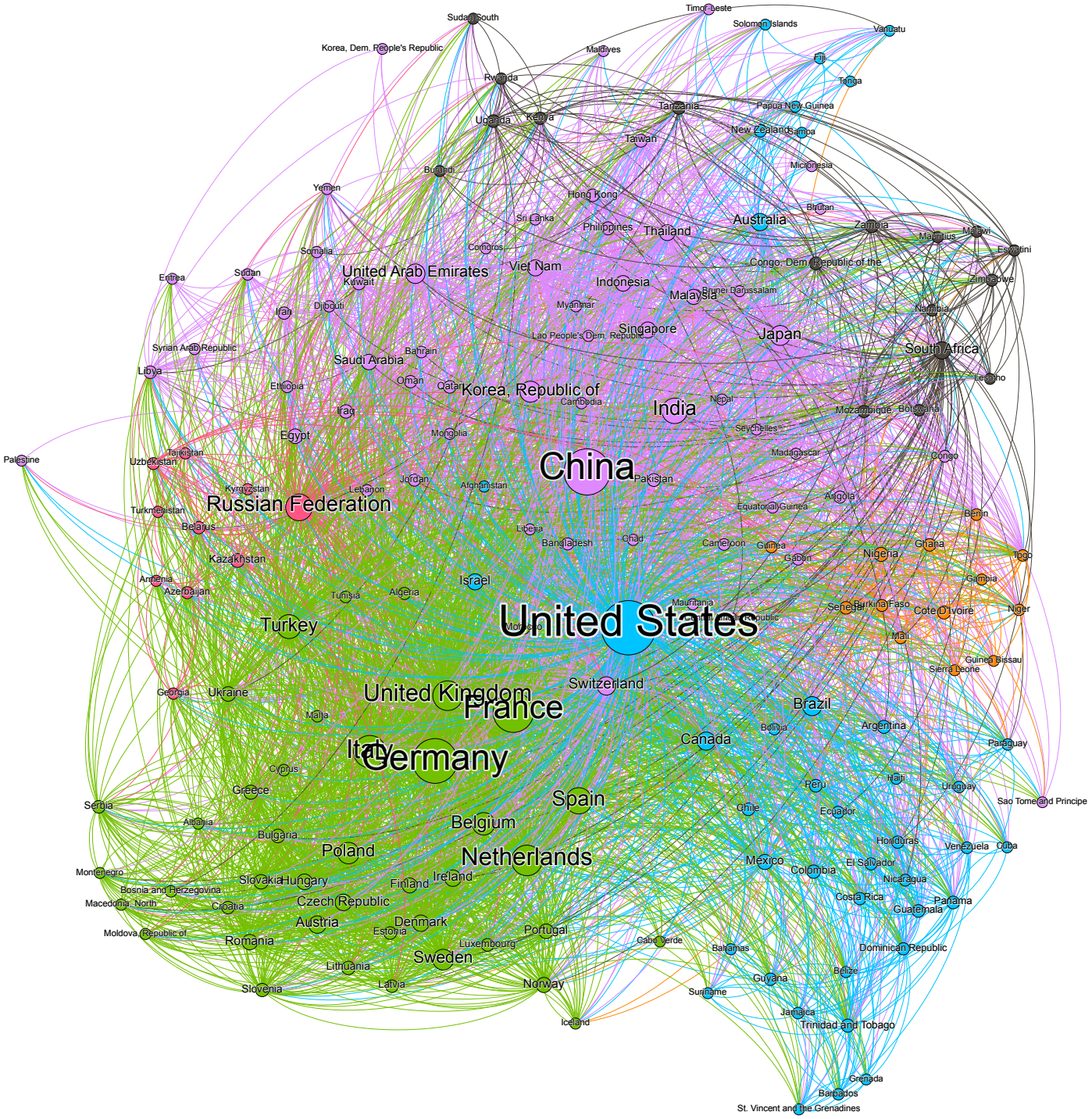
Montenegro
Moldova, Republic of
Macedonia, North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Myanmar
Bangladesh
Nepal
Sri Lanka
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Djibouti
Comoros
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Lao People's Dem. Republic
Brunei Darussalam
Micronesia
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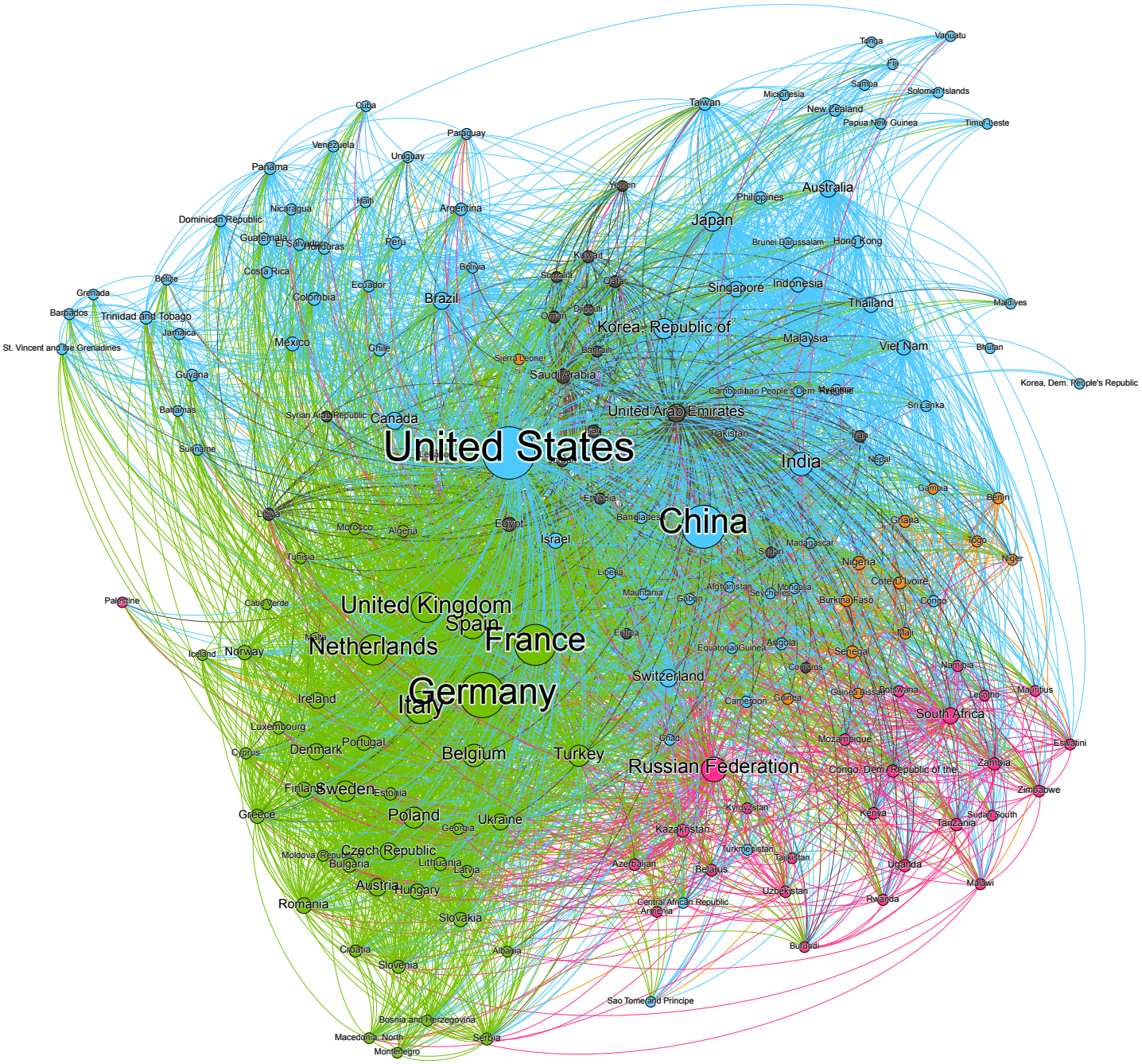
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Lithuania
Latvia
Estonia
Belarus
Moldova
Georgia
Armenia
Azerbaijan
Kazakhstan
Turkmenistan
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Sri Lanka
Nepal
Pakistan
Iran
United Arab Emirates
Saudi Arabia
Qatar
Kuwait
Bahrain
Oman
Yemen
Iraq
Syrian Arab Republic
Lebanon
Israel
Jordan
Egypt
Libya
Morocco
Algeria
Tunisia
Ethiopia
Somalia
Sudan
Eritrea
Djibouti
Mauritania
Afghanistan
Chad
Niger
Nigeria
Ghana
Togo
Benin
Gambia
Cote D'Ivoire
Burkina Faso
Mali
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Guinea-Bissau
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Equatorial Guinea
Cameroon
Gabon
Congo
Congo, Dem. Republic of the
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Central African Republic
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Comoros
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Liberia
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Micronesia
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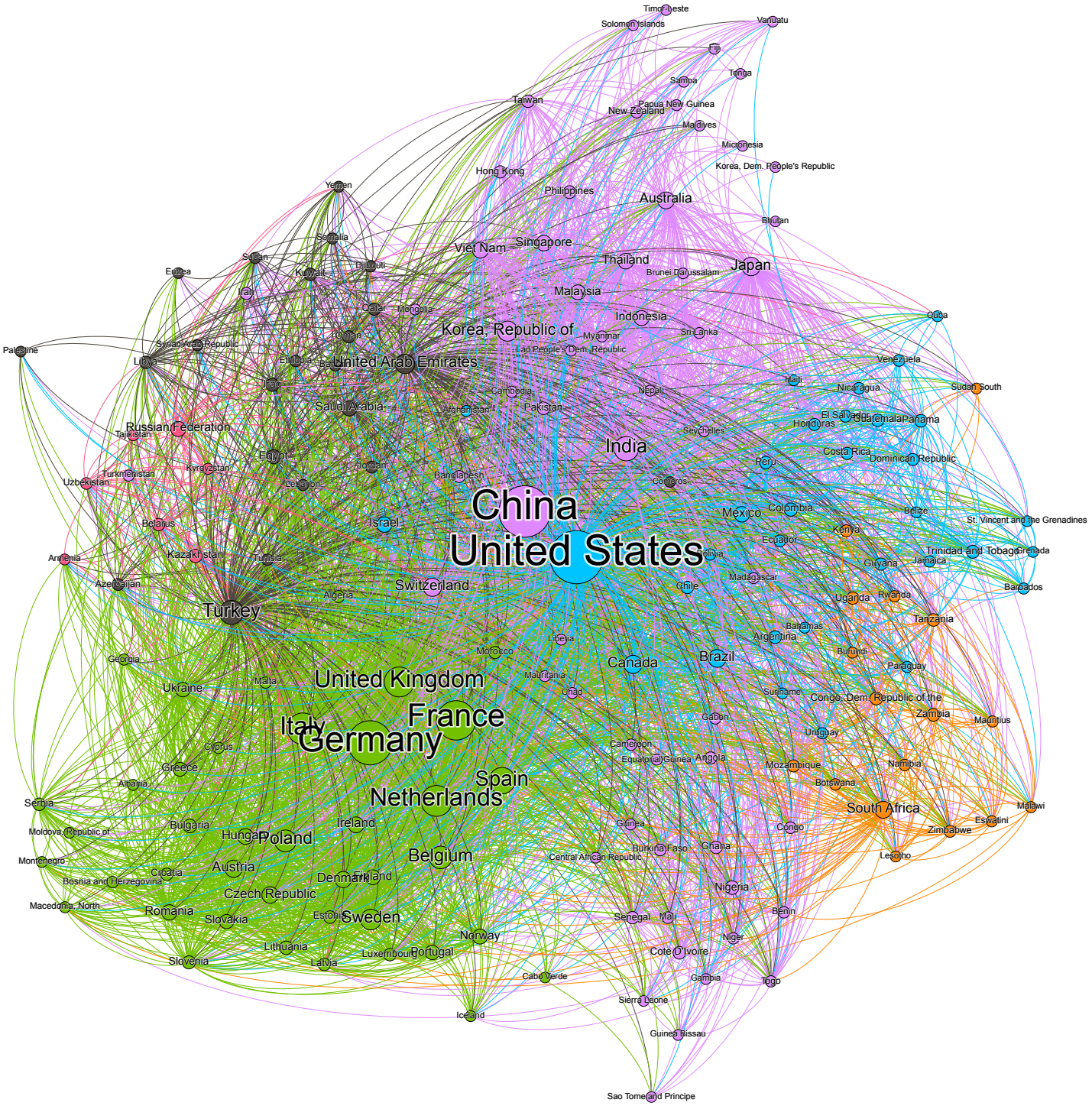
PARIAH STATE: 2045



Because we do not simulate similar global pariah status for China, despite it not disowning Russia in the qualitative narrative, China continues to make gains in influence capacity worldwide in a *Pariah State* scenario, drawing much of the Middle East into its sphere. While a product of complex network dynamics, the primary driver of this result is a decrease in Middle Eastern trade bandwidth, which saps Middle Eastern countries' economic-based influence. The disincentive for increased diplomatic interconnectedness that is created by a high degree of geopolitical instability is also important. These and other factors undermine the conditions that would allow for a standalone Middle Eastern sphere of influence. This leaves a vacuum in which China's growing geopolitical footprint can expand.

Meanwhile, with Russia's international presence limited, the distribution of China's trade and arms transfers portfolio becomes more similar to that of the U.S. on a global basis than it does in a *Great Power Coopetition* world. In this scenario, the U.S. sphere of influence comprises 33 countries and roughly 25% of global GDP in 2045.

Policy Implications

These forecasts illustrate that, while Russia's full-scale invasion of Ukraine is unlikely to entirely rearrange the international system, it appears that it and Xi's pandemic mismanagement have opened a narrow window of opportunity for the U.S. and its partners and allies to push back against the influence of revisionist powers over the next decade or two. This can be done primarily by: 1) establishing trade agreements while conditions remain favorable, 2) readjusting diplomatic efforts to better recognize the views of the Global South, and 3) filling agricultural and energy supply gaps left by Russia. Although this does not mean that the U.S. is likely to expand its influence in countries and regions where China is currently the dominant influencer, it does mean that the U.S. is projected to consolidate its influence capacity in regions where it currently maintains advantages vis-à-vis China. This has important implications for contemporary "American decline" narratives.

While long-term forecasts across a variety of scenarios suggest that China is likely to pass the U.S. as the world's leading power around mid-century, this is expected to be the product of relative rise and decline, with China and the U.S. both growing in absolute terms but China's material capabilities simply growing faster than those of the U.S.[61] As such, American decline is relative. This research further qualifies narratives of American decline by highlighting that, while China's growth in power and influence is expected to outpace the U.S. at the global level, at the regional and country levels the U.S. remains very much in play[62]—especially when economic downturns can have such a chilling effect on the pace of China's growth in power and influence. According to the forecasts presented here, the U.S. and its European allies and partners will have a narrow window of opportunity over the next decade or so to retain additional influence that will otherwise be ceded to China, potentially including influence in competitive regions like East and Southeast Asia.

For these forecasts to prove accurate, policymakers will need to act according to our model's expectations. In particular, the U.S., and to a lesser extent other Western governments, will need to continue to seek to meet Ukraine's needs for arms and economic aid, even if in a diminished capacity in the event of a long-term global recession. Relatedly, we expect that U.S. arms manufacturers will be able to meet the attendant need to replenish arms stocks and ammunition that have been diminished by U.S. and other countries' arms transfers to, and losses in, Ukraine.

Our models also assume that some U.S. aid will need to be diverted from several developing nations, particularly in sub-Saharan Africa, to meet aid needs in Ukraine. If this is not the case—in other words, if the U.S. foreign aid budget grows in absolute terms to the point where Ukraine-related tradeoffs are not required—then our forecasted roughly two-year relative loss in U.S. influence could translate into a decade of sustained relative gains in influence capacity in the region. In this event, China would still be the dominant influencer in sub-Saharan Africa relative to the U.S., but the gap between U.S. and Chinese influence in the region would grow more slowly.

Moreover, an even greater expansion of U.S. influence capacity is possible beyond that posited in a *Western Resurgence* scenario if U.S. policymakers opt for expanded trade openness. In the scenarios presented here, trade largely expands and contracts in concordance with GDP growth assumptions. U.S. trade and the influence it generates could increase even more considerably if protectionist trade policies were fully abandoned and the U.S. returned to more open trade policies.

Meanwhile, U.S. policymakers should seek to incorporate the concept of formal bilateral influence capacity and its economic, political, and security dimensions into the broader concept of integrated deterrence, whereby U.S. influence capacity is the product of an array of policymaking instruments that can be leveraged bilaterally as well as through a network of allies and partners. Where the U.S. appears to be lacking in terms of formal bilateral influence capacity, policymakers should seek to cultivate alternative sources of influence capacity, namely soft power. By strengthening its democratic institutions, seeking to reduce economic inequality among Americans, and advancing social justice, the U.S. can lead by example, bolstering its international image and generating an intangible but invaluable influence capacity in much of the developing world. Additional domestic initiatives should seek to foster U.S. innovation power, or "the ability to invent, adopt, and adapt new technologies"—an area where the U.S. remains the global leader and which will strongly influence the course of great power competition in the coming decades.[63]

In a *Great Power Coopetition* scenario, additional policy recommendations include enhancing U.S. ties with rising regional powers, such as India in South Asia and the United Arab Emirates in the Middle East and Eastern Africa, to build influence capacity via network effects and re-gear U.S. diplomatic efforts toward an increasingly multipolar reality. In this manner, the U.S. would forgo direct competition with China for a strategy that could colloquially be thought of as "all the right friends in all the right places."

If *The Doldrums* come to pass, one pressing policy priority will be to resist the urge for increased trade protectionism. While protectionist trade policies may bolster selected industries, they would likely reduce overall economic growth and decrease U.S. economic-based influence by diminishing trade bandwidth and dependence on U.S. demand for foreign economies' exports. A similarly counterintuitive policy priority for those with nativist policy preferences would be to further open U.S. and Western immigration policies. This would

allow policymakers to harness the demographic dividends provided by migrants and the correspondent boost to economic bandwidth—and thus influence capacity.

Amid a *Western Resurgence*, U.S. policymakers should seek to further reduce trade barriers, as mentioned above, which would further increase economic-based U.S. influence capacity. Leveraging the increased economic growth in this scenario, policymakers could expand government spending to allow for increased foreign aid, countering some of the forecasted reduction of U.S. influence capacity in sub-Saharan Africa, for example. Provided that Russian leaders abandon revanchism, policymakers should rebuild Western ties with Russia, demonstrating that the liberal international order offers Russia its best path forward. This would also reduce incentives for competition via illicit means, such as election meddling and funding of violent non-state actors—sources of power where Russia and other present U.S. adversaries may feel they possess an asymmetric advantage.

Should Putin's actions lead to a *Pariah State* scenario, the U.S. and European partners, especially the Netherlands,[64] should dramatically increase energy and agricultural production and exports to fill the vacuum left by Russia. This would increase Western influence capacity and mitigate some of the notable increases in food insecurity that would likely result from Russia being largely removed from global agricultural trade.[65] Increased U.S. arms transfers may also be required to meet increased demand driven by partner countries' increased threat perceptions. Meanwhile, federally backing investments in critical U.S. industries would help reduce uncertainty by decreasing the risk in committing capital to major long-term projects. The thrust of these actions would be similar to many of the broader set of recommendations here: to lose less influence capacity than otherwise might be the case along the currently projected path of geopolitics.

Conclusion

Across most scenarios, by the end of our forecast horizon (2045), the international system appears likely to be deeply multipolar, with the two largest poles, that of the U.S. and China, equally central to geopolitical affairs. Only with a *Western Resurgence* do we see a potential return to "Pax Americana" and a revival of the immediate post-Cold War world order. Stunted Chinese economic growth could also further extend the era of U.S. dominance. It is more likely, however, that the U.S. and China will need to learn to share the global stage and find room for cooperation toward common interests, where possible.

If a more united Europe works with the U.S and other partners to continue to sideline Russia so long as its leaders maintain revisionist and revanchist objectives, the contradiction between Russia's actions and Putin's own strategic interests will become more apparent. Our analysis suggests that his invasion leads to an international order that is more favorable for Western objectives and rules-based coexistence than it might otherwise have been. Russia's only means to avoid relegation to a "minor power" status—which some Chinese diplomats have privately concluded is a likely outcome[66]—is to reverse course and seek a return to the liberal international fold, albeit one that needs to be adjusted to better incorporate the views of the Global South.

Appendix: Forecast Methodology

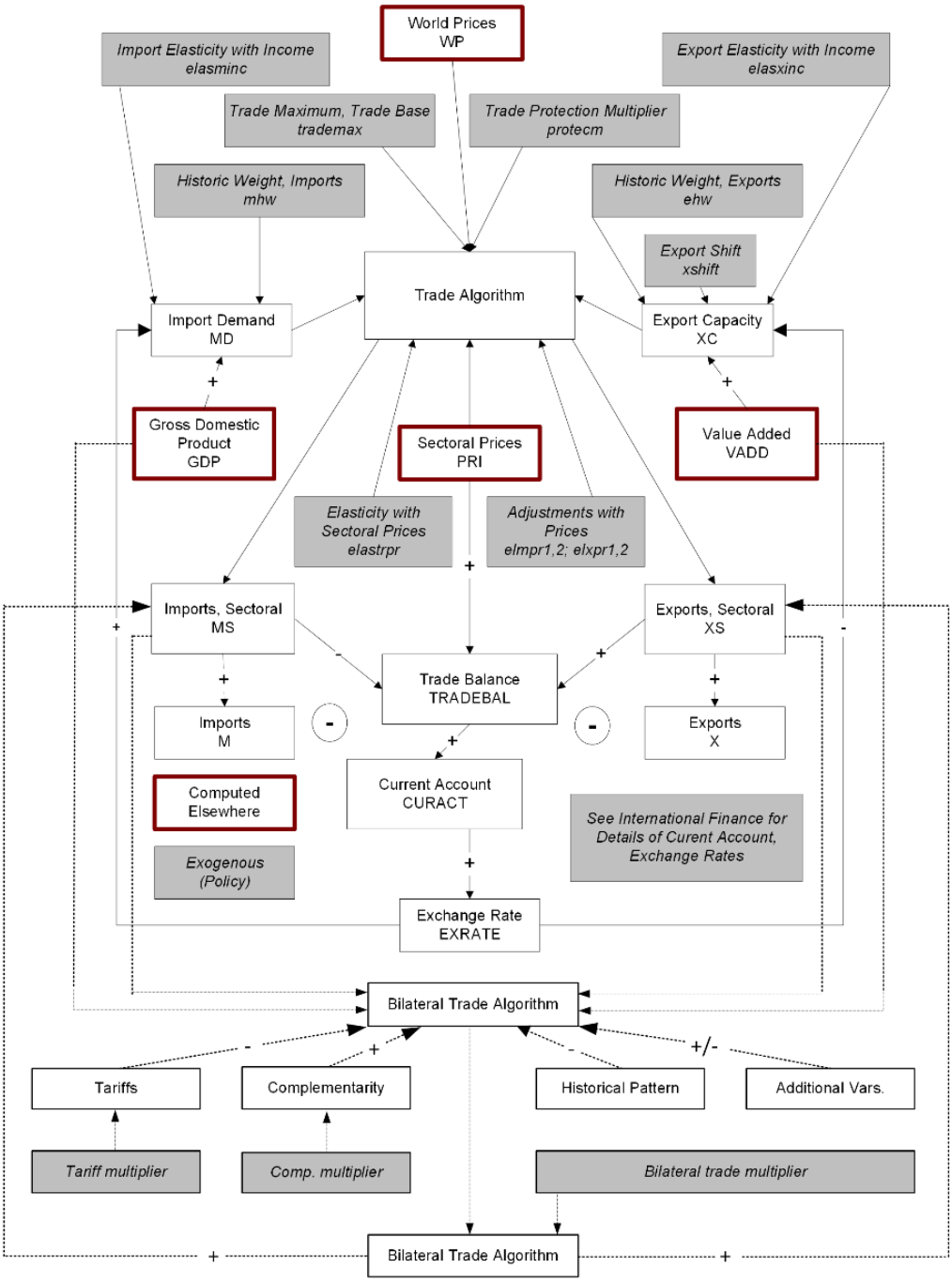
The forecasts presented in this report were produced using version 7.91 of the International Futures (IFs) tool. Now in its fourth decade of continuous development, IFs is a long-term forecasting and scenario analysis tool that integrates a variety of quantitative methodologies—including systems dynamics, general and partial equilibrium modeling, and econometrics—to generate dynamic (i.e., non-extrapolative) forecasts for 186 countries for more than 500 interconnected variables across agricultural, demographic, educational, economic, energy, environmental, gender, governance, health, infrastructure, sociopolitical, and technological issue areas.[67]

IFs additionally has the capability to forecast several bilateral variables, including the Formal Bilateral Influence Capacity (FBIC) Index and its subcomponents. The FBIC Index is a measure of relational power comprised of bandwidth and dependence components. Bandwidth describes the size of political, economic, and security-related macro-level interactions between countries. Dependence describes the asymmetry in these interactions relative to a country's total set of bilateral, country-level interactions. Included are nine core input variables: goods trade, aid, arms, embassies, international governmental organizations (IGOs), military alliances, trade agreements, military spending, and gross domestic product (GDP).

Bilateral trade forecasts in IFs are calculated across six sectors: agriculture, energy, materials, manufacturing, information and communications technology, and services. (Note: services trade is excluded from the FBIC Index.) Each of these sectors is associated with a separate gravity model of trade, whereby economic mass and distance measures are used to allocate a country's trade in a given sector across all other potential trading partners (i.e., among the 186 countries in IFs). The general form for these gravity models is presented below in Equation 1.

$$Y_{ij,t} = \exp[\pi_i + \chi_j + \mu_t + \beta_1 X_1 ... \beta_k X_k] \times \varepsilon_{ij,t} \quad (1)$$

Here, i and j denote exporters and importers, respectively, t the year, π time-invariant exporter fixed effects, χ time-invariant importer fixed effects, μ year fixed effects, X_1 through X_k a suite of time-varying monadic and dyadic factors (such as each country's GDP and population, shared official languages and borders, and the distance between countries), β_1 through β_k their respective relationships with trade, and ε the idiosyncratic error. This gravity-based model uses Poisson pseudo-maximum likelihood estimation, which multiplicatively assesses the drivers of trade, effectively controlling for the heteroscedasticity and inflated zeros common in trade data.[68]



The resulting values from the gravity model are then used to calculate growth rates. These growth rates are applied to the prior year's values which are then processed through a bilateral trade shares matrix and country-level trade forecasts. Bilateral trade flows are iteratively adjusted so that they reconcile with both the exporter's and the importer's country-level forecasts. Hence, our individual country and country-pair forecasts of trade inform one another, with the former dictating the total value of trade for a given country and the latter distributing that value across all dyads in which that country is a member. A visual representation of this relationship is presented in the block diagram above.

Bilateral aid forecasts are produced using a similar approach in IFs, in which a gravity model drives the distribution of a country's aid portfolio while country-level forecasts determine overall aid levels. One present limitation to these aid forecasts is that current net aid recipients transition toward zero aid received but do not then transition into becoming net aid donors. This could mean understating India's influence capacity in 2045 or Nigeria's influence capacity closer to the end of the century. We will seek to address this limitation in future IFs model updates.

Arms forecasts similarly use a gravity model to distribute transfers, where arms imports increase with a country's energy exports, military spending, and the presence of shared borders but decrease with geographic distance. These forecasts are initialized from a ten-year moving average from historical data, which smooths the high variance across years.

Diplomatic exchange via a weighted measure of embassies and related diplomatic outposts (where the weights are based on rank of the head official and type of post) is forecasted using an ordinal logit model driven by physical distance, relative national power and political affinity, and relative development levels of sending and host countries.[69] These bilateral forecasts are constrained by country-year, systems dynamics forecasts of each country's diplomatic representation abroad, which is capped at 185 (the current number of forecast countries in IFs minus one, to exclude the possibility of an embassy sent to one's own country).

Shared weighted membership in IGOs increases with economic growth as well as measures of economic and political affinity between countries. IGO weights are determined by a content analysis-based approach that compares mentions of an IGO in media, legal documents, academic articles, and other resources relative to mentions of selected common words.[70] To stabilize forecast performance, forecasts of shared weighted IGO membership are initialized using a moving average.

At present, IFs forecasts hold military alliances and trade agreements between countries constant from 2019 levels according to Rice University's Alliance Treaty Obligations and Provisions data[71] and the World Trade Organization's RTA database, respectively. These forecasts are parameterizable, as alliances and trade agreements can be manually added or removed from bilateral relationships via scenario analysis in IFs.

Military spending stocks are the denominator for the FBIC Index's measure of arms dependence. Each year's military spending is forecast based on historical spending patterns as a percent of GDP, economic growth, the threat of conflict, and a balance against other government spending needs. For the FBIC Index, military spending is converted to a military spending stock, which is a ten-year sum of military spending with 10% annual straight-line depreciation, a calculation derived from Hildebrandt.[72]

Underlying many of these forecasts (along with population) and acting as the denominator for absolute trade and aid dependence measures in the FBIC Index is GDP. Long-term GDP growth forecasts in IFs are generated endogenously via a Solowian Cobb-Douglas production function that is deeply interconnected with the IFs social accounting matrix. A fuller description can be found here: https://pardeewiki.du.edu//index.php?title=Economics. Suffice to say that IFs uses a series of econometric, systems dynamics, and equilibrium modeling techniques to simulate dynamic interaction within and across governments, firms, and households in 186 countries each year through 2100.

Summary of Scenario Interventions

The scenarios considered here include a wide range of potential outcomes for the future of the Russian invasion of Ukraine and parallel geopolitical developments. These scenarios are framed in comparison to each other and to a counterfactual scenario where the war had not occurred. Table 1 describes the *No War* scenario as well as the common features to all the alternative scenarios. Table 2 summarizes the scenario interventions for each of the alternative scenarios.

For the *No War* comparison frame, a scenario is used to represent the absence of the war in Ukraine. The vast majority of data series underlying IFs have not yet been updated to reflect the new reality that is a consequence of the war. In this case, this is an advantage. This scenario utilizes the January 2022 IMF's World Economic Outlook (WEO) projections to model what the world may have been in the absence of the war.[73]

The baseline for the alternative scenarios is constructed to represent a moderate path forward that captures how the world has changed as a result of the war in 2022. Each alternative scenario then builds off this common base of assumptions by assuming different trends following 2022.

Initial five-year forecasts for the alternative scenarios' GDP growth rates are drawn from July 2022 IMF WEO projections.[74] (An exception to this is our assumption that Ukraine's GDP will grow by 31% in 2023 in the revised current path presented here. This assumes that the war in Ukraine will stagnate this year. Meanwhile, the IMF has not provided its own projections for Ukraine beyond 2022 as of its October 2022 data release.)

Great Power Coopetition represents a continuation of these moderate assumptions and a cessation of hostilities through either a status-quo negotiated settlement or stagnation of the conflict. Under this set of assumptions, the world returns (minus the lasting effects of prior interventions) to normal by 2027. The interventions are described in Table 1, as this scenario is an extension of our base scenario forward in time.

The Doldrums presents a scenario where global economic growth stalls and support for Ukraine falls. Economic challenges lead to a world where developing countries in particular struggle. Food insecurity becomes a major issue in the Middle East and North Africa and sub-Saharan Africa. Active competition for influence between the U.S. and China stalls as attention turns to domestic issues.

This contrasts with the *Western Resurgence* scenario, where it assumed that the U.S. and the European Union manage to avoid the worst economic effects and manage to expand their international presence. The rest of the world, however, is unable to avoid economic downturn.

Finally, *Pariah State* presents a scenario where Russia becomes isolated from the world due to their continued escalation. China alone maintains extensive ties to Russia.

The version of the IFs tool and associated scenario files used in this report are available here: https://ifs02.du.edu/IFs%20with%20Pardee%207_91%20Stimson%20March%2022%202023.zip.

APPENDIX TABLE 1: SUMMARY OF INTERVENTIONS

Scenario: Common features to alternatives to the *No War* scenario		
Sector	**Interventions**	**Targets**
Economic Growth	Adjusted GDP growth rates, WEO July 2022 revision	All countries
Agriculture	Reduced production	Russia and Ukraine
	Increased price responsiveness	All countries
	Reduced agricultural imports	Algeria, Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Egypt, Ethiopia, Germany, Ghana, Guinea, Kenya, Morocco, Mozambique, Russia, Senegal, South Africa, Tanzania, Togo, Tunisia, Uganda, and Zambia
Alliances	Russia plus Belarus and Ukraine ties zeroed	Russia-Ukraine and Ukraine-Russia; Belarus-Ukraine and Ukraine-Belarus
	Finland and Sweden enter NATO	NATO members increased to defensive alliances
Arms Trade	Increased arms exports	Australia, Belgium, Croatia, Czechia, Denmark, Estonia, France, Finland, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, and the United States
	Increased arms imports	Ukraine
	Decreased arms exports	Russia
	Zeroed arms imports	Russia
Goods Trade	Imports reduced	Russia
	Exports to Russia further reduced	Sanctioning countries 75
Diplomatic Representation	Level of representation reduced to zero	Russia-Ukraine and Ukraine-Russia
Energy	Energy exports increased	Russia
Foreign Aid	Aid received increased	Ukraine
Migration	Emigration increased	Ukraine
	Immigration increased, 2025 and 2026	Ukraine
Labor	Reduced participation	Ukraine
Scenario: No War		
Sector	**Interventions**	**Targets**
Economic Growth	Adjusted GDP growth rates, WEO January revision	All countries

APPENDIX TABLE 2: SUMMARY OF ADDITIONAL INTERVENTIONS FOR WAR SCENARIOS

Scenario	Sector	Interventions	Targets
Great Power Coopetition		All war interventions from Table 1	
Western Resurgence	Economic Growth	Further reductions to simulate recessions	China, Russia, and IMF developing countries
	Economic Growth	Increased growth	Australia, EU, Japan, South Korea, New Zealand, United Kingdom, and United States
	Labor	Reduced participation rates	China
	Trade	Increased energy exports	OPEC and United States
	International Politics	Expanded EU	Georgia, Moldova, and Ukraine
	Trade Agreements	Implementation of partial scope trade agreements	EU and Africa Union; G-7 and ASEAN
The Doldrums	Economic Growth	Further reductions to simulate recession	All countries
	Labor	Reduced participation rates	All countries
	Trade	Increased protectionism	All countries
	Foreign Aid	Reduced ODA to Ukraine	Ukraine
	Arms Trade	Reduced transfers to Ukraine	Ukraine
	Food Security	Increased malnutrition	Middle East, North Africa, and sub-Saharan Africa
Pariah State	Military	Increased threat	From Russia
	Finance	Increased interest rates	All countries
	Trade	Increased protectionism	All countries
	Trade	Exports reduced; Imports sharply reduced	Russia
	Trade	Bilateral trade for all countries besides China greatly reduced	Russia

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