Global Economic Scenarios explores the potential architectures of global economic order, drawing from data-driven insights captured through global projections and trends analysis.

Updates and other materials available at: www.cigionline.org/GES
World Population Growth Is Dropping Fast

World population growth is slowing down due to falling birth rates. Populations are getting older in every region outside of Africa.

Source: UNCTAD. Data as of 2022.
Different Growth Cases Will Determine Relative Economic Size in the Global Economy

In each case, share of world GDP for the United States, the European Union and Japan shrinks by 2040, whereas India’s share is expected to rise. China’s share varies.

*Using market exchange rates (MER). Source: IMF World Economic Outlook (WEO), October 2023; CIGI staff calculations.
Superpower Competition
It is unlikely that China could surpass the size of the US economy in the next 15 years.

*Using MER. Source: IMF WEO, October 2023; CIGI staff calculations.
Weights in the World Economy Look Much Different with Purchasing Power Parity (PPP)

Using PPP, China is already the largest economy. Although it is useful for comparing living standards, PPP is subject to measurement error and does not represent a country’s actual economy weight.

*Projected values represent our inertia growth case. Source: IMF WEO, October 2023; CIGI staff calculations.
Government Debt Will RemainPersistently High

Debt stocks rose significantly over the past two decades. Interest rates are likely to remain higher than in the 2010s and many countries will struggle to manage deficits.

Gross government debt, % of GDP

Source: IMF WEO, October 2023; CIGI staff calculations.
How Can Technology Transformation Occur?

Technologies transform society through creative destruction and intertwine to create new economic possibilities, which will play a big part in determining economic growth and state capacity in all scenarios.

From early printing to 3D printing…
Uncertainty Is Intrinsic to the Future

Unpredictable, yet highly plausible events come as surprises since they cannot be forecasted with precision.

<table>
<thead>
<tr>
<th>We are on a path to an additional 1.5°C of global warming this decade.</th>
<th>The degree of protectionism in global supply chains, especially in the case of emerging technology breakthroughs, will play a major role in future global governance.</th>
<th>Global AI risks that exist today may be realized in the absence of timely action or effective governance frameworks.</th>
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<td>COVID-19 has proven global pandemics are possible in our lifetime and able to bring all global systems to a halt.</td>
<td>Conflicts are escalating both intrastate and extrastate.</td>
<td>The heavy reliance on and deep integration of the global digital economy threatens to disrupt other systems in the presence of severe cyberattacks.</td>
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<td>Migration flows of displaced people may force governments to deal with unforeseen demographic, economic and fiscal conditions.</td>
<td>The rise of misinformation, disinformation and fake news can quickly alter realities and any agreeable foundations for cooperation.</td>
<td>Countless other uncertainties have the potential to alter economic conditions and state capacities...</td>
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There Is Growing Divergence in Governance Models

Discontent with existing rules-based international order is fraying multilateralism. Geopolitical fragmentation is fuelling tensions between democratic and authoritarian models.

Source: IMF WEO, October 2022; Democracy Index (2022) from the Economist Intelligence Unit.
Uncertain Trajectories for Global Economic Order

The multipolar world can take many forms. Future work will explore the dynamics that may shape the economic landscape of global order in the medium term.

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<th>TIME LINE</th>
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Reformed
Replaced
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Transformed
Disorder