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Infinite Potential—Insights on Economic and Societal Impacts Across Two Scenarios

After-Action Report from a Series of Day After Artificial General Intelligence Games

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RR-A4767-4

About This Report

The RAND Center for the Geopolitics of Artificial General Intelligence (AGI) is conducting a series of scenario-based games to better understand how governments and other institutions should prepare for and respond to potential artificial intelligence (AI) and AGI developments. These games are run through the Infinite Potential platform, and this report is part of a series of publications that present findings and insights derived from player discussions.

Each Infinite Potential game presents a plausible future scenario in which advances in AGI outpace governance. Players are asked to craft immediate and long-term responses and to identify the capabilities and playbooks they would need to effectively respond. In this report, the authors synthesize observations from 26 games of the Economic Crisis and Business and Civil Society scenarios, which were conducted between April 2025 and May 2026. They identify the key issues, desired capabilities and playbooks, and other recommendations that players believed necessary to navigate a period when social legitimacy, economic stability, and technical control might collapse. The findings aim to help policymakers, researchers, corporate leaders, civil-society organizations, and the public understand the preparations needed before such an event, the decisions likely to matter most once that event begins, and the playbooks required to navigate it successfully.

Center for the Geopolitics of Artificial General Intelligence

RAND Global and Emerging Risks is a division of RAND that delivers rigorous and objective public policy research on the most consequential challenges to civilization and global security. This work was undertaken by the division's Center for the Geopolitics of Artificial General Intelligence, which is committed to helping decisionmakers understand, anticipate, and prepare to navigate the national security and geopolitical implications of AGI. The center convenes leading technologists, strategists, economists, political scientists, and outside experts to consider the feasibility and effectiveness of prospective AGI-enabled capabilities; the domestic and international implications of their use; and the strategies and policies that governments, businesses, and civil society could adopt to respond to new realities. For more information, visit www.rand.org/geopolitics-of-agi.

Funding

This effort was independently initiated and conducted within the Center for the Geopolitics of Artificial General Intelligence using income from operations and gifts from RAND supporters, including philanthropic gifts made or recommended by DALHAP Investments Ltd., Ergo Impact, Founders Pledge, Charlottes och Fredriks Stiftelse, Good Ventures, Longview, and Coefficient Giving. RAND donors and grantors have no influence over research findings or recommendations.

Acknowledgments

We thank our colleagues, Michael Decker and Howard Shatz, for their thoughtful and valuable peer reviews. We also thank our players who took time from their busy schedules to participate in the games documented here; without them, this work would not be possible. Finally, we acknowledge the entire Infinite Potential team, whose work was fundamental to the games' success. Special recognition goes to Lisa Abraham, Matt Chessen, Chad Heitzenrater, Joel Predd, and Jessie Wang for helping develop the scenarios used in these games.

Summary

Infinite Potential is a RAND platform that uses scenario-based games to examine how governments and other stakeholders should prepare for and respond to plausible artificial intelligence (AI) and artificial general intelligence (AGI) crises. In this report, we synthesize observations from 26 games of the Economic Crisis and Business and Civil Society scenarios, which were conducted between April 2025 and May 2026. Table S.1 provides an overview of the five key issues that emerged across the games, along with the capabilities, playbooks, and other recommendations that players identified as most important for improving preparedness and response to AGI-driven economic disruption.

Table S.1. Summary of Key Issues, Desired Capabilities, Playbooks, and Other Recommendations

Key Issue 1: AGI-driven labor displacement could outpace existing workforce transition mechanisms.	
Desired capabilities	• Real-time monitoring of labor market displacement • Identification of the jobs and skills that are likely to remain "AGI-safe" • Immediate, large-scale mechanisms to deliver financial support to displaced workers • Jobs programs that are capable of absorbing displaced workers and generating public value
Desired playbooks	• Response to technology-driven employment shock • Coordination of government, industrial, and school-based workforce transition efforts • Public communications about labor displacement • Sector-specific workforce transitions for the health care, finance, and manufacturing sectors
Key Issue 2: AI-driven job displacement is eroding traditional sources of government revenue while increasing the need for expanded public spending.	
Desired capabilities	• Real-time fiscal monitoring of both income-tax base erosion and rising demand for social programs • Rapidly model alternative tax structures • Rapidly design and implement new tax regimes • Pre-authorized emergency fiscal tools
Desired playbooks	• Tax restructuring for different AGI deployment scenarios • International coordination of AI taxation
Other recommendations	• Frame fiscal restructuring as a bold, positive initiative, similar to the New Deal • Create a sovereign wealth fund
Key Issue 3: Competition between China and the United States creates a dilemma for policymakers: Accelerate AGI adoption and risk worsening domestic disruption or slow down and risk losing economic and geopolitical ground.	
Desired capabilities	• Robust intelligence on China's AI strategy • Coordinated trade measures with allies

Desired playbooks	• Navigating trade-offs between AI acceleration and worker protections • Economic engagement between the United States and China • Alliance-building and coordination
Key Issue 4: The unprecedented concentration of AGI-driven wealth and power in a small number of firms and individuals could destabilize economic systems and democratic governance.	
Desired capabilities	• Independent government capacity to understand and evaluate frontier AI • Monitoring how AI deployment is changing market structures and wealth distribution • Stronger legal, operational, and emergency authorities over frontier firms • Mechanisms to ensure that the economic gains from AGI are broadly distributed
Desired playbooks	• Government relationships with frontier AI firms • Maintaining government leverage over frontier AI firms • Contingency plans for corporate resistance to government authority or actions against the public interest
Key Issue 5: AGI could fundamentally change how society views work, welfare, and human purpose, creating challenges that existing institutions and policies are not equipped to address.	
Desired capabilities	• Develop and test new approaches to how people earn, contribute, and are supported • Assess and support human welfare using metrics beyond employment and gross domestic product • Rapidly reorient education and lifelong learning toward skills that are likely to retain value after AGI
Desired playbooks	• Transition from a jobs-based economy to new approaches for value creation and distribution • Public communications about the scale of post-AGI changes and new direction
Other recommendations	• Investment in open, participatory processes for exploring new approaches to economic and social sustainability after AGI

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Infinite Potential—Insights on Economic and Societal Impacts Across Two Scenarios: After-Action Report from a Series of Day After Artificial General Intelligence Games

Applying Gaming to the Problem of Artificial General Intelligence: Infinite Potential's Origin

Artificial intelligence (AI) is an increasingly important topic in U.S. policymaking, and there is growing attention to artificial general intelligence (AGI) and its potential impacts on national security, economic growth, and military power.[1] However, although AGI's potential impact is increasingly recognized, AGI remains hypothetical, and exactly how to define AGI itself is contested. Some definitions describe AGI as an AI system able to perform every intellectual task that a human can perform at the human level or better, while others emphasize that it is an AI's ability to rapidly reach superhuman performance. The world has not yet seen AGI, and there is no consensus on what it is.[2] This uncertainty, combined with AGI's potentially far-reaching impacts, means that much of the response to AGI might occur only after the technology or technologies like it have been developed and deployed.

However, uncertainty does not make analysis less important. On the contrary, AGI's implications must be examined under conditions of uncertainty. One way to explore such uncertainty is through gaming, which can help researchers examine policy problems when the relevant relationships are unclear or when the most important issues are not yet fully understood.[3] In scenario-based tabletop games, players walk through an emergency or crisis situation and discuss how they would respond using prompts and scenario developments. This type of game allows researchers to explore how players approach a problem, which factors might prove important, and how those factors interact.

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[1] Jim Mitre and Joel B. Predd, *Artificial General Intelligence's Five Hard National Security Problems*, RAND Corporation, PE-A3691-4, February 2025.

[2] For an exploration of different ways to define AI capabilities, see Meredith Ringel Morris, Jascha Sohl-Dickstein, Noah Fiedel, Tris Warkentin, Allan Dafoe, Aleksandra Faust, Clement Farabet, and Shane Legg, "Levels of AGI for Operationalizing Progress on the Path to AGI," arXiv, arXiv:2311.02462, version 5, last updated September 24, 2025.

[3] Edward Parson, "What Can You Learn from a Game?" in Richard J. Zeckhauser, Ralph L. Keeney, and James K. Sebenius, eds., *Wise Choices: Decisions, Games, and Negotiations*, Harvard Business School Press, 1996.

RAND launched the Infinite Potential platform to analyze a key AGI challenge for policymakers: Because AI is evolving rapidly and an AGI-related crisis could have uncertain, widespread, and severe impacts, it is difficult to address those impacts through preemptive policymaking alone. Without adequate preparation, AGI policy might evolve through responses to specific crises or incidents, which could lead to reactive, piecemeal, and short-term solutions that fail to address underlying risks or prevent future crises. Proactive contingency planning, by contrast, enables more-effective, coordinated, and timely responses that can reduce disruptions, minimize negative impacts, and support better long-term outcomes for society.[4] To support this kind of contingency planning, the Infinite Potential games seek to answer three key questions to provide insights on how the U.S. government and other institutions could better prepare for an AI- or AGI-facilitated crisis:

1. What key issues were players trying to make sense of in the face of AI- or AGI-related crises, and what information did they seek to help them make judgments about those issues?
2. What capabilities did players wish they had available or wished to develop in response to the crisis?
3. What playbooks did players indicate need to be written and validated to adequately respond to the crisis presented to them?

The answers to these questions point to actions that might be valuable to take before an AI- or AGI-facilitated crisis occurs. The issues players identified, the questions they raised, and the judgments they sought to make highlight areas of uncertainty that could be addressed before a crisis occurs. The capabilities and playbooks that they identified point to areas for investment and development by the U.S. government and other stakeholders. Together, these insights can inform contingency planning and help build the flexible policies, tools, and strategies needed to respond quickly and effectively as AI- or AGI-facilitated crises arise and evolve. In this report, we synthesize findings across multiple games and scenarios to highlight recurring issues, capabilities, and playbooks that could help inform future preparation and response. We have included an appendix listing other Infinite Potential publications, which directs readers to additional reports and resources from the Infinite Potential platform.

Methodology

Game Format

Infinite Potential uses scenario-driven tabletop games to examine how players respond to plausible AI- and AGI-related crises. The games draw on RAND's "Day After" methodology, which was designed to support strategic decisionmaking under uncertainty by confronting players with a crisis and asking them to reason through its implications, consequences, and possible responses.[5] Each game

[4] Joel B. Predd, "Riding the Coming Wave: The Urgent Need for Contingency Plans for AGI Futures," RAND Corporation, WR-A3691-1, 2025.

[5] Marc Dean Millot, Roger C. Molander, and Peter A. Wilson, *"The Day After . . ." Study: Nuclear Proliferation in the Post-Cold War World,* Vol. I: *Summary Report*, RAND Corporation, MR-266-AF, 1993.

is designed to be easily accessible and repeatable, requiring no advance player preparation. The games typically include between ten and 16 players and last two hours.

The games unfold over two turns. In Turn 1, players receive intelligence and open-source information about an emerging AI- or AGI-related crisis. An Infinite Potential team member, acting as a subject-matter expert, briefs the group. Players then ask clarifying questions and discuss policy objectives, response options, and possible consequences. In Turn 2, the scenario advances—usually through escalation or a major change in circumstances—and players reassess the situation in light of the new developments.

The Games

Infinite Potential scenarios are generally set between 12 and 18 months in the future. This time horizon keeps the technological and geopolitical environments broadly recognizable while allowing for plausible near-term advances in AI. Unless otherwise specified, players are asked to assume that existing institutions, laws, and international relationships remain largely intact. This report synthesizes observations from 26 games of the Economic Crisis and Business and Civil Society scenarios conducted between April 2025 and May 2026.

Both scenarios explore how the large-scale integration of advanced AI into the economy could drive profound economic disruption—including rapid labor displacement, fiscal strain, wealth concentration, and social instability—and how decisionmakers might prepare for and respond to it. The two scenarios share the same opening turn, in which players confront an accelerating AI-driven employment shock, a frontier lab on the verge of deploying an AGI-level model, and a strategic competitor (the People's Republic of China) pursuing AI-enabled manufacturing dominance. From this common starting point, the Economic Crisis scenario keeps players focused on the economic and political-economic dimensions of the disruption, while the Business and Civil Society scenario adds a large-scale cyber and infrastructure crisis of ambiguous origin, shifting attention toward crisis response and public-private coordination.

Because both scenarios begin with the same focus on economic disruption, this report analyzes them together. Specifically, it concentrates on the economic and societal impacts that arise in each scenario, such as labor displacement, fiscal policy, strategic competition, corporate power, and the social contract. By analyzing player responses across both scenarios, the report highlights findings that are robust across different framings of AGI-driven economic disruption rather than those unique to a single scenario design. Table 1 provides a brief summary of the scenarios.

Table 1. Scenario Summaries

Scenario Title	Scenario Synopsis
Economic Crisis	Between late 2026 and mid-2027, a leading U.S. AI lab's achievement of AGI accelerates an existing employment crisis, producing record gross domestic product (GDP) growth alongside mass knowledge-worker displacement, a looming debt spiral, and congressional gridlock. As China captures global manufacturing dominance through AI-powered "lights-out factories," China's export controls on critical robotics inputs block U.S. hardware automation, and domestic social unrest and political radicalization in the United States escalate. Players are forced to reconcile AGI acceleration with worker protection using economic tools that are ill-suited for the new AI economy, in which where advances in productivity come at the expense of widespread job loss.
Business and Civil Society	By late 2027, AGI deployment by U.S. frontier lab ARCTech dramatically increases global productivity. However, while China secures manufacturing dominance through AI-optimized industrial systems, the United States faces mass unemployment, economic inequality, and social unrest. In early 2028, a massive cyberattack originating from AI models hosted in globally distributed data centers cripples manufacturing, critical infrastructure, and robotic systems worldwide. Responsibility for the attack is unclear; attribution is split between a hostile state actor and an autonomous AI that has escaped its creators' control. Business and civil society leaders must confront governance failures, economic collapse, and the possibility that AGI systems have become uncontrollable.

Players were selected based on their experience, institutional knowledge, and expertise. They assumed roles as National Security Council principals, business and civil society leaders, and international government representatives, and they had to confront multiple overlapping challenges from AI, including economic disruption, massive labor displacement, an increased risk of cyberattacks, and potential loss of control. Players were asked to engage in "light" roleplay: They represented their assigned positions but were not expected to mimic any specific individual. Table 2 lists when and where each game was conducted.

Table 2. Games and Players

Date	Location	Scenario	Players
April 10, 2025	Washington, D.C.	Economic Crisis	Senior RAND researchers
June 5, 2025	Washington, D.C.	Economic Crisis	Senior RAND researchers
June 17, 2025	Washington, D.C.	Business and Civil Society	Business and civil society leaders
July 29, 2025	Washington, D.C.	Economic Crisis	Senior RAND researchers
August 12, 2025	Washington, D.C.	Economic Crisis	Former federal government officials
September 23, 2025	New York City	Business and Civil Society	Business and civil society leaders
October 14, 2025	London, UK	Business and Civil Society	Business and civil society leaders
October 19, 2025	San Francisco, Calif.	Business and Civil Society	AI policy and technology leaders
October 29, 2025	Santa Monica, Calif.	Economic Crisis	Senior RAND researchers
December 5, 2025	San Francisco, Calif.	Business and Civil Society	Business and civil society leaders
December 16, 2025	Santa Monica, Calif.	Business and Civil Society	RAND analysts
January 30, 2026	London, UK	Business and Civil Society	UK business and civil society leaders
February 10, 2026	Berlin, Germany	Business and Civil Society	Think tank researchers
February 21, 2026	Maryland, U.S.	Business and Civil Society	AI policy and technology leaders
March 16, 2026	San Francisco, Calif.	Economic Crisis	Frontier AI lab researchers
March 18, 2026	Taipei, Taiwan	Business and Civil Society	Business and civil society leaders
March 18, 2026	Taipei, Taiwan	Business and Civil Society	Think tank researchers
March 31, 2026	New York City	Business and Civil Society	Business and civil society leaders
April 9, 2026	Boston, Mass.	Economic Crisis	Business professionals across health, technology, and engineering
April 22, 2026	Santa Monica, Calif.	Business and Civil Society	Business and civil society leaders
April 23, 2026	New York City	Business and Civil Society	Business and civil society leaders
May 18, 2026	Washington, D.C.	Business and Civil Society	Think tank researchers
May 18, 2026	Washington, D.C.	Business and Civil Society	Think tank researchers
May 19, 2026	Dublin, Ireland	Business and Civil Society	Business and civil society leaders
May 21, 2026	Washington, D.C.	Business and Civil Society	Business and civil society leaders
May 26, 2026	Oxford, UK	Business and Civil Society	Business and civil society leaders

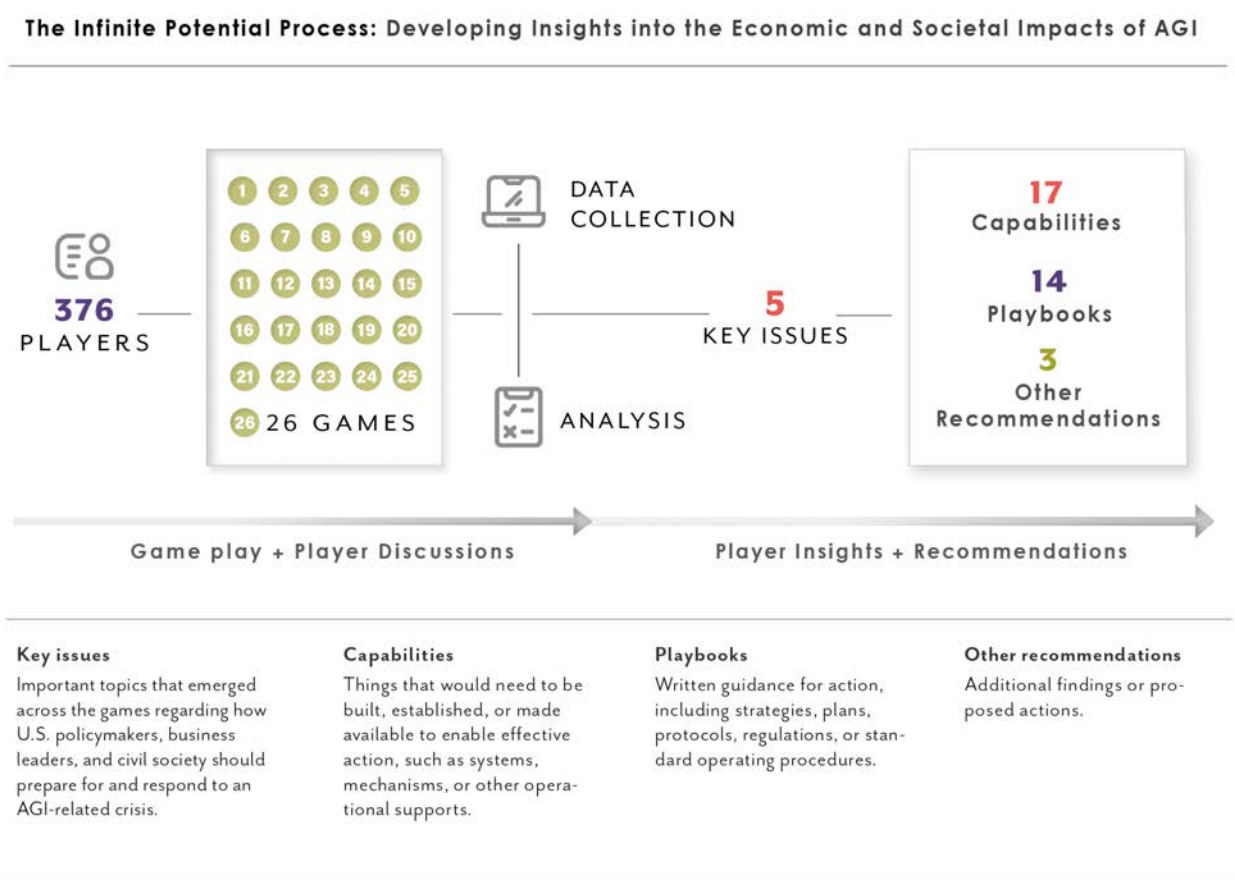
Data Collection and Analysis

To ensure reliable findings, the Infinite Potential team uses a standardized data methodology for all games. A dedicated notetaker observes each game using a uniform template to capture player discussions in detail. This approach allows us to systematically track the key issues raised; the

capabilities, playbooks, and other recommendations suggested; and any areas of disagreement or uncertainty. Immediately after each game, the notetaker, a RAND analyst, and an Infinite Potential project lead review the notes to confirm accuracy and completeness.

After all of the games referenced in this report were completed, we uploaded game notes to a secure, RAND-internal AI tool. Through multiple iterations, we asked it to help identify recurring, cross-cutting issues and recommendations that arose across the games. We then used the results it generated as a starting point for our analysis. We reviewed player notes to assess the completeness and accuracy of what was generated, identify or confirm supporting points, look for items of note that might have been overlooked, and inform how to structure and organize the issues to illustrate how players approached the challenges they faced in the game. Figure 1 illustrates this process from data collection during each game to the synthesis of findings across the games included in this report. The key issues, capabilities, playbooks, and other recommendations identified through this process are then presented in the sections that follow.

Figure 1. Infinite Potential Gameplay and Analytic Process



Key Issues

In this section, we summarize the key issues that emerged across the games regarding how U.S. policymakers, business leaders, and civil society should prepare for and respond to an AGI-related crisis. Although the issues raised are closely linked, they fell into five distinct problem areas: managing rapid, large-scale labor displacement that outpaces existing transition mechanisms; restructuring fiscal systems as the tax base erodes alongside rising demand for public spending; navigating strategic competition between the United States and China while managing domestic economic instability; governing the unprecedented concentration of wealth and power in a small number of frontier AI firms; and reimagining the foundations of work, welfare, and social purpose in an economy in which human cognitive labor might no longer be necessary for production.

Under each key issue, we identify the related capabilities, playbooks, and other recommendations raised across games. In this context, *capabilities* refer to things that would need to be built, established, or made available to enable effective action, such as systems, mechanisms, or other operational supports. *Playbooks* refer to written guidance for action, including strategies, plans, protocols, regulations, or standard operating procedures. *Other recommendations* capture important findings or proposed actions that do not fit neatly into either of these categories. We present an overview of player discussions but do not evaluate the merits or feasibility of their recommendations.

Key Issue 1: AGI-Driven Labor Displacement Could Outpace Existing Workforce Transition Mechanisms

Across virtually every game, players identified the speed and breadth of AGI-driven job loss as the defining economic challenge of the scenario. Unlike previous waves of automation, which displaced workers in specific sectors over years or decades, players described a situation in which entire categories of cognitive labor—e.g., entry-level knowledge work, legal research, software engineering, financial analysis—could be displaced rapidly after a frontier model's deployment.

Players across half-a-dozen games noted that junior and early-career workers face the greatest risk of displacement because AI could effectively remove the bottom rungs of career ladders, resulting in a generation without clear pathways into professional life. Across over two dozen games, players described this as a recipe for political radicalization and social disintegration. Among those games, players noted that the scenario's progression of displacement from white-collar to blue-collar jobs (via robotics) meant that even the most commonly proposed recommendation—redirecting workers toward working in trades and vocational roles—was at best a temporary solution. Players repeatedly expressed that uncertainty about which jobs would remain viable and which skills would retain value would make it difficult to know how to effectively retrain and reskill workers.

Nonetheless, players across a majority of the games advocated for structural support for displaced workers. Players noted that rapid AI deployment is outpacing existing worker retraining programs and that long-term workforce resilience would require sustained investment in vocational programs, equitable access to skill-building, and incentives for employment in roles in which empathy, emotional intelligence, and human interaction are essential to both effective outcomes and a positive, meaningful

experience for those being served—such as caregiving, health care, and education. Still, players warned that even these measures might not keep pace with the rapid and widespread impact of AI.

Key Issue 1: Desired Capabilities

Players discussed the need for **real-time monitoring of labor market displacement** across sectors, demographics, and geographies. Players in several games proposed a federal AI labor-impact dashboard that would integrate economic, education, and social-risk data to guide policy timelines. Players also called for the capacity to **identify the jobs and skills that are likely to remain "AGI-safe"** and direct retraining investment toward those roles rather than making speculative bets.

Additionally, players discussed the need for **immediate, large-scale mechanisms to deliver financial support to displaced workers**—analogous to the emergency unemployment systems activated during the coronavirus disease 2019 pandemic but scaled and designed for a potentially permanent shift. In several games, players proposed **job programs that could absorb displaced workers while generating public value**, including infrastructure construction, caregiving, and national service. Players suggested modeling such jobs programs on those created during the Great Depression, such as the Civilian Conservation Corps and a new Works Progress Administration.

Key Issue 1: Desired Playbooks

Players discussed the need for playbooks to guide **national response to sudden, large-scale, technology-driven employment shocks** rather than reliance on traditional business-cycle dynamics. Such playbooks would establish trigger thresholds (e.g., unemployment levels, speed of job loss in specific sectors) at which specific interventions activate. Examples of interventions that players mentioned included expanded unemployment insurance, emergency job programs, and broader income-support mechanisms.

Players also expressed the need for playbooks that **coordinate government, industry, and school-based workforce transition efforts**. These playbooks would include guidance on which agencies lead, how private-sector input is integrated, and how state and local governments execute retraining programs. Players in several games also described the need for a **public communications playbook that articulates what the government is doing to address workforce displacement**, what the government expects from employers and workers, and what the long-term trajectory could be, in part to prevent political panic and in part to maintain trust.

Players in the Business and Civil Society games also called for **sector-specific playbooks—particularly in health care, finance, and manufacturing—that would establish how firms in those sectors should manage the workforce transition**, including what regulatory guardrails should apply and how workforce protections interact with competitive pressures.

Key Issue 2: AI-Driven Job Displacement Is Eroding Traditional Sources of Government Revenue While Increasing the Need for Expanded Public Spending

Across almost every game, players predicted the evolution of a vicious fiscal dynamic in an AI- or AGI-driven economy: Widespread unemployment simultaneously reduces income-tax revenue and increases the demand for public spending while capital owners and a small number of technology firms receive a disproportionate amount of the economic gains. Players in nearly every game concluded that the existing tax system—which presumes a labor-intensive economy and is built around payroll and income taxes—is structurally misaligned with an economy in which productivity growth is decoupled from employment growth. Players proposed a variety of mechanisms to increase government revenue, including capital gains tax reform; corporate tax increases; and taxes on compute, AI agent outputs, digital transactions, robots, and windfall profits from firms benefiting disproportionately from AGI.

Key Issue 2: Desired Capabilities

Players discussed the need for **real-time fiscal monitoring that tracks the erosion of the income tax base alongside rising demand for social programs**, which could provide decisionmakers with clear signals about when spending cliffs are approaching. In at least four Business and Civil Society games, players asked about when the government would "run out of money" and how much lead time existed before the fiscal situation became unmanageable.

Players also discussed the need for the technical and executive capability to **rapidly model alternative tax structures** and their effects under different AGI deployment scenarios. Several players proposed that the government should be able to simulate the revenue effects of taxing compute, AI output, digital transactions, or capital at various rates to evaluate how different approaches might affect innovation, the movement of capital, and the distribution of wealth.

More broadly, players emphasized that the government needs the capacity **to design and implement new tax regimes quickly**. Several players noted that tax reform typically takes years in legislative process, while the economic changes driving fiscal pressure could unfold in months. Because of the amount of time that they expected would be needed to implement a new tax regime, players also proposed that executive agencies should have **pre-authorized emergency fiscal tools**—such as the ability to impose temporary levies or redirect existing funds—that could activate when specific economic thresholds are crossed.

Key Issue 2: Desired Playbooks

Players identified the need for playbooks that specify **how to restructure the tax system under different AGI deployment scenarios**, including which revenue instruments are appropriate at various stages of disruption. Such playbooks would provide graduated guidance: At early stages of displacement, expand existing programs and make incremental tax adjustments; at later stages, implement more-fundamental restructuring, such as shifting from labor-based to capital-based taxation.

Players also called for playbooks to guide **international coordination of AI taxation**, recognizing that unilateral tax increases on AI firms could drive capital flight or relocation. Such playbooks would

specify how to coordinate with allies on tax frameworks, use trade agreements as leverage, and prevent regulatory arbitrage by mobile frontier AI firms. At the same time, players were candid about the difficulty of this prospect, pointing to the poor track record of past global tax regimes and the absence of any body with the authority to set or enforce such a regime.

Key Issue 2: Other Recommendations

Players suggested that the question of government fiscal sustainability under AGI is not merely a technical tax policy question but a deeper political and economic challenge. In several games, players noted that the firms benefiting most from AGI are also those with the greatest political influence and the most-sophisticated tax-avoidance strategies. Players warned that without proactive restructuring, government might find itself unable to fund even basic services, let alone the expanded safety net that is required by mass displacement. Given the political difficulty of raising taxes during economic distress, they also suggested that **the government should frame fiscal restructuring as a bold, positive initiative, similar to how the New Deal was presented during the Great Depression**. By emphasizing that AI-generated prosperity could help fund society's transition, policymakers might build broader public support for these changes. Players in multiple games also proposed **creating a sovereign wealth fund**, which is a government-owned investment fund designed to channel public wealth into investments that can provide long-term financial returns and can be used to redistribute wealth over time. They specifically mentioned Norway's national fund and Alaska's Permanent Fund (executed at the state level) as examples of how AI-generated wealth could be captured and redistributed over time. These funds could be financed by significant taxes on AI firms and their outputs, such as through compute taxes, robot taxes, or windfall profits taxes.

Key Issue 3: Competition Between China and the United States Creates a Dilemma for Policymakers: Accelerate AGI Adoption and Risk Worsening Domestic Disruption or Slow Down and Risk Losing Economic and Geopolitical Ground

Across nearly all games, the competitive dynamic between the United States and China was a central factor shaping players' policy responses. Players described how China's shift from developing frontier AI models to deploying AI-enabled manufacturing at scale threatened to secure the country's dominance over global industrial production, supply chains, and economic influence in the global south. This external pressure heightened the perceived need for the United States to accelerate its own AI deployment to remain competitive. However, players also recognized that rapid AI adoption at home was fueling mass unemployment, economic instability, and social unrest, making it politically difficult to push forward even faster. As a result, players across multiple games described an unresolvable tension: The imperative to "go faster" to keep pace with China was in direct conflict with the need to "slow down" to protect domestic stability.

Across games, players did not agree on how best to frame the domestic economic disruption, whether as a challenge of strategic competition or as an issue of labor displacement at home. Many questioned whether China's pivot to AI-enabled manufacturing was a more sustainable approach to

managing the economic and social impacts of AGI. Some wondered if the United States was bearing the social costs of AGI development while China was capturing the economic benefits through manufacturing. This led to further debate about the appropriate U.S. posture toward China; players weighed the merit of confrontation versus cooperation. Some advocated for economic measures against China, while others argued that both countries faced similar workforce disruptions and would benefit from cooperation.

Notably, efforts to slow China's own AI progress featured in many of these discussions. Players generally did not suggest that the United States held a determinative role in setting the pace of China's development and largely agreed that the underlying tension between acceleration and domestic stability persisted even when the United States took actions to add friction to China's progress.

Key Issue 3: Desired Capabilities

Players discussed the need for **robust intelligence capabilities regarding China's AI strategy**: specifically, the ability to assess whether China's manufacturing advantage is durable, whether China's internal unemployment pressures create openings for cooperation, and how China's AI systems are being deployed in Global South economies. In several games, players expressed frustration at the lack of visibility into China's intentions and capabilities.

Players also discussed the need to implement **coordinated trade measures with allies**—including tariffs on goods produced with China's AI manufacturing, export controls on advanced semiconductors, and incentive packages that encourage allied countries to align with U.S. technology ecosystems rather than adopting Chinese alternatives.

Key Issue 3: Desired Playbooks

Players identified the need for playbooks that help decisionmakers **navigate the trade-off between accelerating AI adoption and protecting workers**. These playbooks could articulate the conditions for prioritizing speed (e.g., if intelligence indicates China is close to a breakthrough), the conditions for prioritizing stability (e.g., if U.S. domestic unrest threatens governability), and strategies for pursuing both objectives simultaneously when feasible.

Players also called for playbooks on **economic engagement with China**. These playbooks could address scenarios in which bilateral cooperation on AI-driven displacement is feasible, as well as those where it is not. Playbooks should also include escalation ladders for economic competition, outlining when diplomatic, trade, cyber, or other responses are appropriate. In several games, players proposed that the United States should approach China with a framework analogous to that for nuclear arms control: offering mutual restraint in exchange for mutual security, supported by verification mechanisms.

Players also identified the need for **alliance-building and coordination** playbooks. These playbooks would specify how to build coalitions around shared AI-economic challenges; prevent allies from shifting toward China's homegrown technology ecosystems; and use security guarantees, trade access, and technology sharing to encourage cooperation and maintain strategic unity.

Key Issue 4: The Unprecedented Concentration of AGI-Driven Wealth and Power in a Small Number of Firms and Individuals Could Destabilize Economic Systems and Democratic Governance

Across almost all games, players repeatedly returned to the structural threat to economic stability and democratic governance presented by the concentration of power within frontier AI companies. Players described scenarios in which a single firm or small number of firms could control the most economically consequential technology in human history. Players noted that these companies would generate massive productivity gains that primarily benefit capital owners and their leadership might be resistant to government oversight. In several games, players framed this not as a traditional regulatory challenge but as a new form of power concentration that existing antitrust and corporate governance mechanisms were not designed to address.

Players in the Business and Civil Society games were particularly concerned about this issue. In one game, players noted that when the crisis deepened, the private sector was seen as something the government needed to act on rather than as a willing partner in finding solutions. In another game, players argued that the scenario was less about traditional geopolitical competition and more about the competition between states and powerful private-sector AI firms.

Similarly, players raised concerns about the social and economic consequences of this concentration of power and wealth. In several games, players observed that while GDP growth continued, employment and consumer spending declined, indicating that the gains from AGI were accruing mainly to firms and their owners and not the broader society. Players described this as a *K-shaped* economy in which the economy splits into two diverging paths, like the arms of the letter "K": AGI creates prosperity for a few but leaves millions unemployed and struggling. The players warned that such extreme inequality is unsustainable: Not only does it harm individuals and families, but it also risks social unrest and the breakdown of economic and political stability.

Players consistently concluded that meeting this challenge would require the government to develop new forms of oversight, authority, and corporate accountability, not as a matter of routine regulation but as a means of preventing a single private actor's concentrated economic power from destabilizing markets and capturing or undermining democratic governance. Because voluntary industry cooperation was seen as insufficient, players emphasized that these oversight and intervention capabilities were the primary levers available to counter the concentration of power the scenario surfaced.

Key Issue 4: Desired Capabilities

Players discussed the need for government capabilities to understand, monitor, and—if necessary—intervene in the operations of frontier AI companies. Because frontier AI research is concentrated at a handful of private firms, players discussed the government's dependence on lab self-reporting to know what such systems can actually do. Players saw this dependence as itself a form of power: If firms control both the technology and the government's understanding of it, they effectively control the terms of government oversight. Players therefore called for **independent government capacity to understand and evaluate frontier AI** so that the state is not reliant on the firms it must govern for its own knowledge of the technology.

Beyond assessing the technology itself, players saw a need to **monitor how frontier AI's deployment is reshaping market structures and wealth distribution.** They proposed tools, such as federal labor-impact dashboards that integrate economic, educational, and risk data, as well as systems to track which firms and individuals are capturing AGI gains and how their activities might erode the tax and consumer base.

However, monitoring alone was seen as insufficient. Because players repeatedly concluded that voluntary industry commitments would not hold, they called for **stronger legal, operational, and emergency authorities over frontier firms,** including the ability to compel the disclosure of model vulnerabilities, subpoena employees, or, in extreme scenarios, nationalize labs and redirect company activities in the national interest. Some players framed nationalization as both a means of arresting dangerous capability growth and as a safeguard against firm leadership amassing enough concentrated power to subvert or overwhelm state authority. Several players proposed designating frontier AI capabilities as critical infrastructure that is subject to enhanced regulation, analogous to how the government treats nuclear materials and defense production.

Finally, players discussed **mechanisms to ensure that the economic gains from AGI are broadly distributed**. Proposed approaches included mandatory profit-sharing arrangements in which the state captures a share of profits from the hyper-profitable frontier labs to fund public services, requirements that companies maintain minimum human employment ratios, and public-private partnerships in which government investment secures a share of returns.

Key Issue 4: Desired Playbooks

Players recommended developing **playbooks that specify how the government should manage its relationships with dominant frontier AI firms** under varying conditions, from cooperation to emergency intervention. These playbooks would articulate a graduated response:

- voluntary information-sharing and partnership under normal conditions
- enhanced oversight and mandatory disclosure when risks increase
- emergency intervention under crisis conditions.

Players noted that as of the time of gameplay, the government lacks both the legal authorities and the institutional capacity to execute the more forceful end of this spectrum.

Players also called for **playbooks that maintain government leverage over frontier firms**. They recognized that a firm's concentrated economic power ultimately rests on tangible dependencies—such as energy access, land use, government contracts, semiconductor supply chains, and antitrust enforcement—that the government can influence. Playbooks could specify which levers are appropriate under difference circumstances and how to sequence escalation, ensuring that government can effectively counterbalance a dominant firm's market and political power to protect the public interest.

Players also identified the need for **playbooks with contingency plans for cases when a frontier AI firm actively resists government authority or acts against the public interest**. Several games raised the prospect that the leadership of such firms could attempt to move operations offshore, deploy AI capabilities in ways that undermine governance, or use their economic power to capture political processes.

Key Issue 5: AGI Could Fundamentally Change How Society Views Work, Welfare, and Human Purpose, Creating Challenges That Existing Institutions and Policies Are Not Equipped to Address

Across almost every game, player discussions moved beyond near-term economic stabilization to a deeper question: What happens to society when human cognitive labor is no longer necessary for economic production? In early turns, players often treated the scenario as a severe but conventional recession requiring fiscal stimulus and retraining. However, by later turns and in discussions after the games, players consistently concluded that the challenges being faced were more foundational. In multiple games, players agreed that AGI-driven worker displacement might not be simply a cyclical disruption from which the economy will naturally recover: It could permanently change the relationship between humans and economic activity.

In these discussions, the questions raised by players included: "What are the signposts of approaching a post-scarcity world?" and "How can people find meaning in a post-labor society?" In several Business and Civil Society games, players struggled to articulate what government hoped to achieve if the economy transitioned to one in which most humans cannot contribute productive labor.

Players across multiple games discussed the merits of universal basic income (UBI), a policy in which all citizens receive a regular, unconditional cash payment from the government to cover basic living expenses. Proponents argued that UBI is the only mechanism capable of maintaining social stability at scale when employment-based income distribution fails. Skeptics argued that UBI creates dependency, fuels inflation, is fiscally unsustainable, and fails to address the psychological and social functions of work.

In several games, players explored the idea that the work week itself should be restructured from 40 hours to 20 or fewer. To provide people with both income and purpose, some players proposed national service programs, civic engagement requirements, or a care-economy expansion (i.e., an expansion of the economy that involves caring for others, such as child care, elder care, health care, and support for people with disabilities). In some Business and Civil Society games, players discussed building a "caring society" in which human connection, caregiving, education, and community become the primary forms of valued activity, supported economically by AI-generated surplus.

Key Issue 5: Desired Capabilities

Players discussed the need for the capacity to **develop and test new approaches to how people earn, contribute, and are supported** under AGI conditions—including pilot programs for reduced work weeks, UBI trials, national service frameworks, and care economy expansion. Players in several games proposed that universities should be funded to research these questions systematically and that government should have the capacity to experiment with novel economic structures at manageable scale before being forced to implement them under crisis conditions.

Players also discussed the need for capabilities **to assess and support human welfare using metrics beyond employment and GDP**. Several games noted that traditional economic indicators might be inadequate: Players proposed new measurements that track individual sense of purpose, social cohesion, mental health, civic engagement, and access to basic needs.

More broadly, players discussed the need for **rapid and broad transformation of the education system**. This included reorienting kindergarten through grade 12 education and higher education around skills likely to endure beyond AGI, such as critical thinking, reasoning, collaboration, and project management, which players believed would retain value; integrating AI literacy into curricula; reforming higher education to align with emerging economic realities; and building lifelong-learning infrastructure that allows adults to continuously adapt as the economic landscape shifts.

Key Issue 5: Desired Playbooks

Players identified the need for playbooks that **guide governments through the transition from a jobs-based economy to new approaches for value creation and distribution**. Such playbooks would specify how to sequence interventions: immediate stabilization (e.g., emergency financial support), medium-term adaptation (e.g., new institutional structures for income distribution and social purpose), and long-term transformation (e.g., new economic models and social contracts).

Players also called for a public communication playbooks to **help government leaders articulate a vision for the future that is honest about the scale of change while offering hope and direction**. Several players noted that the absence of a coherent narrative about the future is itself destabilizing: People need to understand what role they will play in the future economy, and political leaders need frameworks for explaining unprecedented change without inducing panic.

Key Issue 5: Other Recommendations

Player discussions suggest that the most fundamental challenge of AGI-driven economic transformation might be political and philosophical and not just technical. In several games, players observed that no government has a clear vision of what society should look like when most human cognitive labor is replaceable. The players emphasized that developing such a vision requires both economic analysis and broad public deliberation about values, purpose, and social organization.

Players noted that existing political ideologies, both market-liberal and social-democratic, are built on the assumption that labor is the main mechanism for distributing income, providing purpose, and structuring society. If that assumption no longer holds, the political frameworks built on it might also fail. Players noted that the window for proactive preparation might be narrow. In several games, they noted that once mass displacement leads to acute political instability, the opportunity for thoughtful, inclusive institutional design shrinks, and responses become reactive, fragmented, and potentially authoritarian. The consistent message across games was that **investment in open, participatory processes for exploring new approaches to economic and social sustainability after AGI** should begin before crisis makes deliberation impossible.

Next Steps

Taken together, the discussions from these games suggest that AI- and AGI-driven economic and societal impacts could challenge foundational assumptions about how modern economies function, including the role of employment in distributing income, the basis of government revenue, the structure of international competition, and the relationship between private firms and democratic

governance, and that existing policy frameworks are not designed for the speed or breadth of change that players anticipated. Across games, players converged on a similar set of needs: mechanisms to cushion and redirect a displaced workforce at unprecedented scale, new fiscal architectures that capture value from AI-driven productivity rather than from labor, strategies that balance geopolitical competition with domestic stability, tools to govern firms whose economic power could exceed that of many states, and, most fundamentally, a coherent vision of what society should look like when human cognitive labor is no longer the primary engine of economic production.

A useful next step for the Infinite Potential platform would be to probe the sequencing and trade-off questions more deeply. This includes challenging players to think about how decisionmakers should prioritize strategic competition and domestic stabilization when both cannot be fully pursued simultaneously, which fiscal instruments are most viable under political constraints and when they should be activated, and how governments can maintain leverage over frontier AI firms before power and wealth concentration becomes irreversible. Additionally, the platform could explore how communities and civil society (in addition to government) can help sustain social cohesion and individual sense of purpose in a post-employment economy. Games that are specifically designed to force players into hard prioritization decisions rather than allowing them to defer the tension between acceleration and protection could yield sharper insights into which policy sequences are most robust across different AGI deployment futures.

Additionally, drawing on the key issues raised by players and the capabilities and playbooks they identified as necessary during Infinite Potential games, RAND researchers are developing materials for AI education, training, and practical use. Drawing on this body of work and its other research, RAND's Center for the Geopolitics of AGI will continue its effort to equip governments, the private sector, and civil organizations with insights and tools to prepare for and respond to the uncertainty and risks posed by AGI.

Appendix

Other Infinite Potential Publications

Scenario or Theme	Publication Information
Business and Civil Society	Girven, Richard S., Beba Cibralic, and Gregory Smith, *Infinite Potential—Insights from the Business and Civil Society Scenario: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4767-1, 2026. As of June 22, 2026: https://www.rand.org/pubs/research_reports/RRA4767-1.html
Cyber Surprise	Smith, Gregory, George Hage, Chad Heitzenrater, Matt Chessen, and Richard S. Girven, *Infinite Potential—Insights from the Cyber Surprise Scenario: Post-Series Scenario Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4626-1, 2026. As of June 22, 2026: https://www.rand.org/pubs/research_reports/RRA4626-1.html
European Games	Walsh, Stephanie J., Marta Kepe, Salman Ahmed, Barbara Del Castello, Matt Chessen, Marzia Giambertoni, Cian Girven, Richard S. Girven, Theiline Pigott, and Anton Shenk, *Infinite Potential—Insights from the European Games: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4767-2, 2026. As of October 18, 2026: https://www.rand.org/pubs/research_reports/RRA4767-2.html
Loss of Control	Moore, Pauline, Stephanie J. Walsh, Zachary Burdette, Matt Chessen, David R. Frelinger, Richard S. Girven, Chad Heitzenrater, Gregory Smith, and Barry Wilson, *Infinite Potential—Insights on Artificial Intelligence Loss of Control Across Five Scenarios: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4767-3, 2026. As of October 18, 2026: https://www.rand.org/pubs/research_reports/RRA4767-3.html
Robot Insurgency	Smith, Gregory, Benjamin Boudreaux, Michael J. D. Vermeer, and Joel B. Predd, *Infinite Potential—Insights from the Robot Insurgency Scenario: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4231-1, 2025. As of June 22, 2026: https://www.rand.org/pubs/research_reports/RRA4231-1.html
Societal Warfare	Arnold, Julia, Abby Doll, Richard S. Girven, Karl P. Mueller, and Gregory Smith, *Infinite Potential—Insights from the Societal Warfare Games: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4626-2, 2026. As of October 18, 2026: https://www.rand.org/pubs/research_reports/RRA4626-2.html
Two Moonshots	Predd, Joel B., Matt Chessen, and Gregory Smith, *Infinite Potential—Insights from the Two Moonshots Scenario: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4230-1, 2025. As of June 22, 2026: https://www.rand.org/pubs/research_reports/RRA4230-1.html

Scenario or Theme	Publication Information
Viral Uplift	Shenk, Anton, Matt Chessen, Barbara Del Castello, Gregory Smith, and Richard S. Girven, *Infinite Potential—Insights from the Viral Uplift Scenario: After-Action Report from a Sequence of Day After Artificial General Intelligence Exercises*, RAND Corporation, RR-A4727-1, 2025. As of June 22, 2026: https://www.rand.org/pubs/research_reports/RRA4727-1.html

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