

# Author Talks: Parag Khanna on the forces creating a new geography of opportunity

Parag Khanna provides a vision of the next phase of human civilization—one that is both mobile and sustainable.



**In this edition** of *Author Talks*, McKinsey Global Publishing's Raju Narisetti chats with Parag Khanna, founder and managing partner of FutureMap, about his book *Move: The Forces Uprooting Us* (Simon & Schuster, October 2021). The globalization scholar looks at the powerful global forces that will cause billions of people to relocate over the next decades. An edited version of the conversation follows.

**Why is this topic relevant amid a pandemic with very little movement?**

*Move* is a book about how humanity responds to complexity. We're facing simultaneous global risks and challenges, such as geopolitical competition, demographic imbalances, political upheaval, economic dislocation, technological disruption, and climate change—all at the same time.

These are not parallel phenomena. In fact, they're converging, and they're even colliding. And we don't have adequate global responses to any of these issues individually, let alone taken together. Even at the national level, very few governments are actually prepared.

I've chosen to focus entirely on the future, to take this COVID-19 moment, this great lockdown, as a point of departure to look into the next ten, 20, or 30 years, to what I think of as the next great migrations. What will be our future human geography? How will the eight or nine billion of us distribute ourselves around the world? And where will be the thriving societies that overcome today's volatility?

Normally, I would [use] states or firms as the central unit of analysis. But what I've done in this book is [use] individual human beings—you and me and the other eight billion of us. Why? It's precisely because there are only eight billion of us. The world is rapidly approaching what I call peak humanity.

By 2035, we may not even reach a total population of nine billion people. And Generation Alpha, today's babies still unborn until the year 2025, is actually going to be smaller than Generation Z. So today's youth are the central dramatis personae of this book.

In the global war for talent, where young people go is going to determine the winners and the losers of tomorrow.

**Wasn't the internet supposed to make physical mobility less relevant?**

The relationship between technology and mobility varies quite significantly depending on geography. So, for example, in the United States or Canada or the UK or France, a professional class can speak about working from anywhere and potentially shifting to the suburbs or becoming digital nomads.

But that's not the case for the majority of the world's population. In Asian countries, even with fast mobile broadband, people would still push into cities for higher wages, better education, access to services, and, overall, a better quality of life.

The digital supply chain of the internet does provide economic mobility for hundreds of millions of people. It's proven to do so very well already. I've hired dozens of people, from India to the Philippines, whom I've never met, and I've paid them more than they would earn locally.

And there's more of this happening before our eyes in the world of remote work that's allowing companies to be "geography blind" in their hiring policies to accelerate that. We saw, just as the pandemic was being priced in early last year, large banks and professional-services companies began to increase their rental of office space and coworking spaces in India, massively expanding their outsourcing footprint. There's a great line about this, which is, "If you could do your job anywhere, then someone anywhere can do your job."

We have several key trends unfolding at the same time. The percentage of what are called location-agnostic workers is rising rapidly to an estimated 40 percent—and even beyond—of the global workforce. And we have geographies that are proving either more or less capable of coping with disruptions like climate change.

We also have countries waking up to the need to vigorously compete in this global war for talent. So it's the intersection of these forces and trends that will determine what destinations skilled youth are going to flock toward in the years ahead.

### **The move toward a new equilibrium**

#### **Can we really enforce global moral obligations in a hypernationalistic world?**

We do live in a nationalistic world. But, as I point out in the book, ages of nationalism have also overlapped with ages of mass migrations. Much of the 19th century was precisely like this, so they are not necessarily opposing forces. And there's often a material interest in fulfilling moral obligations, and this would fortunately be one such case. We have a finite world population of high inequality. If we want to expand markets and achieve market scale, we need to bring technologies to people and help them become active citizens, consumers, and participants in various marketplaces.

We also have a species-level concern to maximize our survival. To do so is going to require some fairly extraordinary actions around large-scale population resettlement. Without it, we'll have shrinking populations and shrinking economies. And that's something a number of OECD countries are experiencing already.

There is a clear self-interest in moving people to resources, and technologies to people, but we're not going to get to this new equilibrium that we need and want if we're still governed by antiquated concepts such as sovereignty. What I do in the book is focus on how we can evolve beyond sovereignty in a world that will still be geographically apportioned into nation states. But how do we still move beyond that into shared administration and stewardship of crucial geographies and resources? And what gradients of citizenship and residency will be essential to enable greater mobility but also make people more comfortable with it?

There are two major economies that have demonstrated a fairly robust and continuous commitment toward opening to greater migration. One is obvious, and one is less obvious.

The obvious one is Canada. For the last several years, inbound Canadian immigration has been expanding significantly. And they've set a target of at least 400,000 new permanent residents every single year. Just before the pandemic, owing to the Trump administration's restrictions on H-1B visas and so forth, Canada actually took in more Indian nationals as permanent residents than the United States did, even though Canada has one-tenth America's population. So, in Canada, you really see this long-term commitment toward immigration policy as economic policy, genuinely expanding the population and diversifying their economy at the same time.

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Let's remember that, again, it's in the strategic national interest. In an era of structurally declining commodities' prices, not to mention pressures to rein in the fossil-fuels industry, Canada actually has to engineer a more robust and accelerated transformation toward the services economy, and it is heavily importing talent to do so.

The nonobvious example is Japan, which strikes many people as a country that's very culturally insular, isolated, and anti-immigrant. That's not true. Statistically speaking, the foreign population is not all that significant; there are, however, three million foreigners living in Japan, more than have ever been the case. And what you find is that in every prefecture of Japan, there is actually a rising foreign population, and there are a lot of initiatives at the civic level, at the business level, and at the government level to find ways to allow foreigners to make more sustained contributions as new residents in the country. They are allocating more permanent residency. They are allowing a broader range of foreigners to own property and [similar] kinds of measures. So you will continue to see a rising foreign presence in Japan, systematically in the coming years, and it is part of what the government is planning on.

In other countries, it's much more haphazard and volatile. But at the same time, it is interesting to look and see how populism and xenophobia have actually been beaten back by the sheer force of reality. Let's take the United Kingdom.

If you think about Brexit and the talent and capital flight out of the UK, bad immigration policy led to a significant shortage of doctors and nurses in the NHS [National Health Service] right at the peak of COVID-19. If you fast-forward to today, the UK has turned 180 degrees on its policy.

Anyone with a degree from a recognized university can gain entry into the UK without the previous requirements, such as having a job offer in hand,

or even paying a very onerous, exorbitant security bond. So, in other words, getting into the UK today is easier than it was before Brexit. And the lesson in all of this is that populism is always short lived. It's always a failure. It always flames out. We've seen that in the UK, we're seeing it in Italy, we're seeing it in the US. The bottom line is this: supply and demand should always dictate migration policy, and it should be colorblind.

### **How does one balance national interests with planetary climate-protection needs?**

When we think about how our numbers, our actual population, adapts to climate change and the turbulence of geography that lies ahead, we obviously have to set aside certain geographies as eco-preservation zones and geographies that we want to rehabilitate and rewild.

But let's remember that eight billion people standing side by side could probably fit on Manhattan island, whereas the full terrestrial geography of the earth available to us is 150 million square kilometers. So there's plenty of room for all of us.

The question is, where do we go, and how do we allocate ourselves? And, yes, individual countries, whether it's Scandinavian countries or whether it's developing countries, are doing lots of things like planting trees and dismantling dams, and trying to restore wetlands and protect coastal areas, and all of those things so that people can live a sustainable life in the countries that they're in.

But we have kicked off these almost irreparable—at least in the short and medium term—ecological cycles of damage that will require people to relocate to the geographies that are becoming much more habitable.

NASA forecasts show us, through what is called a suitability index change, the growing geographies

where people can live. And the great irony of our human geography today is that the places that are becoming the most livable, like many parts of Russia, especially western, central, and southern Russia, and much of Canada, are largely uninhabited places.

The challenge of relocating the human population into these sustainable areas, which, again, is something that we should do morally and in our own self-interest, is to do so sustainably. Otherwise, you would just be creating one tragedy of the commons after another.

Lots of people move somewhere. They trample on the ecosystem, and then people have to leave again. We don't want that to happen with what are potentially dwindling geographic resources. But today we have the engineering capability, the technology, to house people in ways that are more circular—where we use waste-water treatment, recycling, and rainwater collection, and where we have hydroponic agriculture, and many other things that we can begin to develop today to ensure that we have a much lighter footprint for large population settlements.

A large part of my message in the book is that we should be predesigning these habitats. We have focused, rightly, a lot of our attention in the climate debate on mitigation, carbon capture and storage, even atmospheric geo-engineering, which we haven't done a lot of, cap-and-trade schemes, and carbon taxes. I think we all have to be realistic and appreciate that the train has left the station.

We also have to focus on adaptation as much as mitigation. And adaptation does mean things like building more coastal sea barriers or, quite frankly, relocating more people, because it costs an enormous amount to allow people to stay where they are. That's why in the US, policy is shifting pretty drastically toward not subsidizing people to return to

the more or less irretrievable areas in coastal areas that are getting flooded, and instead toward almost forcing them to relocate. I think that we're going to see a lot more of that. But since we know that it's going to happen, we should anticipate it. We should predesignate those areas where people can live.

Across the entire Northern Hemisphere and some parts of the Southern Hemisphere, there are these climate oases that can absorb larger populations. The people in those places know that they are ready to increase their population, and they are predesigning their infrastructure and their habitats accordingly. That's something we should celebrate because it's born out of necessity, but we should also scale it.

### **What would success look like for 'cosmopolitan utilitarianism'?**

When we talk about cosmopolitanism, it's the notion of holding all people equal. Utilitarianism is about maximizing their happiness or welfare. "Cosmopolitan utilitarianism" is a fusion of these two ideals. The maximalist version of this calls for open borders and mass wealth redistribution. The minimalist case is for greater aid to poor countries.

I do favor a large-scale re-sorting of the global population, but I would do it in the manner of a progressive redeployment of the world's youth to geographies where they can be gainfully employed.

Even in wealthy countries, listless masses of youth have been agitating in a global underclass revolt for well over a decade. We've seen this in the late 2000s with the antiglobalization protests, Occupy Wall Street, the Arab Spring, and the various movements in Europe. So I don't want to see [the world's] youth stuck and feeling like cogs in a machine. Instead, I want them to be empowered and be the builders of our future civilization, of our sustainable habitats, to cultivate new frontiers, to stabilize ecosystems for future generations.

# 'I predict that in the coming ten or 20 years, there will be more Asian Europeans than Asian Americans.'

If you look at the multiracial melting pots, from Toronto and London to Dubai and Singapore—these are hubs of cosmopolitan identity. And there are more such places emerging or on the horizon. Think of Berlin or Almaty, Kazakhstan; Tokyo; Tbilisi, Georgia. There are more and more and more. Of course, the young people who fan out as digital nomads or look for places where jobs are being created and new infrastructural projects—they will become the next melting pots. So the more that youth clusters in these and in other hubs, the more cosmopolitanism as an ethos prevails. But the only way to actually get toward this vision is to let people move.

## The new map of human geography

### What surprised you when researching this book?

I'm looking at the entire world population of today and trying to forecast where it will be tomorrow. In doing so, I needed to look at the new directional vectors of talent. And one of the things that really caught me off guard was the rate of growth of Asian populations in western Europe, excluding the UK. There are presently only four million of what I call Asian Europeans versus 25 million Asian Americans. I predict that in the coming ten or 20 years, there will be more Asian Europeans than Asian Americans.

Why? Well, Europe actually trades more now with Asia than it does with the United States. Europe is seeking free-trade agreements with Asian regions like Southeast Asia and with India.

And, of course, Europe and Asia do share this Eurasian landmass. Europe also, of course, has rapidly aging populations and labor shortages, its educational systems are switching toward English, and it's offering blue cards for Asian talent. If you think about it from the supply side, Asians are increasingly confident and have a greater sense of public safety and security in Europe and would benefit from its generous safety nets as they migrate there.

Overall, Europe is more sociopolitically resilient than the US and could prove to be more attractive in the long run to Asian talent. I see the rising Asian populations that are becoming ever better assimilated into European societies because they have exactly the skill sets—whether it's nurses or IT engineers—that European countries need.

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