

# Ep.47 - Dr. Parag Khanna\_mixdown

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## SUMMARY KEYWORDS

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## SPEAKERS

Announcer, Ed Clemente, Dr. Parag Khanna

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Announcer 00:01

Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.



Ed Clemente 00:28

Hello, my name is Ed Clemente. I'm your host today. Where so fortunate to have Dr. Khanna in the beginning Parag Khanna I'll call you Parag if that's okay with you. [Absolutely.] And you have many titles. But thank you, first of all, for doing the podcast. We think that, you know, you've done some really enlightening things in your books. But you are currently the Founder and Managing Partner for Future Map, a Global Strategy Advisor, world traveler, and a best selling author. And anything else I probably missed in that title, you have a lot of titles there.



Dr. Parag Khanna 01:05

Well, we'll go through everything eventually.



Ed Clemente 01:08

Yes, I'm in currently, too. You have a book out called Move, which you probably do a better job than me encapsulating it. But what's the one sentence you probably have about the book you usually tell people what it's about?



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Dr. Parag Khanna 01:23

Well, it's the future of all human geography. Where will 8 billion people live in the next 10, 20, 30 years? And why? How did we get there? You know, if we started in 2050, and said, here's where we all will be. And I want to tell the story the next 30 years, and obviously covers the entire world, but most definitely America and North America.

E

Ed Clemente 01:43

Yeah. And I think that I've actually was a fan of one of your previous book Connectography? [Yes.] I really think that that's something I think about all the time as one thing I guess I would say, I wouldn't say jealous, but I'm envious of how much you've traveled, I think you've been to well over 100 and some countries 150. I can't remember how many have been to

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Dr. Parag Khanna 02:08

Counting down to the to the few left, but I probably don't actually want to go to those. So I'm pretty I'm pretty content with what I've covered so far.

E

Ed Clemente 02:17

But I think that's a great foundation for a lot of your books. And even when you talk about Michigan, I've been to like 80 countries in really not to paraphrase Mark Twain, but you know, the it's hard to be bigoted when you've traveled the world sort of thing, right?

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Dr. Parag Khanna 02:32

But I think it is, is is so well put that is one of my favorite quotes.

E

Ed Clemente 02:36

Yeah, absolutely. And I think you know, he made that in the 1800s. And you can imagine how much more relevant it is today.

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Dr. Parag Khanna 02:43

No question. Well, you know, during this pandemic lockdown, you get this sense that people are content with understanding the world through Twitter. But you know, what's motivated me for 20 plus years still does, which is that there's a huge contrast between what people say when you're in a cubicle, or online and having traveled to places versus when you go there. So, I'm as eager as anyone to get back to the pre-pandemic, you know, kind of extent of going and seeing places. And let's remember that a lot of places did change profoundly during this pandemic. So things are not going to be the same.

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Ed Clemente 03:16

Yeah, and I think that ties a lot into some of your Move book a little bit too, because, you know, whether it was COVID or not COVID those were things that were probably already in motion for quite a while. And it just probably accelerated, obviously, the digitization part of it accelerated but the movement of people and speaking of movement of people, you yourself, born in India, grew up in UAE I think, one of the Emirates I don't know which one. But then you also went to school in Georgetown. And then you went to LSE, London School of Economics. And then you did you get a degree also at the University, National University of Singapore too?

D

Dr. Parag Khanna 03:58

No, no, that's actually where I've been teaching and where I've been a Research Fellow and but, you know, my adolescence was primarily in in New York, actually in upstate New York and in in Germany for a while. So, you know, not not that far from the Great Lakes but, but I'm, I'm a Quaker by schooling, you could say.

E

Ed Clemente 04:19

Oh, you went to a Friend's school?

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Dr. Parag Khanna 04:21

No, no, I mean, well, Horace Greeley High School, but it's a public high school. So it's, it's not sort of, you know, wasn't inflected with any particular tradition, per se. But a good school nonetheless. But I had a very, I have very fond memories of my many years there. My parents actually lived there up until just a couple of years ago.

E

Ed Clemente 04:40

So, you know, let's sort of like I don't know how to say this, but just to help you maybe explain a little bit about I like the way your books are all designed more about civilization sort of than humanity. Not that you're talking against humanity, but how there's some things are unavoidable almost right?

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Dr. Parag Khanna 05:02

Well, I like that, that dichotomy. That's actually a really great point in the sense that humanity, you know, let's say colloquially defined is just 'us' the lump of 'us,' you know, the mass of human beings and civilization is our organizational structure, if you will. I mean, I'm concerned with all of humanity in the sense that in this book, as with others, but I, I want to find a solution, right, for all 8 billion people, what is that future map of humanity? I don't say future map of civilization is a future map of humanity, right? If there 8 billion pixels on my maps, you know, one for every one of us, where are we going to be, and I'm concerned about the well being, if you will, in a utilitarian way, you might say, but civilization is the organization, right of, of all of

us, so to speak. And, and it's to me those structures, those institutions, those, you know, kinds of norms and codes, that that is that is civilization. So I'm really glad that you mentioned it that way, and how that will change what will organized society look like. And this book, Move, I talked about civilization 3.0. If civilization 1.0 is when we were distant past, we were nomadic and agricultural. And civilization. 2.0 is what we know today, when we were industrial and sedentary. To me, civilization. 3.0 is when we become mobile again, but in a very high tech way, and we're sustainable. So the two operative words for me for the future are mobility and sustainability. How can we allow people to move and circulate to climate resilient places such as, of course, Michigan, but as they do, how can they do so sustainably so that we're not trouncing on the environment the way we have everywhere else in the world. So the goal of the book is to, in a way, you kindly mentioned Connectography earlier. And that was a book about the functional geography of infrastructure globally. What I'm asking and Move is, how are we going to use it? How is civilization going to use the infrastructure that it has built, but use it sustainably so that we can all survive in the future and have a productive, you know, sustainable set of livelihoods?

E

Ed Clemente 07:09

Well, the Michigan Economic Development Corporation where I work is always trying to do that 10,000 view of things and it's hard when you're just in one state, because you're affected obviously, by many other, you know, regions around you and global issues. But I think the thing that's sort of interesting is even when you use your analogy about how the roads and inter roads and railways are sort of like the skeleton of the body, and then how oil, electricity you know, utilities are sort of the blood. And then I think the third one was the brains is sort of like fiber optics, the internet..

D

Dr. Parag Khanna 07:50

The vascular system this the the circulatory system, the skeleton, yes. The respiratory system, rather. Yeah.

E

Ed Clemente 07:57

Yeah. I love that analogy, by the way.

D

Dr. Parag Khanna 08:01

It took me a long time to piece together actually?

E

Ed Clemente 08:05

It's beautiful though. Yeah, [Thank you.] I think its a beautiful metaphor.

D

Dr. Parag Khanna 08:09

**Dr. Parag Khanna 08:09**

Well, it speaks to, by the way is that what you know, the division of labor is a really important concept in sociology, going back to Emile Durkheim in the 19th century. And what I tried to do, always, is to kind of talk about the changing division of labor in the world, in our civilization. So but based upon place, not just individually labor of people, which is also constantly changing, think about remote work, for example, you know, you're changing what you do in the world, even if you don't change where you are by being a remote worker. But I'm interested in this book, and otherwise in the division of labor, among places, and this is where states come in, whether it's countries, nations regions, provinces, whether it's your natural resources and resource endowments, or whether it's your industries. And so it's actually really interesting to me about the Great Lakes region in general, Michigan, in particular, is that it's changing its role in the global division of labor and multiple levels at the same time. Its role as a natural resource, geography, you know, a place that is among them, the best endowed and freshwater supply on the planet earth is becoming more and more important, and its role in the global economic and industrial division of labor is changing, as it has gone through this phase of, you know, partial deindustrialization owing to globalization and international competition and technological change, and now is seeking to upgrade itself and redefine its role. And if you look at New York after the financial crisis, New York was thought of as just a financial center, but actually New York is a biotech hub, a technology hub, a media and communications hub, a logistics hub, and a financial center. Right. So the question I asked when I look at a map and I look at the Great Lakes region, I look at Michigan, I say, every place needs to always figure out and plan and strategize its role in the global division of labor. And your role in America is part of your role in the global division of labor. And I think that's so exciting to witness in real time how hard you're working, your colleagues are working, the state is working, the industries in Michigan are working to say, we are going to redefine a future oriented role in the global division of labor. And that's incredibly exciting.

**E**

**Ed Clemente 10:33**

Yeah, in fact, as you know, Michigan is kind of doubled down on mobility being sort of our epicenter, at least, if not globally, you know, at least for the US. And we know that a lot has been done with edge computing and autonomous vehicles, a lot of that activities are taking place here in the state. And but I want to paraphrase you a little bit when you said two things, one, you might regret the statement, but give everybody a ticket from New Orleans to Michigan.

**D**

**Dr. Parag Khanna 11:03**

Let's just say that I'm persona non grata among some communities now. One of those things, it was also going from a utilitarian standpoint, I'm saying, Look, if people need the option, if you look, by the way, you know, obviously, I may have offended the pride and sensibilities of some people down there. But at the end of the day, again, I'm talking about millions of people who face climate risk. And I bet that if you did a randomized experiment and said to them, Hey, look, there's another hurricane Ida coming, or, you know, tropical storm, whatever, and it's going to wipe out your home that you haven't even finished rebuilding and you're not going to have power for six months. And you're going to be standing in a redline or here's a \$250 Southwest Airlines or whatever, you know, ticket to Detroit, and there's some some housing that's being you know, there's some there's some refurbished brownfield developments to

house climate refugees up there. Will you take the ticket? I'm telling you, a lot of people go to take the ticket, right? This is like, don't follow Twitter on this one, either, right? Go down there and talk to people, they're going to come to Detroit.

A

Announcer 12:07

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E

Ed Clemente 12:22

You know, the Grovesvenor Report, I don't know if you ever heard of them. But they put out a study of resilient communities globally, and Detroit ranked pretty high. At least Detroit did as a, you know, where we don't have a lot of issues here. We don't have earthquakes, we don't have a lot of forest fires, we don't have a lot of things. But, you know, I think you can almost see the ripple effect. That's Michigan in the Midwest, as well, as we're just a little bit not as least currently not affected by as many of the elements that affect other regions in the world. By the way, one other quote, you said, you also said that Michigan would be a place to live I think, in the United States or in North America, I forget which but the exact quote said in 2050? And did you want to kind of, you know, go a little bit on that?

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Dr. Parag Khanna 13:08

Well, I'll just reminder. And this is literally where the story of this book began. It's more than 10 years ago, I was writing an article looking at the whole world and saying, which places will meet the test of environmental resilience, a keyword, you just use political stability and economic opportunity. And we looked all over the and say, sure, Russia is benefiting from climate change in many ways. But you can't say today that you're going to want to live in The Russia of 2050, because you have no idea what kind of government they're going to have or if you'll even be welcome there. Whereas you could look at, you know, you can say Norway sure, but you know, it could be overrun by climate migrants from other regions, and they don't have a strong enough security system, you know, potentially to prevent that. So you look around, there's gonna be multiple places that are going to be the new centers of civilization. And but we, as I was doing this kind of, you know, global canvassing, it was like, it's definitely the Great Lakes, there's no question, that would be number one on my list. So it was like an objective research inquiry more than a decade ago, and that is, that is page one paragraph one of this book, is Where will you live 2050? And the funny this is, again, why you have to look in I don't want to say in a deep future sense, because I'm advocating for this today. As you know, you know, especially with this book coming out all the time in my conversations, I'm saying, Look, objectively, you want to be in Michigan, and what I find so stunning is that right now is you guys know better than anyone, the population, the demographics, the dynamics of that are still you know, sort of downward, you know, there's still people leaving Michigan, rather than coming and I'm saying you're heading in the wrong direction, you know, you need to be going back and the whole country will be heading back up based upon pilot models and so forth. And a lot of my own work looks at how climate models intersect with economics and demographics and infrastructure to point to the geographies again, as objectively as you can, the geographies

where you should want to be and this this becomes so important from from our national economic planning, because look at the the Jobs Act, look at the Build Back Better Act, trillions of dollars of money that will either ago that will either be distributed based upon our typical pork barrel kind of approach to legislation, and, you know, distribution of funds. Or we can say, wait a minute, if you're going to do infrastructure on a 30 to 40 year time horizon, what are the places that are going to be livable in 30 or 40 years? And why would you spend an equal amount of money in places that are going under or that are desertified and are going to be hit by heat waves and drought every every day, versus places that are climate resilient, and I believe that climate resilient places should get more money. That's my, again, that's my analytical view, it may again, it doesn't, it doesn't lead to a happy outcome for Houston, Texas. And it obviously leads to a happier outcome for for Michigan, but I'm for investing in people, you know, and places that are going to be home to people. And there's no question that we as mammals, you know, have a fight or flight instinct, we're gonna flee from the negative effects of climate change and move to places that are stable, that explains human behavior over roughly the last 100,000 years. So I'm pretty sure that I'm right about that. And so I would put a lot more money into the Great Lakes region a lot more money into Michigan and attract people up there and help that, you know, help it revitalize. And one of the things I wrote years ago that I just want to reemphasize, I say, if you look at a map, as I always do, I think in maps, and I say, look, Detroit, its role in the global division of labor is not just the industries on mobility, obviously, incredibly important. But geographically, it's not just an American industrial hub. It's also the midpoint of this Chicago, Toronto corridor, in what will be a North American Union. Right. And we, you know, we may not call it that I'm not a multilateral utopian thinking that we're going to look like the European Union and share a government with Mexico, I'm not saying that, but we're going to integrate ever more in functional ways, infrastructure, trade, mobility of people sharing of resources, water, electricity, all of those kinds of things. So that's the way to think about Detroit. That's what you think about Michigan, this incredibly stable geography environmentally, at the heart of this North American super continent. That's, that's not some kind of like, branding slogan, or far fetched imagination. That's like a geographic like cartographic fact. And so that's part of though, of course, it can if it's useful for Michigan's branding, to say that great, you know, go for it, use it, it also happens to be true.

E

Ed Clemente 17:50

Well, you know, you might know that, but I was a former legislator, and I worked on legislation that was even talking about the rail lines that go from Nova Scotia, all the way through to Chicago, and then, you know, wherever from there, but that was pretty critical beyond the trucking link and obviously with the automotive industry, we already have, always have had had a good relationship with Canada, especially at our border. And, you know, I've been to the Shinzen places in obviously, Europe, it'd be, I would like to see the US get to that level, some point, but I don't know if it's gonna happen, you know, given circumstances, but you're right on track, I think. And that also dovetails into one other point, I think that's pretty critical. And it's been sort of hinted at, in all your books, I think, is the battle for talent or youth. And you've touched on this a little bit. But I just think that's very critical for Michigan as we try to, like sort of reorganize our state and how we get people here. But that ties into two other things, the sort of global digital divide ,the quantum people, which is a chapter in one of your books, and sort of digital nomads, you know, I think those are all sort of interrelated to each other.

D

Dr. Parag Khanna 19:02

They are they are there's a great overlap there. I mean, quantum people more broadly, is the idea that, you know, we are so many people are going to be nomadic and moving all the time, that sort of like in quantum physics, where you can know the location or the velocity of a particle, but not both, I'm saying people are just going to be moving around bouncing around, you know, like those, you could say, those those ping pong balls in the in the in the in the glass containers, you know, when we have a lottery or something. So that's going to be us. And but and so but more specifically, when you talk about digital nomads and the war for talent, and especially young people, I'm primarily concerned in this book with the 4.5 billion young people, the people under the age of 40, because that's most of the futurous population, right? So it's kind of logical. So where will young people in the fact that young people identify less than less with the nation state and more and more with cities and places and their generation. Young people want to go where young people are. Young people will follow young people and they don't care about crossing borders and 75 countries now have Nomad Visa Programs and Place-based Visas are becoming more common to cities within countries saying, you know, we have a different set of policies, we have a more liberal culture, we have more affordable housing, we have better educational opportunities, you know, these kinds of things. And so Michigan again, there has a huge opportunity in a world of remote workers to say, hey, you know, free broadband everywhere in the state, you know, lots of affordable housing, good weather, you know, seemed good, obviously, strong seasons, but but fresh, you know, bracing, whether one season a nice balmy summers, and, you know, setting up that beach in downtown Detroit, and like, all these kinds of things, you know, make the place cool, and young people will go there. If you think this is hypothetical, just look at Miami, right? A place that is not blessed by climate change in the future. But where the mayor can issue one tweet, and 1000s and 1000s and 1000s of people will move there literally 1000s, it's one of those cities whose that largest population growth during the pandemic was Miami because of remote work. Well, why isn't Detroit the next Miami? Right? And there are many ways that it can be many ways that it can't be and shouldn't be, but many ways that it can be and that's what that's the kind of energy and the kind of, you know, effort it's worth making when it comes to issues like attracting young mobile workers today.

E

Ed Clemente 21:28

Yeah, I'm on a board called Global Ties Detroit, but it works with the US Department IVLP, International Visitors Leadership Programs. And we have had a lot of obviously Asian is a big chunk of one of your books too, the futures agent. Right. But I think that we are these people are always impressed when I do a lot of tours and some of these international groups that come here, and pre-COVID. And but they're always impressed. I mean, they always are surprised Detroit's not with they appear or Michigan's not what they would read about in books. And so there are these, you know, we get a lot of university students international university, at the major universities, who are international that stay here afterwards do and set up companies. So that fits a little bit into I think what you're proposing somewhat?

D

Dr. Parag Khanna 22:18

Well, absolutely. So education is central here. Absolutely. So you know, the young talent, young, high potential people of the world are looking for educational opportunities, right? And if you can make it affordable, you will be a prime destination on the map. And I want to emphasize, I have a piece coming out on this eventually, or soon it's about this war for young

talent, and arguing that America is not necessarily guaranteed to win that war. And we always have on the back of great strong education that's affordable at all levels, you can get scholarships to top universities, public universities are affordable, but other countries and just look at Canada look no further than Canada, but definitely at Europe. In Europe, they're saying, look, our universities are free and, and they're high quality, and they're closer to wherever you are, especially if you're Asian, or wherever. And we don't have the culture wars going on. And we'll even teach you English now. So the whole world is trying to compete for the young students who either can pay tuition are who are talented and can be innovators in their society. And whereas for you know, close to 100 years, almost it was guarantee that the best and the brightest would come to America. It's absolutely not guaranteed today, unless you are materially offering them a better deal. And again, that may come down to real innovation and branding, you know, things that Michigan can do and say, hey, we're going to open up this new suite of vocational technical institutions around the mobility industry, link academia with the best companies of tomorrow, in the in the in the mobility space. Come and learn here and work here. That would be awesome. Like, it would be amazing if Michigan did that.

E

Ed Clemente 24:00

And I'm gonna cut you down Parag to just two more questions. But one, we talked about this a little bit in the pre-call about, you're also doing more, I think, with real estate, I didn't know exactly what you called it, but you articulated better than I did, what was it again?

D

Dr. Parag Khanna 24:16

Well, so this is a data science platform called Climate Alpha. And what it does is pull together a lot of data sets that all sort of correlate to each other and predict property prices, the value of land, the value of residential housing, the value of commercial assets, industrial agricultural, all different algorithms that forecast each of those values for all 3000 counties of America. And obviously, the more extreme the climate scenarios become the more rapidly areas like the Great Lakes appreciate and some of today's you know, hotter, I guess in both senses of the term markets may depreciate and but we pinpoint those geographies with very precise numbers and time horizons that go all the way out to 2040. So that's what what Climate Alpha does. And it's yet another example of how you can, you know, sort of prove in a very tangible way, in a very logical and objective way, why the opportunity is now, you know, to be investing in Michigan in the Great Lakes, because land is cheaper. But eventually asset prices will will inflate as people move in. And as supply chains also relocate there, and a variety of other transformations, again, in our relations with Canada, and infrastructure investment and so forth.

E

Ed Clemente 25:30

Yeah, the infrastructure is critical to any zoning and planning. And, you know, it's not that easy to shift those things around given local politics too sometimes the so how would they find out more about that part? Just go to your website?

D

Dr. Parag Khanna 25:45

Sure, so yeah, [www.paragkhanna.com](http://www.paragkhanna.com) is my personal page for books and articles and videos and things. And this, this podcast will go there. And then [www.futuremap.io](http://www.futuremap.io) is my company and [www.climatealpha.ai](http://www.climatealpha.ai) is our SAS or data science platform around property valuation.

**E** Ed Clemente 26:07

And the last question is pretty easy for you, even though you've probably said it like 10 times, but you have children yourself, right? And so what advice would you give to somebody about a future career? Like what would you be telling a high school kid? Or talk to yourself.

**D** Dr. Parag Khanna 26:26

Well, I guess I did follow my own advice. But without knowing what that advice was going to be. So in that sense, this answer is pretty consistent with I would, I would say, be mobile, right, be ready to move. And I actually specifically quote that myself in the book. And I say, look, the one piece of advice for the future is to be mobile. You know, I'm not sure what language you should learn, well, you should learn to code. There's no question you should learn to code. You should learn to code and you should travel. I guess those are those are my two pieces of advice. I've only followed one of them. By the way.

**E** Ed Clemente 26:58

I never follow my own advice, even when I know it's right. So anyway, I want to thank you, and I hope you think about either coming back on again, someday, if you as you develop new strategies, or are just keeping dialogue with us here in Michigan or the Great Lakes. I think it's, I'm glad you like it, or at least I think that's where we're going to be.

**D** Dr. Parag Khanna 27:20

Let's put it this way, it's part of all of our future.

**E** Ed Clemente 27:25

Yes, yes, absolutely. And once again, we had Dr. Parag Khanna on he's the founder, Managing Partner of Future Map, Global Strategy Advisor. Also, I would put him world traveler, that's only because I'm jealous, though, that you've been to so many places, but, but otherwise, you're really nice to talk to. And thanks for taking time to get up so early and do this podcast today, too.

**D** Dr. Parag Khanna 27:46

My pleasure, such a pleasure. Thank you so much.



Ed Clemente 27:48

Thanks Parag. Join us next week where our guest will be Eric Roberts, Executive Director of 20Fathoms and you'll find out whether angels really exist in Michigan and a lot more about incubators and startups.



Announcer 28:01

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