Winning the War for Young Talent

Dr. Parag Khanna
Managing Partner, FutureMap
Welcome to “Peak Humanity”

- World population peaking below 9.5 billion
- Fastest population growth remains in Africa but fertility falling rapidly
- OECD countries already sub-replacement fertility and de-populating absent immigration
- Smaller population is good for the planet but needs generational balance
- Irony of migration controls: Large dependency ratios in aging societies
- From populism and xenophobia to a global war for young talent?
Climate Change & the “Baby Bust”

In addition to the economic and social pressures associated with raising children, today’s Millennials also view having children at all as tantamount to ecological catastrophe.
The Covid Correction: Gen Alpha Signals Demographic Decline

- Covid “baby bust” more severe than 2008 GFC
- Gen -Alpha (birth years: 2011 - 2025) may fall below Gen -Z
- World population under 40 represents 60% of the world population
- Gen -Y + Gen -Z + Gen Alpha are both the present and the future of humanity
Who is the World?

Humanity’s new archetype:

- Not husband-wife, two-income, two-child, suburban Western homeowners
- Young, single, childless, financially struggling, renting a small apartment in a developing country megacity
- Generational, not national or cultural
- No national loyalty: The most mobile generation in human history
- Youth values: Connectivity, Sustainability, Mobility
America no longer so exceptional
American demographic decline... and growing burden on youth

Demographic Decline

The U.S. population is not shrinking yet, but it is getting uncomfortably close

Population growth year-over-year

Capping a decade of slowing population growth, 2019-2020 saw the US population increase by only 0.35%, the slowest increase since at least 1900. Current growth trends are in stark contrast to past decades, when the US was among the fastest growing countries in the industrialized world.

Brookings projects 300,000 fewer births in 2020-21 in the wake of COVID, further accelerating ageing trends.

The share of over 55s grew 20x faster than the share of under 55s. Number of Americans over 65 are projected to double to 80 million by 2040.

The ratio of working-age adults to older adults is forecast to reduce from 4.8:1 to 2.4:1 between 2010 and 2060. Younger workers will have to shoulder a higher burden for pension, payroll taxes, elder care duties, and nursing home payments.

The Young Workers’ Burden

The number of Americans available to support the elderly is getting smaller

Working-age adults per 65+ adult

1960 2000 2050

2 3 4 5 6
Europe’s Demographic Time Bomb

EU has highest median age of any region (43)

Net population decline after 2020 despite immigration

Working age population already shrinking

Fertility crash beyond the point of no return

50% of global outstanding pension obligations (but only 7% of population and 25% of GDP)
The natives are restless…. They’re also almost dead

The only certainty in the nativist thesis is that its advocates will soon be dead. Elderly xenophobes are headed for what Mohsin Hamid terms the “big Brexit in the sky.”

Vital statistics

- Only 45% of US millennials consider national identity important
- 80% of youth favor greater immigration, a path to citizenship for law-abiding immigrants, and robust assimilation programs
- Justified suspicion: Youth view populism as a greater threat to political stability than immigration

Why nationalism is a self-defeating force?

- Regimes vs. people: Emigration > identity
- Conscription
- Failed populist governments
- What Western populism? Canada, Germany

From “natives and foreigners” to “locals and newcomers” (Philippe Legrain): The case for open borders

- Generational balance essential for societal health and tax base amidst aging society and rising debt
- Severe skills shortages across essential services from doctors and nurses to farmers and truck drivers
- From newcomers to leaders: Athletes, artists, entrepreneurs - immigrants lead in science/tech and promote diversity of ideas and culture
- Bribe the naysayers to stop destroying your future: Nativists can be compensated through discourse on shared civic identity and distributed economic gains from investor newcomers

Let supply and demand shape immigration policy, not nationalism and populism
We are very good at mass migration!

Things we are bad at:

**Peace and Stability**

Deaths: 20 million in WWI, 85 million in WWII, 180 million total in 20th century wars

**Reducing Inequality**

200 years ago, the world Gini coefficient was 0.43. Now, it’s 0.68.

Top 8 richest people have as much wealth as poorest half of humanity.

**Environmental Stewardship**

CO2 levels have risen over 45% since 1990; global emissions currently on RCP 8.5 pathway.

But the most successful societies in history are those absorbing migrations

The top 10 most innovative economies have an average ~20% foreign-born population. Of all OECD countries, only Mexico, Poland, and Turkey have lower stocks of foreign-born residents than the global average.
### FOREIGN POPULATIONS OF GERMANY

<table>
<thead>
<tr>
<th>Ethnic Origin</th>
<th>Population</th>
<th>Proportion of Population (%)</th>
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<tbody>
<tr>
<td>German</td>
<td>60,603,000</td>
<td>74</td>
</tr>
<tr>
<td>Eastern European (excl. Former USSR)</td>
<td>5,742,100</td>
<td>7</td>
</tr>
<tr>
<td>Turks</td>
<td>2,824,000</td>
<td>3.5</td>
</tr>
<tr>
<td>Former Soviet Union (Russians, Kazaks)</td>
<td>2,633,000</td>
<td>3.2</td>
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<tr>
<td>Middle Eastern (excl. Turks)</td>
<td>1,881,580</td>
<td>2.3</td>
</tr>
<tr>
<td>Southern European (Greeks, Italians, Spaniards, Portuguese)</td>
<td>1,710,363</td>
<td>2.1</td>
</tr>
<tr>
<td>Other/Mixed/Unspecified</td>
<td>1,255,000</td>
<td>1.5</td>
</tr>
<tr>
<td>Western Europeans (Austrians, Britons, Dutch, French)</td>
<td>928,000</td>
<td>1.1</td>
</tr>
<tr>
<td>South Asians (Afghans, Bangladeshis, Indians, Pakistanis, Sri Lankans)</td>
<td>640,310</td>
<td>0.8</td>
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<tr>
<td>East &amp; Southeast Asians</td>
<td>575,000</td>
<td>0.7</td>
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<tr>
<td>Americas</td>
<td>568,000</td>
<td>0.7</td>
</tr>
<tr>
<td>Sub-Saharan Africans</td>
<td>529,000</td>
<td>0.6</td>
</tr>
</tbody>
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**“Jürgen, we need to talk….”**

From “Kinder statt Inder” to more Inder than Kinder

**“Statt Inder an die Computer müssen unsere Kinder an die Computer.”**

~Jürgen Rüttgers
Evolution of relocating labor

From cloud companies to cloud people

Low-skilled
Offshoring factory jobs, outsourcing call centers

Medium-skilled
Establishing back offices for corporate analysis and IT services

Technical specialities
Subcontracting medical and legal diagnostics

Highly-skilled
Financial services, software engineering, design (architecture, UI/UX, gaming, architecture)

“Quantum people”

- From “stealth expats” furtively moving abroad to the triumph of “digital migrants”
- Will superstar cities and other big hubs lose post-pandemic?
- Jurisdictional arbitrage: Talented migrants as investors with leverage over competing geographies and nationalities

“But…

“If you can do your job from anywhere, someone anywhere can do your job.”

~Simon Kuper, Financial Times
Cloud coders still have to live somewhere….

- Full-time jobs and diversifying economy
- Government grants and subsidies
- Affordable cost of living and safety nets
- Industry-academia ecosystems
Asian youth are the future of humanity

- Median age under 40 across Asia
- (< 30 in South Asia and ASEAN)

- South Asia’s other youth giants: Pakistan, Bangladesh

- Push and pull factors: Education and skills, jobs and wages, governance and corruption, family and culture
A self-sufficient North American Union drifts from Eurasia, where a stronger EU partners with Russia to ward off migrants. But northern powers supply the south with technologies to conserve their ecosystems.

An archipelago of sustainable Arctic settlements absorbs two billion climate migrants with international agencies enabling frictionless seasonal migration. Demographic revival and cultural assimilation flourish amidst an economy built on human-centric innovation.

A return to hunter-gatherer localism contrasting stable city-regions and chaotic provincial decay. Allied territories pursue military and commercial networks but fortify themselves against climate migrants.

Cascading climate crises crash the global economy while great powers clash over watersheds. Elites buy up fertile geographies while uncontrolled mass migrations overrun borders and overwhelm government capacity. Civil wars erupt as ethnic enclaves harden.
You may not be interested in migration, but migration is interested in you

- Accept that migration as inevitable and necessary
- View migration as an opportunity, not just a challenge
- Remember that collecting people is collecting power
- Consider emerging norms such as the “Global Compact for Safe, Orderly, and Regular Migration”
- Join “Global Skills Partnerships” for essential sectors (e.g., nursing, construction) with labor exporting countries (e.g., Mexico, Nigeria, Philippines, etc.)
An agenda for humanity:

- Move people to resources and technologies to people
- Make mobility as a human right: Divorce mobility from nationality
- Evolve beyond sovereignty to stewardship: Re-align natural, political, functional, and human geographies
- Pre-design Civilization 3.0: Build mobile and sustainable habitats for a nomadic population

Geography is not destiny. Geography is what we make of it.
THANK YOU!

CONTACT

HEADQUARTERS
#05-16, 101 Upper Cross Street
Singapore 058357

Email info@futuremap.io
Web http://futuremap.io
Phone +65 9146-5793