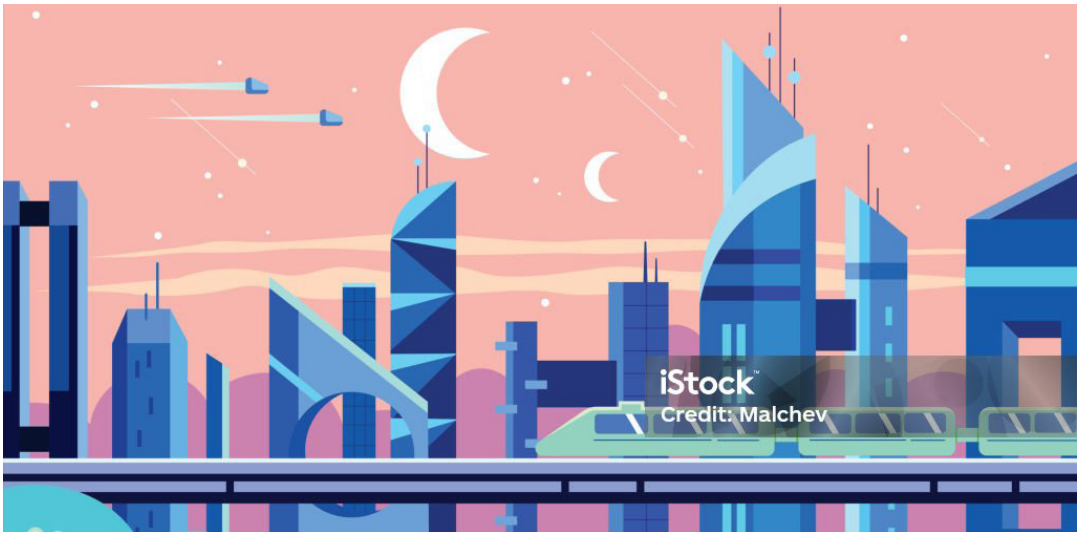
Where Will You Live In The Future?

AN EXTRACT FROM THE CONVERSATION BETWEEN PARAG KHANNA AND EFRAIM CHALAMISH IN ABU DHABI



PK: Not many people know it but I grew up here, in Sheikhan Bandar Muhammad Street, not far from where Adia headquarters is, and I spent my days at the tourist club. I'm part of the Indian diaspora, one of the most mobile groups of human beings in the world. It seems to be the largest diaspora in the world. I was born in India but I spent my childhood here before we moved on to New York and other places.

I have exceptionally warm memories of this place, and every time I come back, it feels like home. And I imagine for many of you, I've only heard from a couple of you this evening, that you were sent or arrived, I don't know if it's meant to be a one-year stint or a two-year stint, and about 12 years, 15 years later, you're still here. That happens all the time.

It doesn't happen in Singapore, it happens in UAE. And it's not to be taken for granted that there is a sizable number of such places in the world. Where you can arrive, find a community, the connectivity, the lifestyle that you may remember or have enjoyed somewhere else, maybe the place where you grew up, and now can have it here and call it home. I call places like this 'islands of civility.'

They may, in some cases, literally be islands, like Singapore, where I live now, or an eye of the storm kind of island, as this country is. We go back to the year of this country's birth, 1971. Fun fact: This country is the fastest growing country as a percentage of its own population in the history of the world. No other case even comes close.

A place that benefits from disorder gets stronger in an asymmetric way

You go back to the 70s, think about the causes of the rise of the UAE. Dubai was the place that captured the imagination first. But you had the rise of the oil industry, the Lebanese Civil War, the Iran-Iraq War, Gulf War, 9-11 terrorist attacks, Arab Summer. These disruptive phenomena or events in the region have all demonstrated how a place that benefits from disorder gets stronger in an asymmetric way. That's what the UAE has been, right? It is a ride.

I call it a Cities-State. You know, Singapore is a Cities-State. The UAE is a network, an archipelago of cities that now form this country along this backbone. You can think of Switzerland as a Cities-State. There are not many cities in the world that are on par with what the Cities-States have become. For us, as a family, I grew up in New York, my wife and I were married there, we moved to London, Singapore, we had our sabbaticals in San Francisco, Orlando, and elsewhere. Just a handful of places in the world where you feel like you can pick up, take your family, arrive, with short notice or with advanced planning, and set up your life, and feel like you are in a stable, global, connected hub with a great community, and a quality of life.

In a world of 200 countries, 8 billion people, we haven't managed to create that many cities that meet that test. And now we can have an aesthetic judgment about what those places are, or you can have a technical, quantitative, McKinsey-like approach to it, where they publish their cities index, what are the most

connected cities and best cities for this, and best cities for that.

But it's pretty much always the same six to eight that meet those criteria. Whether it's New York, or London, or, obviously, Dubai, Tokyo, Singapore, Hong Kong, Sydney, and so on. Not that many places in the world.

But since COVID, more and more places have started to make their way up the list, and you can maybe stratify by size. Places that have more than ten million people, that still offer total safety, and so on, places like Tokyo, and you can go up to five million, three million, two million, one million, and so forth, and write those places up. Simon, Jess, and I last saw each other in Lisbon, one of those places that is one of the winners from COVID, as is, of course, Dubai, with the Golden Visa scheme.

I worked with the Dubai government, and the UAE government, on the Golden Visa going back to 2016, and it obviously succeeded beyond their wildest imagination. It's been copied by so many places. When COVID struck, we were all under the impression that the world stood still, there was a great lockdown, and no one knew when we would travel to the blue again. Yet, the loop unfolded. By December 2022, the data on annual migration was out, and we had already surpassed the levels of migration achieved in 2019, right before COVID.

There is something deeply intrinsic, innate, in us, in humanity, in the need to move, the need to connect, the need to meet face-to-face, physically with people, to congregate in cities. Before COVID, the notion of a Golden Visa was almost unheard of, and now about a hundred countries have such programs, and there is a relentless war for talent underway in the world.

Everyone says, well, if the shit hits the fan again, I know where I'm going to go. That's part of the fact that we've lived through this once-in-a-century experience, but also people standing around the world and saying, what are the best places to be?

All of you are probably the beneficiaries, in some way, shape or form, of the ease with which governments frictionlessly are allowing people to set up, to establish a residency, to domicile their companies, with incentives being rolled out. Who would have thought in January 2020, that a hundred countries in the world, or more, perhaps every country, effectively, except North Korea, would be competing to have talent moving and setting up there. That's again, the lesson from COVID.

We realize that it's better to have people, to have overtourism than not have people. And that is now a permanent condition. Even if you were to have another COVID, on one week's notice by now, everyone has their list. Just a hypothetical. Could be World War III, whatever the scenario. But everyone has their Plan B now.

Everyone says, well, if the shit hits the fan again, I know where I'm going to go. That's part of the fact that we've lived through this once-in-a-century experiences, but also people standing around the world and saying, what are the best places to be? The best places to be, even if you do have a villa or a château or whatever at the end of the earth, chances are you want to be in a community. You want to be in a city.

What I find is that many of us are thinking hard about where to buy a multi-generational place for us to spend together. Everyone should make that list. Think deeply geographically now that you've been through the COVID experience, now that we've all lived in so many cities around the world as we all have.



Is *this* the last place you'll ever live? Maybe, maybe not. But have that list and think about where those places are that you want to build that multi-generational community where you think your children will want to be. Because our children are now shaped by a very different set of conditions. On average, it may be different for our children if we have assets that we're able to pass down to them or provide for them, but on average young people today aren't able to afford a home. On average, they're not having children. They're much more capable of being mobile. They're not pinned down by their children, pinned down by a mortgage.

The world is their oyster so to speak, in ways that haven't been the case before. Have that conversation with your kids. Where do they want to study? Where do they want to be? Can you imagine overlapping if there's a place that's a mutual interest? And I'll give you an example.

I've lived in Berlin four or five times over the course of my life. And there isn't necessarily a university that my kids want to go to there, but it's the kind of place where it's super Bohemian, young people love it, it's the coolest city in the world for young people, and it's a fun place to be old or retired as well and go on walks and enjoy the kind of urban landscape, the art scene and so forth.

And you may be able to say that about Zürich as

well and other kinds of places. And I think, again, all of us are in that privileged position where we can think about where we want to move to, based upon every place you've been or the places you haven't yet discovered. That's a conversation we can have in communities like this or in our families.

As you relocate and plant new roots and build new affiliations and communities, you start to have the luxury of calling more than one place home. That's something that I've enjoyed over here. This city is literally the first home I've ever had, and it sticks with me as a place that I still think of as home even though there are six other places I would add to that list.

We're very privileged to be able to gather in a group like this, in a city like this, to live here at this moment, when this city has achieved something that very few other cities in history have done. I want everyone to really appreciate that and help other places become like what Abu Dhabi has become.

EC: You raised many interesting things. In the spirit of Forum, I'm going to make your life a little bit more challenging. Because that's the beauty of it. The elephant in the room is politics, right? Politics is against the trend. In the sense that more and more governments in the EU, in Asia, of course, Trump, they don't share the same values that you and I share and like yourself, I also live in different parts of the world. What do you think will eventually happen? Which force will be more dominant two to three years from now?

PK: Great question. There's what we think is happening based on what the media and some populist leaders say, and then there's the facts. This is a question that comes up all the time, and my simple answer is, I close my ears when I hear a populist leader talk about their plans for migration and so on, and I only look at numbers. That's all I do. I just look at the numbers. And guess what? The numbers are always going up.

Now, the Dubai effect is incredibly powerful. So, every place you go, from Baku to Lagos, they're all saying we want to be the Dubai hub.

By the way, the phrase for everyone to keep in mind, is 'supply and demand.' From your microeconomics textbook, it's also the most powerful law in world history.

Supply and demand doesn't just explain the prices of goods in the market. It explains everything. And it explains migration.

Supply and demand dictate how many people come and go. Not what any individual has to do. Many cities around the world would love to be Dubai and Abu Dhabi.

How do I know that? Because all these cities and countries, I work with some of them, they try to duplicate all of them. Every little village in Europe or in America would love to be the next Dubai and Abu Dhabi. In fact, if you look at policies and programs, eventually over time, they all look the same. What you see is that the same kind of model is just moving every couple of years to different parts of the world.

Many years ago, one of my first written projects was on something called Race to Dubai. It means that governments want to attract foreign investment and talent. They lower the requirements. No taxes, no labor, etc. No labor rights, no this, no that. Everybody comes, but then over time, the government has less resources and less fiscal resources to invest in all the things that we all enjoy a little bit. Over time, what's called the Western State collapsed.

A lot of places started out building the so-called Race to Dubai, especially in the economic zones, to attract foreign investment with low labor regulation,





low tax, and so on. We thought that they would forever remain poor, but guess what? That's not what you can say about Thailand today, the Philippines, Vietnam. The East Asian miracle has started to spread into these middle-income countries.

It's a matter of time for these spillover effects, especially economic zones, to kick in, to develop local ecosystems, and so forth. Otherwise, we wouldn't have Asia representing, well, over half the global economy today. So, it's a matter of time.

I think that's a good thing. Now, the Dubai effect is incredibly powerful. So, every place you go, from Baku to Lagos, they're all saying we want to be the Dubai hub. I got a call from a Panamanian foreign minister saying, can you help us make Panama City the Dubai of Central America? They all concur, it's a good thing.

In the 2000s, when I was writing about comparative politics and how regimes were modifying their behavior and their regime type based upon China's rise, lots of people said, we're going to do the China model. Don't promote your democracy here in Egypt or wherever. We want the China model. That was shorthand for: We will try to grow our economy but we will not liberalize our politics. Most of those companies never did either. They didn't really develop the kind of economic model that China did.

They didn't perform their politics either. There's talk and there's reality.

You can't build a place like Dubai overnight. The inspirational effect is important. I think it at least reduces the time for a place to go from where it was to where it wants to be.

I call this 'the law of the next best thing.' What is the next best thing? What are the countries in the world that are struggling, developing, trying to modernize? Don't ask how we achieve the next best thing.

…lots of people said, we're going to do the China model. Don't promote your democracy here in Egypt or wherever. We want the China model. That was shorthand for: We will try to grow our economy but we will not liberalize our politics.

Of course, in political science, no one is getting to Denmark. Denmark is the perfect utopian fantasy of that state. Well, no place ever gets to Denmark except Denmark.

Even Denmark is struggling to stay in Denmark. In reality, it's the next best thing. Take a country, say Mongolia for example.

Mongolia is not going to get to the Soviet Union. Mongolia can look up to Kazakhstan and say, you know, here's another landlocked, mineral-rich country. What can we do to become like them? And I think that's what's happening. Because third world countries aren't going to have the next market. Neither is London or New York. But they see what Dubai has done in a couple of decades of their life and it's close to them. That's how geopolitical psychology works. It's a perfectly human system. ■

Dr. Parag Khanna (Singapore) is a leading global strategy advisor, world traveller and bestselling author. Dr. Efraim Chalamish (New York) is Adjunct Professor of Law at NYU and an expert in global governance.



Dr Parag Khanna & Dr Efraim Chalamish