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Ian Bremmer

Editor-at-Large, TIME magazine

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Welcome to Media Masters, a series of one to one interviews with people at the top of the media game. Today, I am in Manhattan at the offices of Eurasia Group, the world's largest political risk consultancy firm, and joined by Ian Bremmer, their president and founder. Ian founded Eurasia Group in 1998 with just $25,000; today, they have offices in New York, Singapore, Washington, London, Tokyo, Sao Paolo and San Francisco, as well as a network of experts and resources across 90 countries. In addition to his role at Eurasia, Ian is a frequent writer and commentator in the media. He's foreign affairs columnist and editor-at-large for Time magazine, and a regular contributor to many international publications including the Financial Times and Reuters. He has also published nine books, including two national bestsellers.

Ian, thank you for joining me.

Sure, happy to be here with you guys.

Well, Ian, we're going through such an unstable period at the moment, this must be a great time to run a political risk consultancy.

It certainly makes us matter more. I think the main issue is not so much that it's a great time to make more money, the real impact it's had on me is you can tell that all the people that work in the firm have much more feeling of purpose every day. And I think that's a great thing frankly, to see all these young people that want to make a difference and feel like they actually can.

Could you tell us what the firm does then? Some of our listeners in the UK might not be familiar with the group and what you do.

We try to help people understand how politics affect the markets. You know, more broadly we try to help people understand how the world works, but it's applied political science, so it's not just coffee house discussion; it's those things that would actually lead to a difference in the price of a deal or a contract or a bond spread or a commodity. But, you know, in a world where people are getting their information from sources that they increasingly think they can't trust, they're not authentic, they're politically biased, fake news, I think having an organisation with a reasonably large footprint where there really isn't that political bias, where truly we only get paid if we

have analysis that we think to make sense, that we actually believe in and we can back it up, irrespective of whether you like that outcome or not. That's I think one of the reasons why the firm has done well in this environment.

You coined the term G-Zero, which is how you explain the global power vacuum. It seems to have become widely accepted by thought leaders and policymakers.

Yes. I mean, this is one that I'm definitely not so happy about, right, in the sense that I not like a G-Zero, I don't want s G-Zero. I think the world is better if it has leadership, certainly in the United States has had its hypocrisy and has made its mistakes on the global stage – some intentional, some unintentional – but the absence of the United States, the withdrawing of the United States, in its role as global policeman or as architect of global trade or as promoter of global values, is not being replaced by anyone. And so what that will mean is that these challenges that are out there that are, many of them, global in nature, whether we talk about emerging cyber threats or climate change or inequality what have you, the institutions are eroding, the trust is eroding, the guard rails that sort of keep us all, you know, sort of within safe bounds, aren't what they used to be – and as a consequence, the volatility in the global marketplace is going to increase, the uncertainty in our geopolitical environment will increase, and even the potential for a war is going up.

Because there is a wider narrative, isn't there, from people like Steven Pinker, that say that humanity is at its most peaceful it's ever been and that we're the safest that we're most likely to ever be. Do you think that that's starting to become an uptick now in global instability and potential violence?

I think there are lots of ways to look at the world that make you more excited and more enthusiastic and optimistic, so certainly if you look at the developments of technology in things like food production, back in the '70s you had people writing about a population bomb, they assumed that the planet would not be able to feed by the 21st century – that just isn't the case any more. It's only politics. People only starve because of politics now, they don't starve because we can't get food to them. We could, economically. Energy prices are comparatively low; we've had found all sorts of new ways to extract more energy and to be able to provide it. People all over the world, their lifespans are increasing. Globalisation has meant that literally billions of people are leaving absolute poverty. Those are wonderful things, but I am not focussed on how long people live, I am focussed on global politics; that's what I do for a living. And geopolitically, we are now living in the worst environment that we've seen certainly since the Cold War, probably since World War II – what I would call a geopolitical recession. We have economic recessions, they happen all the time. They're small ones, big ones, on average every six to seven years since World War II. Geopolitical recessions happen too, but not as frequently so we don't think of them as cyclical. The last time we had a true geopolitical recession was World War II; it was a depression. And after that the US built a new world order with the United Nations and with the World Trade Organisation with Bretton Woods on currency, all of these things. That order is now unwinding, the Pax Americana with the US as the leader of the free world, is over. Some of that is because of the election of Trump,

but much of it, in fact most of it, is because of other factors that have very little to do with the US election all over the world. But the fact is that that is creating this extraordinarily uncertain geopolitical time, so it is not at all contradictory to say that we are living in the most extraordinary times in terms of our ability to create wealth and human progress. And yet at the same time geopolitically, one of the most fraught.

So do you see, not to put words in your mouth, but do you see Trump has not only a problem but also that manifestation, a symptom of a deeper problem.

Oh, absolutely. I think the idea that the world is going to hell, or the US is, because of Trump is an extraordinarily overly simplistic one. Trump has occurred because of some fundamental problems in the United States. There is a lot of growing inequality that has not been addressed. There are wars in Iraq and Afghanistan that involved over three million Americans. They were very expensive, and they failed – and those Americans came back and they weren't treated like heroes, and the Veterans Administration didn't work very well. And you know what, a lot of those enlisted young men and women, the ones that made it back, and their families, really weren't prepared to support an establishment candidate from the left or the right. You have immigration, which made America the country it is today, but more recently if, you know, you're living in… I don't think that you're seeing opportunities or jobs, you wonder why we should be taking these people. So Trump is not likable as a human being. He's not respectable as a human being. But I find that most people in the United States that oppose Trump believe that there are no legitimate reasons for people to support him, and that is clearly not true. About as many people voted for Trump as voted for Hillary, and more than either of those didn't bother to vote. And that tells you something very significant that is wrong with the system of representative democracy and its perversion, as it exists in the United States, and the things that you've experienced in the UK with the Brexit vote, the things that have been experienced in France with the extraordinarily historic performance of the National Front in their recent elections, and we're seeing it in other countries as ell.

There seems to be a railing against the establishment, per se. I mean, Trump is a billionaire, he's a New York property mogul – in one sense you don't get more establishment than that, and yet he painted himself as someone who was going to take on the might of the Republicans, the Democrats, Washington generally. He seems to be an anti-establishment candidate.

He is. He is. And I mean, anyone that has gold plated faucets who flies around in a plane with his name on it, with a series of supermodel wives and ex-wives, names on all of his buildings, I mean, this is the behaviour of someone who you know always wanted to be in the establishment but never got there. He is very much an external figure. He doesn't like the globalists, he thinks that they disrespect him – he's right – he thinks he'll never be accepted truly as one of them – he is correct – and I think that he's much more comfortable in his language, in his brutality, in his narcissism, with the adoring masses who aren't particularly educated. Again, he says, "I *love* the under educated." Can you imagine Jeb Bush or Hillary Clinton saying that? And I think he meant it. I think it was one of these moments of real authenticity. It's true that Trump lies all the time, but Trump is a reality TV, advertising, real estate

salesman. Lying is advertising; it actually comes authentically to him. It's who he is. He is authentic in being that constant exaggerating pitchman, where Hillary Clinton is a very finely crafted politician, incredibly smart, works very hard – lies *a lot* – and when she does, it's not natural. You can tell; it doesn't work very well. So as a candidate, the *creature* that the Americans elected was vastly more authentic and non-establishment than Hillary Clinton, who was probably the most establishment candidate that either party could have fielded for decades.

What's going to come next, then? I mean, clearly you've got an incredibly deep insight into the situation. What do you think is likely to happen next?

Not much, in the United States. And the reason for that is because, as we see under Obama and as we see Trump, one individual doesn't make that much of a difference. I mean, Obama was incredibly charismatic. You know, record numbers of people for the inauguration and the marches afterwards, and first black president, an extraordinarily popular wife as first lady. And yet, after the financial crisis was over, he barely got health care done, he was unable to deal with the underlying issues like the extraordinary costs and the inefficiency, and then gun control, no. Infrastructure, no. Education, no. So now you've got Trump who represents a completely unprecedented election in terms of who he is, what he represents and what he says he's going to do, can he do a wall? No. How about the anti-Muslim ban? Well, you know, third time, maybe. I mean, infrastructure week. You know, the CEO of Goldman Sachs, his first tweet ever was like, "So, I just got back from China. What about this infrastructure week?" You just can't move very much. Internationally, Trump can do a lot, and he can do a lot in part because the world was already moving in a direction away from the United States. So he's truly sailing with the wind globally, where in the United States, a president trying to do a lot that's new really isn't moving, is moving against the currents.

Tell us about how you founded Eurasia Group. You had just $25,000 dollars in your back pocket, didn't you, all those years ago, and you've grown it to what it is now. Can you walk us through the story?

I had $50,000. I'd just finished as an academic at Stanford, came to New York, and £25,000 I put as a 10% deposit on my first ever apartment on the Upper West Side, which I was very excited about. Real estate was much cheaper then! And then the other $25,000 I just *had.* I wanted to get a job as a political scientist in the private sector, get a real job, actually to learn how I could apply what I did to the real world, and what I found is that these companies did not hire political scientists. There was no such thing as applied political science. So after a year of being taken to a lot of nice lunches and meeting a lot of very nice people, who clearly thought I was interesting, they spent time with me, but they didn't have a job for me. I finally went to one of them and I said, "Well, look, you're willing to spend all this time. If I were to put out a shingle, would you become a client?" And he said, "Sure." And the funny thing is, I don't remember who that conversation was with. I just remember thinking, "Oh, so that's what I should do." And I've never had that sort of conversation with all of these people over the next two weeks, and within a few weeks I had commitments for basically 10 clients. And then I figured out what I was going to do. So I started the company in a very, I would say, non-strategic way.

All the best companies are started out that way, I think, initially, aren't they?

Maybe. I mean, I think a lot of great companies that actually do go and have a business plan and raise a bunch of money, I never did that. I just grew it organically. The downside of growing the company organically is that it takes a long time, so for the first five or six years I made virtually nothing and everything went back into the firm, and fine. But the upside is that I was taking no risk. So if you don't have any expenses until you bring clients on, then there's no chance that you're going to fall apart or you have to raise more funding or that's it.

Or the bank's going to foreclose on a loan.

Exactly. And so, that basically now, I'm 19 and a half years in, it'll be 20 in January, we have almost 200 full time employees and 600 clients all over the world. And now it's a real company, and I have a CEO. Most important is I don't run the company. Because the interesting transition point is, I started this firm not because I wanted to own a big consulting firm. I started the firm because I wanted to be the most relevant global political scientist I could, and have a platform to make that possible, to make a difference. And once the firm got to about 50 people, I was spending more time managing the firm, which I had not the expertise to do, nor the inclination.

It sounds like my journey so far. I've got 25 people and I'm reaching that point already.

Then you do everything you can to find a person to run your company, and don't do it yourself. Once I got that person in, and I hired, most importantly, an external coach who had run consulting firms as a mentor to help me find a CEO and train that person, who I still use, he's still with me one day a week, and has been for six years now, and that's a great thing. You know when you don't have talent to do something and then don't second guess. So truly I give my management the keys to the car. I let them make the decision to run a great consulting firm, while I do the things that I actually am much better at, like trying to understand the world and share that message with people around me.

And does your appearances in the media and your writing work alongside and build upon what you're doing here with Eurasia?

Sure, absolutely. I think it's completely aligned. I mean, first of all the money that I get from Time magazine or from speaking engagements around the world actually goes to the firm, it doesn't go to me. Because I want my company to be completely aligned with 100% of what I do.

So you're a fee earner just like all these other people.

Absolutely. And I think that's appropriate, right? I mean, I think the worst thing you can do is make a firm about you, because then it means that all the work is on you and you're not building on the wonderful things other people are doing. That's why I'd never put my name on the door. It's not The Bremmer Group, right? It shouldn't

be. Because who would want to work for that? People all want to be themselves as a real part of the process. They all want to have that feeling of purpose, and they want to know that you're in it with them, that you're succeeding and failing with them. But I think that it's also very important in a world where not just clients, not just a few companies that can pay, but people all over, are concerned. About where the world is going. And we have some expertise that we can really share with them. And so I've actually been trying to start doing that in a more systematic way and put some of our efforts into it. So we started a foundation, we've been much more active on social media, and sure, I know that benefits the brand and probably brings the firm more money, but frankly that's not why we're doing it. And in the foundation we're giving money away, and that's fine. That's the way it's supposed to work. We're supposed to be here, at the end of the day, the purpose of these corporations should not be to make money. The purpose of the corporations is actually to make the planet a better place. Otherwise we shouldn't have these corporations.

Absolutely. And when you had that initial vision all those years ago to be the number one guy, was a media career a piece in the jigsaw at that point, or has that just emerged?

Oh, I don't know! I mean, you know, certainly I remember when Gorbachev came to Stanford and I did a bunch of stuff in CNN and I remember Boris Nemtsov, who now was assassinated outside the Kremlin, probably by the Kremlin, recently. But I remember the two of us wrote op-eds for the New York Times back when I had just finished my PhD. I think that was before I started the company. I mean, stuff like that, you know, I think that I always… I wrote books before I started the company. I mean, I always felt like being a voice to help people understand. There are a couple things that I think that I am engaged by and I think I'm good at. And the first is I'm probably better at expressing myself in front of a group with my voice than I am with writing a long treatise. And so I've always gravitated towards doing speeches and lectures and debates – ever since high school, I've always liked that. So I think that part of me was always going to have a presentational style to get information out that way, where a lot of academics are happy just being in the office and being in the archives all day long. Even when I was doing research, I was doing a lot of sociological research going and interviewing people. And the second thing is despite the fact that my entire career deals with international politics, I'm not very political. I've never been a member of a political party. If you asked me what I prefer in a situation I intrinsically think about the fact that, well, I was born to a one parent household. I grew up in the projects. I'm white, I'm male, I'm American, so on the basis of those affiliations I have the following views. But if I had a different set of hats, I would have different views. My orientation towards the world has always been 'on the one hand, on the other hand' because I don't think that absolute truth exists in politics, and I kind of find myself kind of antithetical to a lot of politicians in that way. And I think when you put those two things together, then in my rear view mirror today, in 2017, it's kind of easy to see that, "Oh, of course you would end up doing what you're doing right now." I'm sure there were other things I could have ended up doing, but this was a pretty gravitational path.

So what do your clients ask you about, then? Are they asking for like in-depth analysis, or are they asking you to make a prescription in some way to solve their problems? What kind of pompous do they have?

Well, keep in mind when you have a firm of almost 200 folks, a lot of those people have a lot of very detailed, very narrow, knowledge base on, for example, the future of pension and labour reforms in Brazil in the next few months, something that our clients are very deeply interested in, that have exposure there, for example. Everything around the Brexit negotiation and what it's going to look like, and is there a possibility of maintaining some sort of connection to a customs union, if not a common market, and how that plays out, and when that plays out, or the next sort of Greek bail-out, and are they going to need some more money, and will the IMF be a part of that, and what's that going to look like for the new government, and how will they be reinvested, and all those things. And yes, they'll ask me some of that, but because I'm the global macro guy, they'll also asking me a lot of broader questions, like what's the world look like when China is the one driving much of the international investment, with very different values and preferences, and architecture, and standards, and our sectors becoming more strategic, and how should we think about ourselves as a global corporation. And these things, yes, they're analytical but because we're talking about applied political science, they're very deeply prescriptive. They're not necessarily predictive, but they're prescriptive, right? In other words, I don't have any more of a crystal ball in understanding who's going to win the election than anybody else does, and we've seen a lot of those polls have been wrong recently. But I do think that you have an analytic toolkit that helps to allow you to understand how you want to navigate uncertain waters, and what kind of decisions you might need to make as a corporation, to best position yourself for the volatility and certainly the shocks that are coming in on these markets.

So what would be a typical week for you?

Well, there are three things I do in my firm. One is I am the lead global macro researcher, so I am reading, and writing, and thinking, and when I travel around the world I am meeting with a whole bunch of people that have real expertise around those things, bringing my analysts with me so we get more out of it. Whether its heads of state and ministers, or opposition leaders, or corporate leaders, or public intellectuals, or journalists, or what have you. That's one piece. The second piece is I am the lead external voice and face of the firm. And so I am doing a lot of talking presentations in the media, public speeches, talks with top clients and boards, and things like that. And then the third is I am incubating a lot of new ideas for the firm. Like the foundation I talked to you about, or for example we have a set of geo-politically driven investment products on emerging market fixed income and currencies, and some equities, where we developed a series of joint investment committees with financial institutions, and we get a lot of knowledge about market timing and the products actually make money, which was something that they incubated a few years ago. We have constant things like that. So my job involves all three of those things, and on any given week I'm doing all three of them, but I'm not necessarily doing all three of them like, one third, one third, one third. It depends where I am. If I'm on a road trip I'm probably doing a lot more research and a lot more presentations, and less incubating. If I'm here and probably doing more incubating, maybe a little bit less research. It really depends.

You mentioned there you created Wall Street's first global political risk index. Why haven't people made the connection until then between political science and finance and Wall Street?

Well, I think there were a few reasons. The first is that political scientists didn't learn anything about Wall Street, so I did my PhD at Stanford, which is certainly one of the best universities in the world to go and do that degree, and there wasn't a single course on offer that would explain how the business world or the markets worked. I literally did not know what an equities index was or what long volatility meant when I finished my PhD. That's a startling narrowing of expertise that, if you were to become an economist or a psychologist, there are whole fields, behavioural fields, as subsets there that you can engage in if you wanted to eventually move into the private sector and do applied versions of those fields. In political science, there was a lot of quantitative models work, called rational choice modelling or theory, that was extremely technical but didn't bring you closer to the private sector at all. So I think that's one reason; that political science as a discipline was not actually training people to be relevant to these fields. But another was that the world, until the emerging markets became big as destinations for investment, most of the global economy was about the developed world – United States, Europe, Japan – well, frankly those are countries where political science doesn't matter as much to market outcomes. I mean, if you elect a new president in the US, the impact on the US markets usually isn't very much. Until very recently in Europe, that was the case there too. Japan, certainly, for 50 years you've basically had almost a single party democracy. So, emerging markets, as they became more important, China soon would be the largest economy in the world, you wouldn't invest in China if you didn't understand the politics, Russia obviously the same thing, so the rise of the BRICS made a big difference there. And now, of course, you have this entire macro, geo-political unwind. So I do think that political science has also become much more relevant in the global economy because of some global transitions that have occurred. Those two things coming together, obviously made it a lot easier.

You also mentioned Brexit a few moments ago. Do you think that the British government has any idea where it's going, because you said that the powers that be that may be making these decisions, what their negotiations might be, but as a citizen of the UK I'm not sure that either side – the EU or the British government – quite know what the outcome is going to be.

Well, first of all, there's a lot of uncertainty as to who the British government is going to be by the time we get to the point that we have a negotiation. That again creates more volatility, so… this is not about predicting a specific outcome. This is about understanding where the uncertainty actually is. A lot of people will tell you there's uncertainty around, oh, you know, we're going to help them fix climate change, and the science will tell you no, you're actually not. You're well beyond that point. So now let's understand okay what are the minimum and maximum bounds and how do you invest in that? Well, political science is very similar, right? I don't care what kind of tax reform you want to see in the United States. There are a whole bunch of things that politicians talk about that aren't remotely plausible. So you can just take them off the table. I think with Brexit that's also the case. And I think that the recent elections basically gave you a series of outcomes that are a little bit more volatile, they're

more bimodal, if you want. So three months ago, before the general elections in the UK, if you had to place bets on where Brexit was going, you would say the most likely outcome, with a fair amount of uncertainty, is a reasonably hard Brexit where you have a relatively strong UK government. You have Merkel and Macron driving a relatively coordinated EU side, and together they move to a pretty defined, you know, sort of split between the two. There's no immigrations deal, there's no customs deal, there's no markets deal. But they're still working together. And there is some form of a multilateral trade agreement that actually works more effectively than if we just talk about the World Trade Organisation. I think that with the weakness of May right now, and the uncertainty as to whether or not she will last for even another few months as PM, you've moved towards a bimodal outcome. Which is you either get a softer Brexit, because May or others in the government have to accept much more input from Remainers within the Tory party and not just in the House of Commons, but also in the House of Lords, pushing her towards more integration with the EU, which a lot of the Europeans themselves will push back against politically, because they'll say, "Well, we're not going to reward the Brits for their Brexit referendum." And there's a greater likelihood that the whole thing falls apart, right? And it could fall apart on the way to Brexit, because the UK can't legislate the enormous series of legislations that they need to get done to actually be able to manifest that Brexit, or because at the end of the day, like with the Greek deal, they stare at each other but they end up not being able to get it done.

There's a blink.

There's a blink. So that's the way we're analysing the Brexit deal, with a hell of a lot more detail, of course, for all the individual companies, and the sectors that are engaged in, with the analysts we have in London and Brussels working on that deal.

I'm not a billionaire, or I don't manage a pension fund with billions of dollars in it, but just listening to you, if I was that person I probably wouldn't invest in anything, because it seems that there's a huge amount of instability. Where are the opportunities for someone that's got that level of investment to do so in a stable manner?

Well, you know, one of the reasons why the geopolitical recession is likely to be longer and deeper than economic recessions is because the United States is not affected very much. And people need to understand that. I mean, you know, there's this is horrible refugee crisis, worse than at any point since World War II, and yet Syrians can't get to the US. Right. I mean, Obama talked about ISIS as the JV team in their ability to hit the US – people forget the second part of that sentence – and that's true. I mean, the varsity team in Europe, and in Turkey, they're probably playing for the NBA at this a point, you know, they've got Libran and Iraq and Yemen, Syria, Libya. So, I think the reality is that America, being quite insulated from all this volatility, makes the United States still a very good place to invest. I think the dollar stays relatively strong in that environment, I think a lot of American equities do well, I think American real estate, certainly in the cities where you have inequality growing much greater, those first tier cities do extremely well in that environment. So that would be one area. A second area that you would invest in would be all this constellation new technology for the reason you mentioned at the beginning. Steven

Pinker it doesn't care about what Ian Bremmer has to say, he's just looking at the fact that, my God, look at how much we're transforming the world with all of these logarithmic improvements driven by technology, and biotech, and information tech, and big data. Certainly in cyber security, I mean, in a world that's more geopolitically unstable, wouldn't you invest in people that do cyber security? So our whole portfolio around those new tech companies that will be, you know, probably tilted towards the United States because the US has most of them, but I wouldn't only do US there, I'd just be agnostic as to where those companies were based as long as they had heft and good management. And then, I mean, as a relatively young person I would tell you you should be taking some risk in economies that probably do well over the long term because of the consumer and knowledge base that'll drive them. And so this means places like Nigeria and India and Kenya and Indonesia, which don't necessarily have great governance, but just by dint of urbanisation and knowledge base and consumer power they're going to be eventually moving. You don't necessarily want to be in state on enterprises there, but you want to be in the companies that are foreign listed, that have better management and some private equity cash and that sort of thing. I mean, I would start with seeing some of those things, and then move from there.

It seems to me that we're still in flux because of globalisation itself. It's almost a kind of trite thing to say, you know, quoting globalisation is a buzz word, but I think of my own business where half of our clients here in the US, if my Über driver is late, even when I'm in Covent Garden, I appeal to someone in San Francisco on an email, you know, our money's transferred via PayPal… the role of the nation state itself in regulating how I do my business is actually minimal these days; it's more about the actual apps, the technology, and the geographic location of all of the sources of influence on my business is spread all over the place.

Two things are happening at the same time here geopolitically. The first is that because the sovereignty of nation states, and particularly developed democracies, is eroding and is becoming stagnant, you're seeing that states and municipalities are much more effective in being able to get projects done. They're much more trusted by their people, and they're much more powerful. So the United States pulls out the Paris Accord but a whole bunch of mayors and governors say, "No, we're still going to do it." And, you know, people that are investing, foreign direct investment around the world, will spend more time looking inside those countries and saying, "Where are the places we want to go?" again, because global inequality is growing. There are whole swathes of the United States that are just doing horribly. I mean, you look at places where you have mortality rates that are worse than Rwanda, and they're 10 miles away from people that are doing as well or better than Singapore. So you have to pick internally more than you would previously, even within developed states, not just in countries like India. But the second point is that China is another trend. China's going to be the largest economy in the world. They actually have extraordinary top down power in things like determining how your apps will work, and which apps will be allowed, and why Facebook doesn't really have an investment model in what's going to be the largest marketplace. Right. So you're seeing that fragmentation start to occur. And if the Chinese are developing a global economic model that competes with that of the United States – one belt, one road, their investment, their infrastructure – and the political leverage that comes with that, that

means that not only does globalisation erode bottom up, for what you've said, but it also erodes top down and we start to see fragmentation in a global environment where yes, government matters a lot in terms of where you happen to be playing, what part of the world you can effectively invest in, maybe over time even travel to.

It presents very real difficulties though, the fact that we still have this plurality of nation states, if you've got a truly globalised business. For example, we had the vice president of Twitter on recently who runs Twitter Europe, and he was saying that some tweets are perfectly acceptable in New York and back in the UK, but say if it was Holocaust denial, those tweets would be illegal in Germany and France. And you've got certain things criticising the Turkish president that, you know, people could be arrested for. We had Jimmy Wales on, who founded Wikipedia, and he was saying that he faces arrest if he goes to Turkey, because Wikipedia has articles critical of the current president. So do we end up with a kind of lowest common denominator approach where a globalised company has to be the least offensive to the most offensive country?

Well, I mean, certainly it's hard to imagine sanctions on human rights-based issues becoming stronger in this environment. LinkedIn is doing well in China compared to Twitter, which doesn't have a presence there. Google or Facebook. And I think the reason for that is because LinkedIn doesn't really care if the Chinese have an aggressive censorship policy, because LinkedIn sees itself as being primarily focused on business and jobs as opposed to on information. Now, over time, as China gets much more savvy in a lot of these fields, and develops their own in-country competitors, one would expect that they will want to dominate any issue that involves big data. And I think that that's going to be a problem for a company like Apple, which has done incredibly well in China. But ultimately, the Chinese really think that they've been taking most of their money in technology and keeping it outside of China. They want it inside of China. So China's been smaller, but they've used the absence of rule of law and the power of a one party system to force other companies to give their technology up and to work with Chinese standards. Over time, you would expect that that's going to become much harder as they get bigger for Western companies to deal with. You know, there are a few different choices here. One choice is we end up just breaking the global economy into two big pieces. One choice is that the Chinese get squeezed real hard by the Americans and others while they are large and they have to eventually evolve and adapt, and that we have more integration, and this trend starts to move in the other direction. Or third, is the Chinese system just fails, because of political demands and social demands that grow, and because it's just harder to maintain this level of support in this top-down centralised system of over a billion people. I don't know which of those three is going to occur, but I do know that the present path is not sustainable.

I mean, some countries in this new environment have changed hugely. You know, you think of the Arab spring, and then you look at countries like Syria, where they've not managed to actually successfully complete that yet. And then you look at countries like North Korea and China where change, to me, doesn't seem to be even on the radar yet. What keeps you up at night in terms

of that global political scene? I mean, do you ever think there'll be a change in North Korea for example?

Sure. I mean, you know, in a world where North Koreans leave to go to South Korea because they have gotten the ability to watch South Korean TV and find that life is a hell of a lot better there, you know, it's hard to maintain a totalitarian regime in a world of globalised information. So I'm more worried about North Korea imploding, and the potential violence that comes from that, especially with the nukes and the technology and the rest, than I am about North Korea starting a war with the US or vice versa, though again that's possible. But things don't keep me up at night. I actually sleep quite well. I'm someone who is existentially optimistic. I grew up in the projects; the idea that a kid like me could be doing what I am right now, I have no right to complain. And also, I mean, to the extent that I have anything that feels like a philosophy, it's take your job seriously, take your work seriously, take your friends, your family, very seriously. Don't take yourself that seriously. And so, having a problem sleeping at night implies you're taking yourself way too seriously. Where, when you're at your job, doing the best you can to be honest with people and to try to figure things out, and to give your all, and learn, and get better over time, that's taking your job seriously. I don't understand how people… I mean, in this age of social media where everything is transparent, I know so many people they get so worked up by random anonymous people raiding something horrible to them. For the life of me, I don't get it.

Just block them.

No, don't. I don't block anyone. I don't block anyone, I couldn't care less. It doesn't bother me. I even have a Troll of the Week if sometimes they're witty and they don't have any followers, so I promote the one that kind of amuses me.

Some of them are quite amusing, actually.

Well, British trolls are better because you guys are a little more literate than we are, at least at the high end, so you know, that works well in your favour. I'm not prone to getting really upset about stuff.

So other than not being too precious, and as you've just said, not taking yourself too seriously, what advice would you give someone starting out in their career that's looked at what you've done very admiringly and wants to start something similar and be the next you 30 years from now?

A couple of small pieces of advice. The first is because the world is changing so quickly, it is really important to have a mindset that allows you to be really flexible in the kind of things you study. I did my PhD on the former Soviet Union. My company is called Eurasia Group. That's a really stupid name for a company, frankly. At the time it was a stupid name because we covered Euro-Asia, but it was just me, so it wasn't a group. Today it's stupid because we are a group but we cover the whole world, so it's never actually been accurate.

To Eurasia and beyond.

And beyond, yes. That's a really bad name. One of the hardest things for me was taking the expertise in the former Soviet Union, because I started my PhD in1989, of course the Soviet Union was just imploding, and what else would you want to study? I learned Russian, I spent the time… it is really not relevant very much today. So I didn't learn Chinese, but I did take the time to really try to become an expert on these other parts of the world. And that was *hard*. And I think that you know there'll be other big shocks like this. I think the apprenticeship programme in Germany which has served them so well over the last few decades is going to be much harder, because those individual skill sets are not going to be relevant in 10 years. Instead, you're going to have a whole bunch of dilettantes, constructive dilettantes, people who have the ability to remake their knowledge set continually, and aren't afraid to train to do completely different things. So you need a lot more fungibility and flexibility of skills. The other thing that is really important is you can be the best analyst in the world, and if you do not know how to effectively communicate that to an audience, and that doesn't just mean how to write it and how to speak it, it also means what the network is, that gets you from a place where you have brilliant idea to a place where there actually appears in The New York Times as an op-ed column. Which is not about you having a great piece; that's the entrance fee. And then you also have to find someone who is going to get you in front of the op-ed editor and has them pay attention to it, and not reject you 50,000 times, right?

Welcome to our world.

Exactly. And I would say that most academics and intellectuals I know severely under appreciate that latter point, and they think it is enough to be brilliant. And that is particularly true when you have a whole bunch of kids, or millennials, today that have gotten participation medals for things, to think that they're wonderful just by virtue of being there.

They get the medal because they were in the race, rather than having won it.

And the fact is, I think an enormous advantage that I had was that I grew up in the projects.

We would call that a council estate in England. I, too, grew up in the equivalent of the projects.

Did you?

Yes.

So, you know. I mean, when my mother left high school but didn't graduate from there, the fact that I went to college was already a big deal. And I think it'd be hard to be someone like Trump or Jeb Bush, you know, who already had so much expectation from parents that they were trying to live up to, and had everything given to them at a young age. And so I certainly have an inclination, all other things equal, if you put candidates in front of me, you show me somebody that you know got into Harvard because their mom or dad was a CEO or a professor, I am inclined not to hire that person. I'm more inclined to find someone from a second tier school but

who made it from absolutely nothing. It's a reason why, once someone gets in front of me, you know, if they're top level positions, the average woman has made it to a top level position, or minority, has just had to fight through more crap to get there, so they're probably, on balance, smarter. There are other factors, clearly – this is not affirmative action on my part. It is purely self-interest. It is my desire to have the best possible people, and knowing that HR is hard, I would much rather have a sorting mechanism that knows that people that have been tested to swim hard their entire lives are more likely to be successful than someone who just got that internship because daddy's awesome. Right? And I absolutely use that in my hiring practices.

It's a problem that we have in the UK, because we have a big debate in HR circles about whether you should take unpaid interns. Because here in America it's quite a kind of regular thing really, no one would raise an eyebrow. But in the UK, it's considered… many people would say if you want to move to London and seek your fortune then you should have three jobs, work at a bar one night, and you know, work unpaid in the pay day job to establish yourself your career. But there's a huge amount of people that would say that's incredibly unfair and discriminatory against young people who come from poorer families, whose families can't afford to support them.

That's right. Correct.

And if you have unpaid interns, usually that means you have unpaid middle class and upper class interns whose families basically can afford to support them.

Correct. Correct.

Some of my entrepreneur friends would say unpaid interns are a great source of cheap labour. You just pay their bus fare and you get them for three months and it's fantastic, but some of my other entrepreneur friends would say that's morally wrong and you're exploiting poor people by only giving opportunities to middle and upper class families. What would your view be?

Well, I think that's true. That it is morally dubious to only help people that come from upper classes who get in front of you. I also know that if I am the owner of a firm, and a CEO has a son or daughter that is going through college, and that CEO would really like it if this person had an unpaid internship, especially if that person is bright, you're going to move mountains to try to give that person a job.

It's just real life, isn't it?

That's real life. So that's one of the reasons we started a foundation with 2% of our profits coming through, is because I felt like we had to find ways to get out to the people that otherwise would never have a shot at being one of those, you know, nearly 200 employees we have at Eurasia Group. And so, developing course work on globalisation for rural schools, for example, something one of the projects that we're doing right now, I just think you have to find a way to get out of what is otherwise going to be a repeating system of privilege begetting privilege. The fact is,

I did not vote for Trump. My brother did. And we were the only two kids that got out of those projects, from Chelsea, and he didn't vote for Trump because he's a racist, he voted for Trump because he couldn't stand being lied to by the establishment any more. Because the only reason we got out of the projects was because of my mum. It wasn't because of the infrastructure or the school system or anything else. These are people that are forgotten, but who the American Dream no longer applies to. And when you have a significant piece of the American population that feels that way, then the representative democracy system has failed them – and that's why the Statue of Liberty no longer means anything in the United States. But that's a profoundly upsetting thing, because when I was growing up the Statue of Liberty still did mean something. It's just over my lifetime. When I was growing up, the dissidents in the Soviet Union thought that we had a system that they would really aspire to become a part of, and that has eroded significantly just over the course of my so far relatively short lifetime. So clearly, this is something that we individually have to address. And I feel like the election of Donald Trump is a feeling that I bear some responsibility for. You know, we have members of the media, I am the foreign affairs columnist for Time magazine, millions of people actually read me every week. So I am a public intellectual, very well-known, very fortunate. I and others across the media in the United States, despite the fact that we've written what we've written, still Trump was elected. Clearly we didn't do enough. CEOs clearly didn't do enough. Congressman clearly didn't do enough. And I think it is critical for us to take *responsibility* for that and not pretend that people that voted for Trump are somehow evil, which is ludicrous. You know, these are our fellow Americans who voted for Trump in large numbers. And I think that many Americans that dislike Trump think that these people should be forgotten, just as Hillary Clinton said that half of them were deplorables. That *disgusted* me when she said that because I know these people. I grew up with a lot of these people, These weren't bad people.

They're people.

They're people. They're people. And they're people that I don't see very much of any more, because of, you know, who I have become, and my great fortune, and my mother. But, my God, that doesn't mean those people don't exist any more. And I think, unfortunately, for a lot of those my colleagues in the media and other places today, the elites that travel around the world and have more in common with people in Singapore than they do people five miles away, sometimes five blocks away, I think that they've completely forgotten. I think they have dehumanised these people, and we should remember that, you know, America was not always a universalist franchise. We started as a representative democracy, of course, when we broke from your great country. But if you wanted to vote, you had to be a white male landowner. And then eventually we kind of said all land owners, then we bring in women, then we bring in black people, and eventually we actually expand the franchise. There is nothing that says that franchise needs to stay expanded. And everything I see happening today is that that franchise is actually decreasing every day.

People are removing themselves from the franchise by not voting.

And they're being removed from the franchise by a constellation of moneyed interests in the United States, and other countries, that just don't care enough about these people.

I wrote a piece in the Huffington Post recently, and got quite a bit of stick on it, and I'm mindful of that because of what you just said just then in terms of the failure of political communicators as well. In my article, I said, look, if you're a used car salesman and you don't sell any cars, you're clearly going to have to get fired. But political communicators seem to be failing cross mature western democracies. If you look at the fact that we nearly lost Scotland in the referendum, the Brexit, all of these kind of things, where it's their job to persuade people to vote a certain way, and they're manifestly failing. So if you look at the Brexit vote, I could see that as someone that, you know, the more experts that the Remain camp wheeled out in the media to say, you know, "There, there, people. The more experts you'll hear from, then you'll vote our way because you obviously don't know what you're talking about." There was an inherent sneering at people who wanted to vote Brexit, and what they didn't realise is with every single additional expert that they wheeled out, they thought that it would change their mind – of course, they didn't look at it from the lens of the normal people you were talking about, but it actually looked yet more of an establishment stitch-up.

That's right – and what was happening is they were selling worse and worse used cars. And so the fact is, that if at some point you're being asked to sell a car that you know is fundamentally unsalable, and if you did sell it, it would actually put the driver of that car in danger – that car was not fit for the road – then you, as a political communicator, it's incumbent upon you to not sell that car. To be honest with the people. That's where I believe that we failed. I believe that people were entirely too comfortable with selling 'globalisation is great for everybody, and these guys just aren't working hard enough'. And that's it. And very happy to go along with an agenda of it's good for American business, that means it's good for the USA. And that's just not true. I happen to be a big proponent of globalisation. I supported TPP. But I absolutely understand why many Americans, maybe even a majority, voted against it. And unless you provide meaningful redress for these people, given the fact that these deals were ultimately not going to help them as American citizens, as American voters, then you shouldn't expect their support.

Penultimate question, then. Where do you see yourself in 10, 15 years from now? You've been quite proud of the lack of a plan that you've had, that you've kind of worked hard, and this is this has happened, and you didn't have that that kind of plans set in stone right at the very beginning, but do you have a vague idea in your minds eye where you might be say 15 years from now?

I love what I'm doing right now. I have a hard time imagining myself going in a political office, if that's what you mean, because I think it would require me to be someone that I do not want to be. I can tell you that it is very important to me for the next 15 years to be able to be more and more myself. In other words, I am very jealously protective of the fact, that despite the fact, and maybe even because of the fact, that I have grown the platform that I have, that I really say what I think. I say

what I believe. I try to be as authentic as humanly possible to the people that have given me some of their precious time to actually be willing to engage, read what I have to say, that sort of thing. And I want to ensure that whatever I do the next 15 years, that continues to be the case. I see no reason I can't do that with this platform; I just think I'll be expanding in different ways. It will just be about a consulting firm, that's going to be through education, and through the foundation, through the media. I think there are lots of ways you can do that. I see lots of people in the world that have been able to do that with different avenues. And so, I mean, I think that my… to the extent that I have a mission, it's trying to help people better understand the very quickly and dangerously evolving geopolitical environment. In the next 15 years as much as humanly possible to accomplish that.

I mean, that independence of mind, that independence of spirit, is your USP, in a sense, because you've picked yourself up by your own bootstraps, you've created this company out of thin air. You've not done it in hock or obligated to any entrenched interest, like a bank or a political establishment or a nation state.

That's true.

There are very few people that can actually you know be that voice on the global political stage that don't have a conflict of interest, frankly.

Yes, I mean, I look at my $25,000 that I made, and my ROI on that for Eurasia Group in the last 20 years was a hell of a lot more than Trump's from the money given to him by his dad for the Trump Organisation.

Which he lost.

Well, I mean, the guy is a billionaire, legitimately, and I mean, you give him credit for that. But I tell you, I take a lot of pride in the fact that I can say that. So if people come after me and say, "Well, why should we listen to you? You didn't build anything." I tell them to go and f*ck themselves. I mean, I absolutely did build something, and I'm quite proud of it.

But there is that first rung on the ladder issue, isn't there, that a lot of people don't have access to that. You created that, you got that yourself, but lots of people don't even have that.

No, I didn't have that – my mother gave me that. I was put on that rung by my mum. If it wasn't for that, it wouldn't have happened. So if you read the book Hillbilly Elegy, which is this book that made a very big impact on America this year. JD Vance, who grew up in Appalachia, his meemaw, his grandmother, played that role. Uniquely, there was no one like her in that entire community, and ensured that he was going to succeed. Just pushed him and kept him protected from all the bad elements and the drugs and the violence and everything else. It's exactly what my mother did. She was crazy overprotective, she had panic disorder, she didn't want to take those psychiatric drugs because she had bad reactions to them, so it was hard to live with her, but she was amazing and unique. And that, combined with living in the United

States, definitely. And an extended family that was able to help. When my dad died at four, she came back and we had the extended family able to be a part of that, made all the difference in the world. Other kids did not have that. Other kids were absolutely equally smart. Some were smarter. Didn't matter. They were never going to make it. And that is…

Because you had instilled in you a stronger ambition than they did?

My mother just was not going to let us fail. It just wasn't going to happen. She would have beat the crap out of us.

She sounds like a formidable woman.

She was a star. I miss her a lot. And yes, I mean, my brother went to Harvard, right? I mean, that that is that is obviously not about me. I mean, he's my half brother, right? So how did that happen? It's our mum. That's obvious. And anyone would tell you that. So I do think that there are lots and lots and lots of kids, some of whom I knew when I was growing up, that had no shot of being on their first rung. Just *none*. The system has failed them, and we need to do something about that.

What can we do then, in a nutshell?

First, be aware of it.

To acknowledge there's a problem?

First is to acknowledge there's a problem. And the second is, it's not going to get fixed top down. The American system will not fix it. It's like dealing with climate change. When nothing happens for 30 years, you have to have a whole bunch of grassroots efforts, and some of them will eventually become scalable and marketable and will eventually work, and that's how we end up with solar finally getting to the point that it is. We need to be incubating those ideas now. And in some places you're already seeing it. I see sort of Baltimore, together with Johns Hopkins University, doing some stuff like this, I see the Emirates, with what they're doing with metrics, doing some stuff like this. There are definitely places, but all of us need to be doing something. Anyone that can needs to do something. That's why I say it's our responsibility, it's my responsibility. We've got to the point we are right now, I'm not a kid any more. I'm 47 years old. I should have been doing more. And in the next few years, you will see me doing more. Right? And I hope that I can inspire others to say the same thing.

What's been the best day of your career so far, and the worst?

Oh, the worst was probably when Lehman Brothers went bankrupt, because they were at that point our single largest client and it meant that I had to fire some people, and that was really desperately unpleasant. 9/11 was close, because we were here. But, you know, the thing about 9/11 is we felt like we could do something, where everyone else was just you know – not everyone else, but a lot of people, you know, in regular day jobs – were kind of shocked. You had people like firemen and

policemen that could do everything, and their whole lives, you know, sort of made purposeful by their ability to just throw their lives on the line. At least we felt like we could do something. That was a pretty damn bad day, that was pretty brutal. Best day? Just when stuff succeeds. Best day is when you give a talk, and afterwards… I remember giving a speech recently at Virginia Military Institute, it was the first military academy in the US, and if you don't believe in American institutions any more, that we can't do them any more, you go to West Point and the VMI, and you see that we can instil values in young men and women that would make anyone in the world proud. The reason America was an indispensible country is because of this, so we're still capable. And I spent a day with these guys and gals, and I felt like I made a difference. I felt like that the number of them that came over me afterwards and told me about their lives and their stories, and how important was that someone like me would come out and spend that time with them, being able to do things like that really matters. I can't point to a day, but I will tell you honestly that most days there's something really fun and engaging and gratifying.

Ian, it's been a hugely enjoyable conversation. Thank you ever so much for your time.

Yeah, no problem.