Chapter 3

How Will the Future Be Shaped?

Most organizations that provide long-term global economic forecasts expect a slight decrease in average rates of global economic growth and a significant improvement in the position of emerging and developing economies relative to developed economies. These developments are also expected to significantly affect long-term rates of return.

The Optimists and Pessimists Regarding Future Outcomes

Regardless of actual future developments, the expectations of individuals can be either optimistic or pessimistic. Optimism and pessimism relate to the interpretation of events and expectations for the future.

Optimists adopt a positive view of the world and see setbacks and failures as temporary and transient, caused mainly by external factors rather than personal faults. They see problems as surmountable tests and generally expect their efforts to yield a positive outcome. They are full of hope and trust and believe that everyone around them plays an important and active role in their lives. Generally, they are joyful, suffer fewer infectious diseases, and have stronger immune systems, better health habits, and longer lives.
Pessimists tend to see the negative in situations, are concerned that negative situations may worsen, and expect negative results from the outset. They believe negative events are caused by their own actions, and that such events have a stable and permanent character that will always affect their lives. The behavior of pessimists is characterized by helplessness and the belief that nothing they do will make a difference, so why even try. Generally, pessimists do not feel happy and they love complaining, feeling sorry for themselves and getting others to feel sorry for them.

If individuals consider which of these two attitudes they wish to adopt in relation to future events, they clearly prefer optimism—synonymous with hope—to pessimism—which is synonymous with deadlock. However, in practice it is very difficult to synchronize emotions and thoughts to ensure a positive attitude toward developments. Despite individuals categorizing their fellow human beings as either optimists or pessimists, it is extremely difficult to make our behavior more positive when our natural inclination is to be pessimistic. Restated, we have an inherent prior inclination that is difficult to change.

Recent studies by Win/Gallup International on individuals’ expectations regarding their lives and the economic situation over the next year show a return to optimism (Win/Gallup International 2013). Global levels of optimism remain down from their peak in 2004 and 2005, but the general upward trend since polling began in 1977 remains clear. Almost 50 percent of respondents reported they expected 2014 to be better than 2013, with just 20 percent saying they expected to be worse off. Notably, the last time more people reported expecting next year to be worse than the current one was in 1990. However, asked for their opinions on how the world economy will fare, the scores were almost even, with 32 percent expecting improvement, and 30 percent expecting deterioration.

Additionally, for decades, optimistic and pessimistic economists have presented opposing views on future development. Rodrik (2013) describes the conflicting views of optimists and pessimists, considering the attitude of scientists