

## OUTSIDE THE FLAGS

**Jim Parker,**  
Vice President  
DFA Australia Limited



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# Ten Reasons to be Cheerful

Do you ever listen to the news and find yourself thinking that the world has gone to the dogs? The rollcall of depressing headlines seems endless. But look beyond what the media calls news and there also are a lot of things going right.

It's true the world faces challenges in maintaining stable and well-functioning social, environmental and economic systems. The legacy of the financial crisis is still with us and concerns about climate change and sustainability are widespread.

Europe is grappling with a refugee crisis; China faces a difficult transition from an export and industrial-led economy to one driven by domestic demand; and the US is preoccupied with a sometimes rancorous election campaign.

But it's also easy to overlook significant advances made in raising the living standards of millions, increasing global cooperation on sustainability and efforts to build greater transparency and trust in financial institutions.

Many of the 10 developments cited below don't tend to make the front pages of daily newspapers or the lead items in the TV news, but they're worth keeping in mind on those occasions when you feel overwhelmed by all the grim headlines.

So here's an alternative news bulletin:

1. Over the last 25 years, two billion people globally have moved out of extreme poverty, according to the latest UN Human Development Report.<sup>1</sup>
2. Over the same period, mortality rates among children under the age of five have fallen by 53%, from 91 deaths per 1000 to 43 deaths per 1000.
3. In September 2015, all members of the UN set 17 sustainable development goals for 2030, including targets for eliminating poverty and hunger and lifting standards in health, education, water, energy and infrastructure.
4. Global trade has expanded as a proportion of GDP from 20% in 1995 to 30% by 2014, signalling greater global integration.<sup>2</sup>
5. Global bank regulators recently announced that since the financial crisis they have implemented reforms to reduce leverage, address systemic risk and build capital buffers into the banking system.<sup>3</sup>

1. 'Human Development Report 2015: Work for Human Development', UN

2. 'International Trade Statistics 2015', World Trade Organisation

3. 'Finalising Post-Crisis Reforms: An Update', Bank for International Settlements, November 2015

6. The world's biggest economy, the US, has been recovering. Unemployment has halved in six years from nearly 10% to just below 5%.<sup>4</sup>
7. Global oil prices have fallen by more than 70% in two years. While bad news for the oil sector, this also raises real incomes for consumers, increases profits outside energy and decreases costs of production.
8. While fossil fuels still play a major role in the economy, renewable energy sources—such as solar and wind—accounted for nearly 22% of global electricity generation in 2013 and are seen rising to at least 26% by 2020.<sup>5</sup>
9. We live in an era of rapid innovation. One report estimates the digital economy now accounts for 22.5% of global economic output, and projects digital technologies could generate \$US2 trillion of additional output by 2020.<sup>6</sup>
10. The growing speed and scale of data is increasing global connectedness and transforming industries as new discoveries are made in such areas as engineering, medicine, food, energy and sustainability.

No doubt many of these advances will lead to new business and investment opportunities. Of course, not all will succeed. But the important point is that science and innovation are evolving in ways that can help mankind.

The world is far from perfect, it's true. The human race faces major challenges. But just as it is important to be realistic and aware of the downside of our condition, we must also recognise the major advances that we are making.

Just as there is reason for caution, there is always room for hope. And keeping those good things in mind can help when you feel overwhelmed by all the bad news.

4. U.S. Bureau of Labor Statistics, 15 March 2016

5. 'Renewable Energy Statistics', *International Energy Agency*, March 2016

6. 'Digital Disruption: The Growth Multiplier', *Accenture and Oxford Economics*, February 2016



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