economy produces inequality and precarity, celebrates unlimited acquisition as a mark of personal virtue, and amplifies the felt (even urgent) need for money and things even as we cross new frontiers of unprecedented aggregate material wealth? How could we move, not just toward a metric, but toward a social order that actively cultivated and honored the labor of social reproduction, the spontaneous life of the earth, the beauty of places, and the quality of human ties?

My own sense is that the case against the GDP as culprit is not proven, and the case for new accounting metrics as liberating is the same. Maybe Philipsen agrees with me and would accept that his argument comes down to a parable about all the necessary work that we've dodged in the last century and need to take on in the next one if it isn't going to get a lot worse.

I don't know how much it matters, really. We agree on the direction we'd like to see the world take, and surely we agree that the nature of historical change is opaque. And we agree that, wherever we go, we will need to count, and knowing what to count is always more important than knowing how.

Resolving gross domestic product's ambiguities

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Dirk Philipsen's *The Little Big Number* provides both an authoritative history and an authoritative deconstruction of the concept of "gross domestic product" (GDP). *The Little Big Number* persuasively shows how the measure, by being elevated to a role far beyond its original purpose, systematically distorts rational discourse about our actual social and economic health.

There is good reason to be distrustful of using any single measure—or even an index of measures—as the barometer of social and economic health. GDP clearly fails as a coherent measure even on strictly utilitarian grounds, but the solution is not to come up with another measure of bundle of measures that ought to be maximized (as a proxy for maximizing utility itself). Rather, a pluralistic democratic society should be informed by multiple indicators, each measuring goods, and democratic societies have reason to value. Adjudicating inherent tensions and trade-offs between competing goods should be the very stuff of democratic debate and ultimately democratic judgment.

Still unanswered is the question of how we might get from here to there. *The Little Big Number* in my reading is ambiguous—perhaps deliberately so—about whether replacing GDP as the primary measure of well-being requires a systemic shift away from a capitalist political–economic system. Is the GDP measure a historical accident that is incidental to a system in which the bulk of productive property is privately held and in which most commodity exchanges happen through markets? Is there an intrinsic connection between the tyranny of GDP and massive inequalities of wealth and capital ownership, or is GDP simply a misleading guidepost? Are there material interests that would block a shift away from GDP as the principal measure, or is the reliance on GDP merely a bureaucratic habit?

The answers to these questions have massive implications consequences for practical strategy. If GDP is simply part of the "superstructure" of capitalism, then presumably we have to replace capitalism first before better indicators than GDP can be put in place to guide social and economic development. In that case, the specification of alternative indicators could be seen as an important part of an anti-capitalist project, in helping indicate the goals of a post-capitalist economy, but only a *part*.

The evidence of this book suggests a different interpretation, however—that the GDP measure is a product of government-supported economists in response to crisis (depression), and that it became the dominant measure quite by accident—and ironically, not at the behest of wealthy capitalists but of largely progressive policymakers. The book also documents the growing interest among economists and policymakers at important institutions like the European Union (EU), World Bank, and certain national governments in devising and using alternative indicators. This suggests that there might be a bureaucratic route to changing the GDP.

Since instantaneous transformation of the capitalist system is not realistic and likely not desirable, the bureaucratic route to change is well worth exploring further.

Consider the following scenario: In 2016, an enlightened President of the United States is elected and proceeds to take charge of the economic policymaking apparatus and remakes it in a deliberate, intentional way, replacing GDP and other growth measures with a better set of indicators. This would require a President with an intellectual self-confidence in his or her ability to challenge conventional economic thinking that the current incumbent lacks but that future figures (imagine Elizabeth Warren) might not. The President has it in his or her power to name a Council of Economic Advisers, which in turn oversees publication of the annual *Economic Report of the President*. The annual report, in addition to providing an assessment of current economic conditions and a statement of current administration economic policy, is a treasure trove of historical data on wages, employment, prices, and above all GDP. (The first of 26 tables of data in the 2015 edition is devoted to "Percent changes in real gross domestic product, 1965–2014.")

The *Economic Report of the President* is an authoritative data source for economists, journalists, and policymakers alike. A President who wanted to change its contents presumably could do so—by directing staff to add a more varied set of economic indicators to the report and strongly de-emphasize GDP. The report would also be the appropriate place for the President to state clearly what alternative indicators and measures will be driving his or her economic policy.

To be sure, changing the content of the *Economic Report of the President* would be only a start, but it would be a big start. It's not too hard to imagine a candidate like Elizabeth Warren or Bernie Sanders, or even a far more moderate figure (like the Al Gore of 2000) being persuaded to embrace the concept and make it part of his or her campaign platform. But such a candidate would have to possess a great deal of intellectual self-confidence and actual knowledge to fend off criticism and have the boldness to say "we the people should not be the slaves to defunct economists." It also would help if the candidate had a model document to point to. There is nothing now stopping, for instance, a like-minded team of economists and policymakers from producing its own version of the *Economic Report of the President* with its own set of indicators to provide a model for a future president to use.

So at one level, the answer to the question of how to dramatically change the conversation is fairly straightforward—elect the right President, who in turn can unilaterally act to begin changing the term of the debate.

While this scenario is important to consider, it's not terribly likely to materialize in the near-term future. Nor is it enough. Even a top-down push toward change will flounder if it is not accepted and embraced by the many other analysts in the system. In short, even a bold President would need strong allies for reform from within the economic policy bureaucracy. This in turn requires the emergence of what might at first glance seem a contradiction in terms: politically astute economists–bureaucrats who are able to gradually establish, legitimize, and make more influential new measures by identifying and seizing opportunities to do so in as many arenas as possible.

Specifically, our economist–bureaucrat–activist must have the following attributes: (a) the intellectual curiosity and self-confidence to critique prevailing methodologies, (b) a substantive understanding of the ways GDP undermines the proper measurement of specific goods, (c) the intellectual creativity to show a better way to measure the good in question, (d) the methodological and technical ability to deploy this measure in a way that has to be respected by other economists and bureaucrats, and (e) a willingness to stick one's neck and professional reputation out in order to make a point as well as (f) good judgment for when and where it makes good sense to do so.

The coincidence of all these attributes into a single individual need not be so rare as it actually is. The epoch-making liberal economists of the 20th century like John Maynard Keynes and John Kenneth Galbraith not only had government experience, but they also understood that economics as a discipline informing policymaking is inescapably political and contingent. Economic policymaking was not the mechanical application of known solutions but rather something that had to be *created*.

Every President brings on multiple economists as advisers, and there is no shortage of academic economists from elite institutions willing and able to serve in this role. But the concern of these economists is, simply, *policy*, and not challenging or changing the very architecture of decision-making. To get a different mindset in the economic policy bureaucracy would probably require bold presidential leadership and probably also would require one or more major crises (probably climate-related) illustrating the limitations and perversity of the GDP measure.

Yet, even this isn't enough. If a president in a time of crisis can't find credible advisers with the skill set and capacity to imagine an entirely different approach to thinking about economic policy, he or she will inevitably end up turning back to practitioners of the old paradigm. The implication of this thought is that there is no getting around taking a hard look at the economics profession itself and the nature of the education and training being provided in top graduate programs.

No doubt there are many examples of scholars even today graduating from elite mainstream programs in economics who are doing outstanding work of social value. But economics programs are not producing many scholars who are both technically proficient with numbers and rigorous mathematical analysis and also are bigger-picture thinkers capable of understanding and absorbing criticism of economics itself from other fields. Even the history of economic thought itself is a de-emphasized subfield within the profession. Clever use of data and evermore sophisticated analytical techniques drive professional success.

That is a deep problem that no single book can overcome. It wouldn't be enough to make sure *The Little Big Number* is read by every budding economist at Yale, Harvard, Princeton, Stanford, Chicago and MIT. What's required instead is a conscious effort to build a movement within the academy, inside and outside of the confines of economics, around the kinds of ideas *The Little Big Number* represents. To put it another way, it's time for a new "Chicago School" for the rest of us. And while numerous universities at different times have carried the banner for heterodox economics, the scholarship (and scholars) produced by those institutions too often is relegated to the margins of the profession. Assembling a cluster of scholars committed to a paradigm change at one or more of the acknowledged "top" programs would have far more impact on public discourse.

It may seem odd to suggest that the route to dramatic social change runs at least in part through the curricula and training of elite academic institutions. And yet, while much of academia, including the social sciences, are marginalized from consistent, meaningful influence on political life and policymaking, economics enjoys an exempt status. No politician can attain or maintain political power without showing concern for the economy, and almost all politicians will seek the counsel of economists either for advice or at least to provide external validation of their pre-existing views. To change to the content of that advice will require educating and nurturing a generation of economists who can find the right balance between being intellectually bold enough to promote a new paradigm and politically astute enough to advance that paradigm in the public discourse—including by taking advantage of opportunities to influence and advise prospective and actual elected leaders.

Author biographies

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