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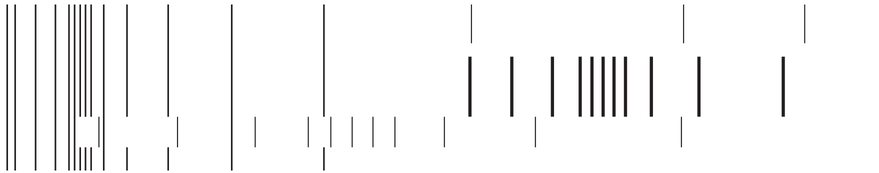

JONATHAN ROWE AND MARK ANIELSKI

THE GENUINE PROGRESS INDICATOR

1998 UPDATE – EXECUTIVE SUMMARY

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I. WHY GROWTH DOES NOT EQUAL PROGRESS

For much of this decade, there has been a paradox at the core of American public life. On the one hand the economy has been booming, as economists define it at least. We are enjoying the "longest peacetime expansion" in our history, the President boasted in his State of the Union address. "Virtual economic utopia" one commentator said, speaking for many.

By and large Americans think they are doing quite well. Yet they feel apprehensive about the future, and they worry that their kids and grandkids won't have as good a life as they themselves have enjoyed. This is strange. An economy is supposed to make life better. The word derives from the Greek *oikonomia,* which meant the proper management of the household, a harmonious matching of resources and needs. If an "economy" in this root sense is booming, that ought to bode well for the future too.

Yet people don't feel that way. Something about the current prosperity appears to give them pause; so much so, that a sanguine view of the future—a trait that has defined us as Americans—appears to be on the wane.

Some commentators say that Americans are simply wrong. We are spoiled, they say, and made churlish by our own inflated expectations. They say we are prey to an alarmist media that paints a grim picture to serve its own ideological agenda and pecuniary gain. Perhaps. But just possibly the American public intuits something about the economy that the opinion establishment is not ready to acknowledge and the official indicators are not calibrated to detect.

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In 1994, Redefining Progress developed a new yardstick, the Genuine Progress Indicator, or GPI, to begin to measure the performance of the economy as it actually affects people's lives. We sought to fill a large void in the public debate. America does not have a real measure of economic well-being; policy experts rarely even talk about the economy in those terms. Instead they use a gross tally of monetary transactions called the gross domestic product, or GDP. The GDP serves as the nation's all-purpose barometer of economic performance; its vernacular equivalents "expansion" and "growth" are invoked constantly, as in the President's address.

Yet the GDP says basically only one thing: how much money ordinary Americans have spent in a given year. If the amount is greater than in the previous year then economists call it "expansion" or "growth." The more money people spend the more the economy grows. But how this spending translates into human well-being, and whether the additional outlays suggest that life is getting better or worse, are totally different questions. About these, the GDP says virtually nothing at all. It says even less about the implications of current patterns of growth for the generations that will come after us.

In short, the GDP presents a picture of the economy as seen through the lenses of economics and finance. It focuses on supposed means—monetary transactions—and assumes that the end automatically follows. For this reason it bears only a vague resemblance to the economy that Americans actually experience. The GPI was an attempt to narrow that gap, and to reckon the economy in concrete terms, as it actually affects people's lives.

A closer look suggests that the costs of expansion—especially the social and environmental costs—have begun to outweigh the benefits.

To simplify, the GPI modifies the GDP in several ways. For one thing it adds a cost side to the growth ledger. It acknowledges that monetary outlay can be a sign of difficulty and affliction as well as development and gain. At the same time, the GPI takes account of the crucial aspects of the economy that are not transacted through money—the work of parents in the household for example, and the work of the natural environment in giving us air and water and sustaining us materially. The GPI also begins to account for the impacts of current economic activity upon future well-being, much the way a business does.

Such adjustments are simply common sense, and the results suggest why they are important. In 1994, the GPI showed that, as it affects well-being, the economy had been in decline for roughly two decades. Where the GDP portrays continual economic advance from the 1950s to the present, the GPI rose in tandem with the GDP until the mid-1970s but then turned downward. The economy has been "growing" during that time. People have been spending more money. But a closer look suggests that the costs of this expansion—especially the social and environmental costs—have begun to outweigh the benefits, such as they may be.

This challenges the conventional story line that has been propagated through the media, but it squares with the unease that Americans feel regarding the future.

II. THE GENUINE PROGRESS INDICATOR: 1998 UPDATE

A recent update of the GPI shows that its downward trend has continued. There has been progress in a few categories, such as a reduction in the costs associated with air pollution and crime. But other aspects of the economy included in the GPI have grown worse. For example:

- The gap between the rich and everyone else is expanding.
- The nation is borrowing more and more from abroad, a symptom of an anemic savings rate and mountains of household debt.
- The costs of reliance on nonrenewable energy resources continue to mount, as do the costs of the environmental damage that results.
- Household capital continues to wear out rapidly, the result of shoddy construction or rapid obsolescence.

The GDP functions much like a clear highway painted on the windshield of a car that is hurtling down a crowded interstate.

Overall, the decline of the GPI in the 1990s has been the most rapid in five decades. It suggests that the recent financial boom, with the associated shopping spree, has masked an erosion in the real economy that the conventional indicators hide. Increasingly the U.S. is living off its capital—social and environmental as well as financial. In the parlance of policy experts, the economy has become rife with "unintended consequences," as well as intended though unspoken ones. Yet high-level commentators maintain that the main economic threat is that Americans might somehow cease borrowing and spending money.

The implications are sobering. The GDP is the nation's primary economic feedback device, the main gauge that informs economic reportage and debate. As such, it functions much like a clear highway painted on the windshield of a car that is hurtling down a crowded interstate. It portrays as economic growth the erosion of basic elements of our economic well-being. It shows regress as progress, and a widening income gap as an increase in well-being for all. So doing, it serves to justify the very policies that are digging us into a deeper hole. Politicians keep trying to "stimulate" the economy to solve the nation's problems; but increasingly what they are really stimulating are the problems themselves.

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FIGURE 1: **GROSS PRODUCTION VERSUS GENUINE PROGRESS, 1950 TO 1997**

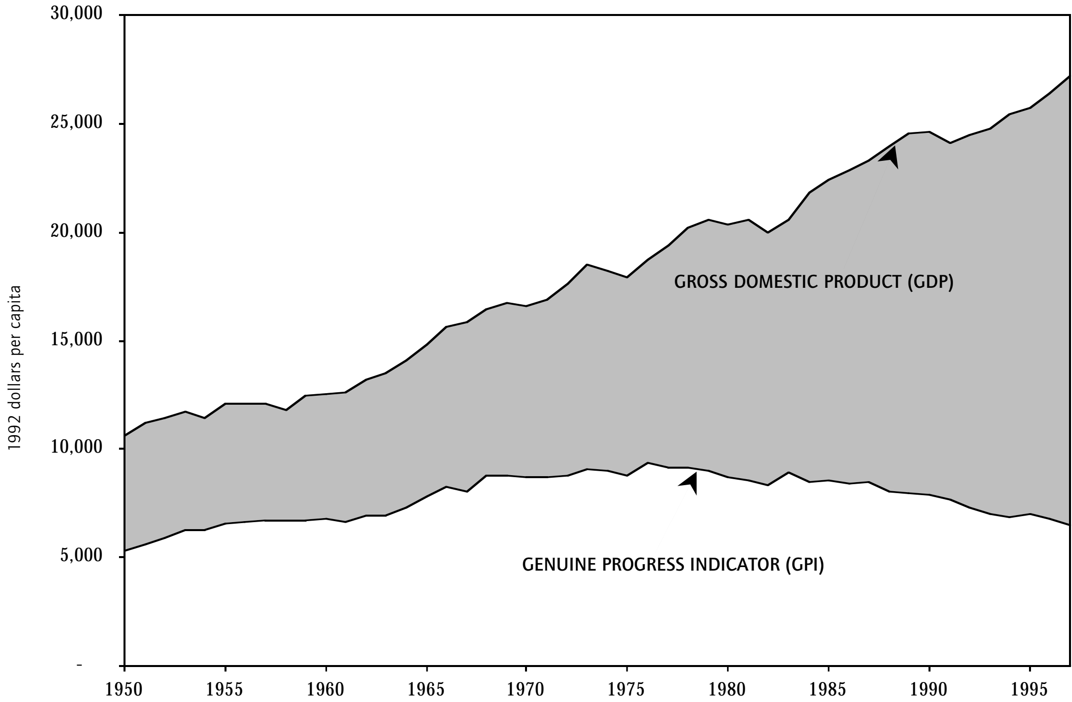

TABLE 1: **GROSS DOMESTIC PRODUCT VERSUS GENUINE PROGRESS, 1950 TO 1997**

	GDP *billions of 1992 dollars*	GPI *billions of 1992 dollars*	GDP PER CAPITA *1992 dollars per capita*	GPI PER CAPITA *1992 dollars per capita*
1950	1,600	810	10,582	5,319
1960	2,263	1,229	12,525	6,805
1970	3,398	1,788	16,569	8,721
1980	4,615	1,984	20,310	8,732
1990	6,136	1,973	24,600	7,911
1997	7,270	1,745	27,163	6,521
TOTAL CHANGE 1950 – 1997	+5,670	+935	+16,581	+1,202

III. THE FALLACIES OF THE GDP

The GDP is essentially a product of the Second World War. As the nation prepared to enter that conflict, the government needed a gross inventory of monetary transactions so that it could allocate resources between the war effort and the home front, and squeeze the last ounce of production from the nation's industrial plants. The GDP (which was then called the GNP) served this role. It was a planning tool, a spreadsheet for national economic management. It was never intended to be a gauge of economic performance or well-being.

Simon Kuznets, the Nobel Prize–winning economist who was the chief architect of what is now the GDP, made this clear in his very first report to the U.S. Congress. "The welfare of a nation," Kuznets wrote, "[can] scarcely be inferred from a measurement of national income as defined [by the GDP]." Throughout his life Kuznets emphasized the need for better and more inclusive measures to assess a national economy.

The GDP became precisely what Kuznets said it isn't: a shorthand for the economy itself.

But no one listened. The GDP became precisely what Kuznets said it isn't: a kind of all-purpose index of economic performance, a shorthand for the economy itself. To the media and politicians the GDP was irresistible. It was a statistic, a way to reduce a complex story to a single number; and it came with the combined imprimatur of government authority and presumed economic expertise. What it actually said became less important than that government experts said it.

Today the GDP has reached totemic stature. Politicians and pundits invoke it continually, either directly or through its vernacular equivalent "growth." When former Congressman Jack Kemp said we should "double" the rate of growth, what he really meant should double is the GDP. When President Clinton boasted of the "longest peacetime economic expansion in our history," the expansion he was referring to was the GDP. The media reports its every move. Yet despite this obsession, or perhaps because of it, few stop to ask what the GDP actually says, or why we should regard it as so significant.

What the GDP actually said became less important than that government experts said it.

As mentioned, the GDP is basically just a gross tally of the monetary outlays of individuals and households. (Actually such expenditures account for about two-thirds of the GDP, while business investment and government payrolls comprise the rest.) The flaw in using it as a measure of progress or well-being is not

hard to see. Just because your family spent more money last year doesn't mean it was a great year.

By this reasoning the nation's economic hero is the terminal cancer patient going through an expensive divorce, whose car is totaled in a twenty-car pile-up.

To the contrary, it might well have been an awful year. Perhaps a routine medical check-up turned into a diagnosis of cancer and chemotherapy. Or El Nino took such a toll on your roof that you had to get a new one. It certainly wasn't a very good year if the need for the additional outlays was brought on by the economy itself—for example if increasing traffic led to fender benders and more gas burned while going nowhere.

Such life travails contribute to the GDP. Yet they are products of the economy, evidence of an enlarging syndrome in which GDP creates the need for more GDP—growth begets growth. As a gauge of economic performance and well-being, the GDP embodies at least four major fallacies.

First, the GDP regards every expenditure as an addition to well-being, regardless what that expenditure is for or the effects. By this reasoning the nation's economic hero is the terminal cancer patient going through an expensive divorce, whose car is totaled in a twenty-car pile-up. The economic villain is the healthy person in a solid marriage who cooks at home, walks to work, and doesn't smoke or gamble. The hero borrows and spends; the villain pays cash and saves for the kids' education. What economists call "growth," in other words, is not always the same as what most Americans would consider good.

When families are troubled and kids need counseling or foster care, the GDP goes up because money has changed hands. When a parent cares for kids at home the GDP stagnates.

Second, the GDP ignores the crucial economic functions that lie outside the realm of monetary exchange. Parents do real work. So do neighbors, communities, open spaces, rivers and oceans, the atmosphere, and trees. Anyone who doubts this might try getting along without them. Such things contribute more to well-being than does much that we buy from the market. Yet the GDP regards these life-sustaining functions as worthless—until the economy destroys them, and we have to buy substitutes from the market or from government. Then the GDP says that the economy has "grown."

When families are troubled and kids need counseling or foster care, the GDP goes up because money has changed hands. When a parent cares for kids at home the GDP stagnates; when that same parent takes care of other people's kids at day care the GDP goes up. When the city cuts down shade trees to widen a street, and homeowners have to buy air conditioners for cooling, the GDP goes up again. It looks like economic growth, but in reality no increase has occurred. Instead, something that used to be free now costs money; social and environmental decay have been transmogrified into "growth" through the myopic lens of the GDP.

Third, the GDP regards the future as though it has no value either. All that matters is the present. The implications of current economic activity for our kids and grandkids do not enter the calculation. For example, the GDP counts the

depletion of natural resources as current income rather than as the liquidation of an asset. This violates both basic accounting principles and common sense. Similarly, saving doesn't add much to the GDP; economists actually chide Japan for its high savings rate. But maxing out on credit cards makes it soar.

Fourth, the GDP altogether ignores the distribution of income. Even assuming that the GDP represents a rising tide of beneficence, it can't have that effect unless all share. If the economy is getting bigger, but the benefits are going mainly to those who need it least, the result is material accretion but not economic advance. This is true even in conventional economic terms. For a Mark McGuire or a Michael Jordan, another thousand dollars is merely tip money. For a family struggling on the minimum wage, a tenth that amount can mean the difference between macaroni and chicken for many nights.

The GDP counts the depletion of natural resources as current income rather than as the liquidation of an asset. This violates both basic accounting principles and common sense.

Add these fallacies together, and it helps explain why the opinion establishment thinks the future is rosy, and why many Americans are worried nevertheless.

IV. A NEW MEASURE OF PROGRESS: THE GPI

In essence, the GPI moves towards the kind of common sense accounting that a household or a business would do.

It is not possible to construct a truly adequate measure of economic well-being. The relationship between economic process and human satisfaction—that is, between outer circumstance and inner experience—is slippery at best. No accounting will ever answer to the complexities of the human heart. Still, it is possible to do a lot better than the GDP. We can begin to acknowledge the differences between costs and benefits, and equality and inequality. We can admit that families, communities, and the natural environment have value; and we can construct an accounting that says our kids and grandkids matter as much as we do.

The GPI is a step in that direction. It starts with personal expenditures as a baseline, the way the GDP does. But it then adjusts for numerous factors to start to translate those gross expenditures into a reckoning of net economic gain. In essence, the GPI moves towards the kind of common sense accounting that a household or a business would do.

1. The GPI adds a cost side to the growth ledger. It subtracts so-called "defensive expenditures" such as the costs of crime and environmental decay. It accounts for such things as long-term environmental damage and the loss of leisure time. The GPI also subtracts certain kinds of outlays that few Americans would regard as evidences of well-being, such as those related to family breakdown and commuting.

When we deplete the earth's resources, degrade the natural environment, and weaken the social structure by displacing it with things and services people have to buy, we are robbing our grandkids' trust fund.

2. The GPI begins to account for the aspects of the economy that lie outside the realm of monetary exchange. It assigns value to the life-sustaining functions of households, communities, and the natural environment so that the destruction of these, and their replacement with commoditized substitutes, no longer appears as growth and gain. It also counts the value of services from public infrastructure such as highways and bridges that the GDP ignores.

3. The GPI acknowledges that the economy exists for future generations as well as for the present ones. When we deplete the earth's resources, degrade the natural environment, and weaken the social structure by displacing it with things and ser-

vices people have to buy, we are robbing our grandkids' trust fund. The GPI treats such destruction as cost rather than as gain.

4. The GPI adjusts for income disparities. A growing income gap involves real costs that the nation's economic accounting should not ignore. Large disparities in income tend towards social breakdown and even bodily disease. As James Lardner reported in the *Washington Post,* "What do Biloxi, Miss., Las Cruces, N.M., and Steubenville, Ohio have in common? High inequality, high mortality. Allentown, Pa., Pittsfield, Mass., and Milwaukee, Wis? Low inequality, low mortality."

V. SUMMARY OF GPI RESULTS

When we use the GPI to enlarge the accounting lens, a whole new view of the economy begins to emerge. The GDP has depicted almost continual improvement over the last fifty years. Seen through that narrow lens, the economy appears to have expanded almost three times over on a per capita basis. This would suggest that Americans are three times better off. By contrast, the GPI increased until the mid-1970s, but has followed a downward path ever since. Where the GDP has tripled in per capita terms, the GPI has actually fallen since 1976. There has been continual increase in monetary transactions. But the implications for human health and well-being have become increasingly problematic.

In an economy that is truly improving, the income gap would be diminishing.

Figure 2 shows these changes by decade and suggests some of the trends that lie behind them. In the 1950s, workers were faring well in the postwar boom, with strong unions and high-paying factory jobs. They had fewer demands on their time, and the gap was shrinking between the rich and everyone else. In the 1960s these trends basically continued, and the GDP and GPI both grew at similar rates. By the 1970s, however, the proverbial chickens started coming home to roost, socially and environmentally. The GPI started to decline; and this decline has continued through the 1980s and 1990s.

A number of factors lie behind this trend. Environmental damage, dependence on fossil fuels, loss of leisure, and the income gap all played a part. So too did crime and family breakdown. In the 1990s the divergence between the GDP and the GPI has become more pronounced. While the GDP has increased per capita at about 1.4 percent a year, the GPI has fallen at about twice that rate. The stock market has boomed. Americans have been spending (and borrowing) more money than at any time in history. But beneath the buoyant surface of this transactional increase, there have been countercurrents that don't register on the GDP and other official indicators.

The reasons for this decline appear more specifically in the following table, which provides a breakdown of the items in the GPI. A key factor, as mentioned, has been the income gap. In an economy that is truly improving, the income gap would be diminishing. Those with the greatest need would experience the most advance. Thus it is a matter of great importance that inequality of income has increased rather than diminished since the peak of income equity in 1968.

FIGURE 2: **DIFFERENCE IN ANNUAL GROWTH RATES: GDP AND GPI**

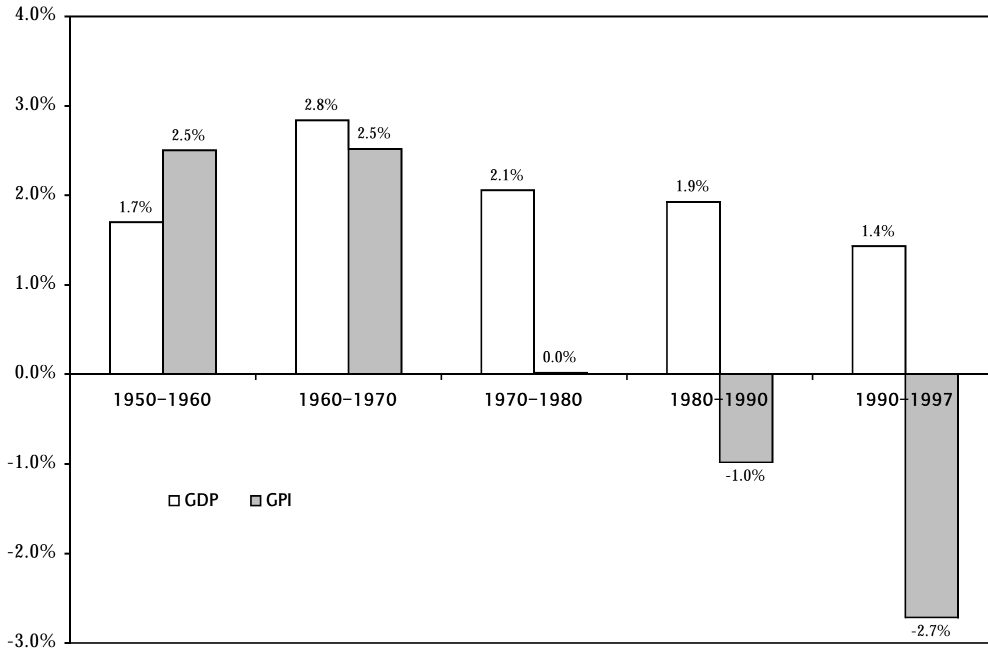

TABLE 2: **THE 1997 GPI ACCOUNT**

	$ BILLIONS *(1992 dollars)*
Personal Consumption	4,913.5
Personal Consumption Adjusted for Income Inequality [1]	4,153.5
ADJUSTMENTS	
Value of Housework and Parenting	+ 1,886.6
Services of Household Capital	+ 557.1
Services of Highways and Streets	+ 90.0
Value of Volunteer Work	+ 87.7
Net Capital Investment	+ 44.3
Depletion of Nonrenewable Resources	− 1,281.6
Long-term Environmental Damage	− 1,012.0
Cost of Consumer Durables	− 668.6
Cost of Commuting	− 374.5
Loss of Wetlands	− 349.9
Cost of Ozone Depletion	− 306.9
Loss of Leisure Time	− 263.6

ADJUSTMENTS *cont...*	$ BILLIONS *(1992 dollars)*
Net Foreign Lending or Borrowing	− 146.1
Loss of Farmland	− 127.8
Cost of Underemployment	− 122.3
Cost of Auto Accidents	− 120.5
Loss of Old Growth Forests	− 82.2
Cost of Family Breakdown	− 58.8
Cost of Air Pollution	− 54.2
Cost of Water Pollution	− 50.1
Cost of Crime	− 28.4
Cost of Noise Pollution	− 15.3
Cost of Household Pollution Abatement	− 11.1
NET GENUINE PROGRESS	**1,745.3**

1. Personal consumption is adjusted for income inequality using an index number based on the Gini coefficient, the most widely used measure of income inequality. The Gini coefficient is first normalized and then converted into an index number where 1968, the year with the least inequality, equals 100. The Gini coefficients for other years are expressed relative to this benchmark year.

Another important factor is the loss of leisure time. Prosperity is supposed to provide time: to spend with family, to devote to our communities, to engage in hobbies or just relax. Historically, time has always been associated with wealth. Yet the financial boom of the 1980s and 1990s has had the opposite effect; it has put Americans on a treadmill on which they have to run faster and faster to keep the boom in motion. Americans have less leisure today than at any time since the Second World War.

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As a result, people have less time for their kids and families, less time for civic and community needs. In the short term this tends to boost the GDP, as people contract out to the expanding "service sector" what they no longer have time to do themselves. But in the long term, it represents the depletion of the social capital upon which an economy ultimately depends.

A third factor in the decline of the GPI has been the continuing depletion of nonrenewable resources such as oil and coal. There is evidence that world supplies of oil are less than previously believed. Two petroleum consultants wrote in *Scientific American* last year that supplies would begin to lag behind demand within the next decade. Even if that were not so, the continued and increasing reliance on fossil fuels comes with serious consequences for human and ecological life and health, and at great dollar cost. Yet the GDP treats the draining of these resources as economic growth and gain, without regard to the consequences. Long-term environmental damage, such as stratospheric ozone depletion and groundwater depletion, is another trend that accounts for the drop in the GPI.

The day is long past when the U.S. could simply look at the amount of stuff the economy turns out and declare that life has gotten better to that extent.

On the whole these calculations are conservative. The loss of leisure time does not include the time required to deal with the increasing complexities of daily life, from hieroglyphic telephone bills to high-tech gadgetry. The GPI does not account for the billions Americans lose to fraud, over-pricing, and sheer corporate waste. An accounting professor at Brigham Young University, W. Steven Albrecht, estimates that fraud alone costs Americans some $200 billion a year.

Moreover the monetary value we assign to work in the household and community doesn't begin to express their contribution. A parent's care for a child is worth more than the average wage, as is volunteer work in the community. Such formal volunteering is just a small portion of the work people do for one another as neighbors, citizens, and friends. Thus the GPI hardly begins to account for the erosion of the "nonmarket"—that is, nonmonetized—dimension of the economy due to two-earner families, sprawling patterns of development, passive entertainment like TV and the rest.

On top of this, the GPI does not include numerous other factors that lie off the radar of conventional measures. Some examples:

Human Capital | The value of the stock of human capacities and skills, and the effects of education, new technologies, and media influences in enhancing or diminishing these or in rendering them obsolete.

Social Infrastructure | The impact of such things as the destruction of traditional Main Streets by shopping malls, and of locally-owned businesses by national chains, on community cohesion and the capacity for local self-help. Conversely, the gain in such cohesion from such things as new developments based upon the traditional village model.

Genetic Diversity | The impact on long-term well-being of the shrinking of the gene pool, through industrial genetic monocultures and "terminator" technologies, and the systematic eradication of species.

Water Projects | The impact of dams and water diversion projects on the non-commercial value of fisheries, forests, communities, and other assets.

Workplace Environment | The effects on well-being of the nonmonetized benefits and hardships associated with the workplace.

Underground Economy | The monetary value of products and services exchanged through barter, or through unreported or illegal transactions.

Pollution and Lifestyle-Induced Disease | Medical costs arising from diseases such as coronary problems, cancers, and stress, which are themselves products of the economy.

As the economy changes, the tools for measuring it must change as well.

As the economy becomes more pervasive and complex, and as it affects people in more and different ways, factors like these become increasingly important. The day is long past when the U.S. could simply look at the amount of stuff the economy turns out and declare that life has gotten better to that extent. That assumption might have worked in the era of scarcity, which is when the outlines of current economic dogma congealed. But in a hypersaturated consumer marketplace, in which the greatest need is for an ever-expanding sense of need to keep the GDP expanding, the assumption is obsolete. As the economy changes, the tools for measuring it must change as well.

In any other field that would be common sense. People who repair computers don't use diagnostic tools for electric typewriters. But in economics the mental bolts have rusted shut. There have been critics of the GDP almost from the beginning; they have spanned the political spectrum, and have come from both inside the economics profession and without. Yet the more the fallacies of the GDP become apparent, the more tenaciously the policy establishment clings to it.

Partly this comes from sheer inertia and the desire to protect sunk intellectual capital, among both economists and journalists alike. A new measure would imply a whole new way of understanding the economy, with all the inconvenience that involves. Economic interest also plays a role. Industries that inflict costs upon the public bask in the warm glow of the GDP because it casts all economic activity in a flattering light. They are not eager for an honest accounting that begins to distinguish costs from gains.

Early in the Clinton administration, the Commerce Department tried to add a few footnotes to the GDP to acknowledge such things as the depletion of natural resources. Two House members from coal-producing states took the lead in killing this modest step. Interest groups don't just shape policy. More, they shape the picture of economic reality on which the whole debate is based.

VI. CONCLUSION

It would be absurd to contend that the GDP should be abolished. The government does need a gross tally of monetary transactions for purposes of monetary policy, fiscal planning, and the like. Corporate planners need that data too. To construct a more inclusive national accounting system such as the GPI, moreover, it is necessary to have a gross tally as a base. The problem is not that the GDP exists, but that it has become a conceptual dead-end.

The problem is not that the GDP exists, but that it has become a conceptual dead-end.

There are difficulties in moving past it, to be sure. We have encountered these ourselves. For one thing the nation's economic data system has evolved largely to the contours of the GDP. A new measure requires new data that exists currently, if at all, only in sporadic form. The federal data system needs to enter the twenty-first century, along with the measures constructed from it. Another difficulty goes deeper. The life-sustaining functions of the social structure and the natural environment are beyond price. They simply do not exist on the same plane of reality with which market thinking deals. Yet to include them in a measure like the GDP, they must be rendered somehow in dollar terms.

Some argue that the effort is inherently misguided. To try to express the care of a parent or the quiet of a virgin forest in terms of a dollar price only degrades them. We agree. Yet there's danger in the other direction too. To continue to exclude such things from the economic accounting helps the engines of policy to ride roughshod over them. When the GDP portrays the destruction of the social structure and the environment as growth and gain, it justifies the policies that bring about that destruction.

There is no good answer to this dilemma, only one that is less bad—namely, to include these functions in the economic accounting, fully aware that their real value is beyond the ability of price-based thinking to comprehend.

From the opposite direction, some economists object that scientific objectivity is at stake. The GDP is an "objective" measure they say. A physiologist is not concerned with whether a runner is in a track meet or fleeing from a crime scene. The physiology is the same. Economists contend that the GDP is like a cardiogram; it is an objective measure of activity. The GPI by contrast indulges in "value judgments" of a kind that true scientists must eschew.

Let us leave aside whether economics, which is the study of social behavior, really can be a "science." Let us leave aside too whether such a study—that is, humans studying themselves—can be "objective" in any real meaning of that term. The fact is, all judgments involve values, by admission or default. To refuse to distinguish costs from gains does not avoid value judgments. To the contrary, it makes the rather substantial value judgment that such distinctions don't matter. It says that every transaction adds to the nation's well-being simply because money has changed hands.

When the GDP portrays the destruction of the social structure and the environment as growth and gain, it justifies the policies that bring about that destruction.

The question is not whether to make value judgments but rather which ones to make. We contend that it is more honest and responsible to meet this difficulty head on than to sweep it under an accounting rug called the GDP.

Accounting guides policy, for a business or a nation. It defines the context for economic reportage and debate, and serves as a crucial link in the feedback loop between the economy and the nation's policy establishment in Washington. The GDP is a case study in perverse feedback. It functions much like a gas gauge that goes up as the car burns gas. It keeps reinforcing the belief that the U.S. can "grow" its way out of problems, when in reality growth, as defined by the GDP, is becoming another name for the problems themselves.

The answer is not "no growth." To be categorically against growth is as nonsensical as to be categorically for it, and futile to boot. Something is going to grow. The question is what, and to what ends. National accounting should help answer that question. It should connect economic actions with consequences, and help us—no, compel us—to face the implications of our current economic policies and behaviors on our kids and grandkids and those who will come after them.

There is no guarantee of course that better accounting will lead to better policy and action. Nations, like businesses and individuals, have a large capacity to ignore what is staring them in the face. But it is unlikely that there will be better policy until national accounting starts to tell the truth. Change arises from desire, and desire from a felt sense of need; and there won't be this felt sense until we face new economic problems instead of hiding from them.