

Dorling, D. (2018) Review of David Pilling's: The Growth Delusion, Prospect Magazine, February 22nd, p. 72.

The Growth Delusion: The Wealth and Well-Being of Nations
by David Pilling (Bloomsbury, £9.99).

Now it is not just mavericks, but mainstream economists who agree that our central measure of economic Growth (GDP) is an awful way of measuring social progress. David Pilling explains how cynicism of the value of Gross Domestic Product has become widely accepted although as yet none of the competing alternatives has won out. What matters most - happiness, health and education, inequality, sustainable development?

This is a book that is mostly about the USA and UK and how in the past particular economists and politicians won the argument that concentrating on GDP growth would raise all other boats. It didn't. However, a little more concentration on other countries would have made it a better book. For instance, France and Finland spend nearly twice as much per person on public goods as do the USA or UK. France and Finland are countries where people live longer, healthier, happier, better educated, better enjoyed, lives. The author did spend time in Japan, and notes that despite low GDP its growth standard of living remain exceptionally high and are still rising.

Most shockingly, Pilling interviews Gavyn Davies, a former partner of Goldman Sachs, who confides that he used to tell himself that as a banker 'What we're doing is actually the most important function of all. We're allocating capital in the right way.' Until the 2008 crash when Gavyn realised he'd been getting things very wrong for decades.

Pilling concludes that *'the economy is not real. It is merely one way of imagining our world.'* And that how we look is key. For most people economy means the same it has always meant. The need to be economical, to not waste. Where Pilling hits the nail on the head is in just how wasteful US/UK economic thinking has been in recent decades.

Danny Dorling