Beyond GDP. By MARC FLEURBAEY and DIDIER BLANCHET. Oxford University Press, Oxford. 2013. xvi + 306 pp. Hardback, £32.50.

Gross Domestic Product (GDP)—a measure of the market value of goods and services produced in a country in a year—usefully aggregates a country's diverse economic activity into a single figure. How useful this figure is as a welfare measure, however, has long been questioned. With their book's elegantly simple title—*Beyond GDP*—Fleurbaey and Blanchet concisely communicate, already on the cover, two important messages. First, that GDP has achieved such a mythical status among economic indicators that it has by now transfigured from a technical acronym used by specialists to a household word, suitable for a book title. Second, that the alternatives-to-GDP conversation has itself matured—with important help from the authors, one should note—to the point where ordinary economists should now be looking, carefully and methodically, beyond GDP.

I started my graduate studies in economics at the turn of the century, and like others in their twenties and eager to make the world a better place, I found myself enamored with the then still rebellious-sounding idea of overturning the absolute rule of GDP. Couldn't we replace it with something greener, cleaner, fairer, happier? Frustratingly, with few exceptions, searches on the topic yielded either passionate critiques that lacked theoretical rigor, such as the famous 1968 Robert F. Kennedy speech quoted in the book's introduction; or "a wealth of indicators" (the title of the book's Chapter 1) that seemed in many ways as arbitrary as what they were meant to replace. Surely, such searches often miss relevant material simply because one does not know where to look. At the same time, the growing mountain of initiatives, indicators, and methodologies already out there is difficult to sort through without a comprehensive, theory-based framework that would place it all on one map.

Beyond GDP fills such gaps. It brings together an impressive breadth of literatures and initiatives, connects them within an explicitly laid-out theoretical framework, and rigorously analyzes both the ethical foundations they rest on and the implementation challenges they face. The discussion is subtle, oversimplifications are avoided, yet the conclusion calls for pragmatic compromises. All this makes the book essential reading for any economist who ever wondered about GDP as a welfare measure—or about its alternatives. Whether relatively new to the topic or a seasoned practitioner, readers will find this a thorough, stimulating, and timely contribution.

The book opens with an attempt to place, literally on a diagrammatic map, some past and present initiatives and indices. From the Club of Rome's "Limits to Growth" report four decades ago, to the recent Stiglitz-Sen-Fitoussi report (with which the authors were actively involved); from the UN's Human Development Index (HDI), launched more than two decades ago, to the OECD's recent Your Better Life Index. As the authors note, "the problem with challenging GDP is not the lack of competitors, but rather their multiplicity." Chapter by chapter, the authors critically examine existing as well as potential competitors. Their aim: "to help economists, social scientists, decision-makers, and interested persons to better identify the pros and cons of various approaches and their ethical underpinnings."

Roughly, the authors identify four main approaches. They start with hybrid indices (Chapter 1), such as the HDI (where GDP is but one component). While easy to grasp and communicate, such indices are often based on arbitrary weights and overlook distribution issues. They then discuss "green" GDP, touching on issues of sustainability and of present versus future (i.e., observed versus predicted) welfare (Chapter 2), and proceed to discuss monetary approaches that aim at a corrected, or comprehensive, GDP. They hint at their main critique of aggregate-price-based measures with a rhetorical question: "A Price for Everything?" (Chapter 3). Somewhat as an answer, they then introduce, and enthusiastically defend, individual-price-based measures, under a title that leaves no doubt as to where their heart lies: "Equivalent Income, or How to Value What Has No Price" (Chapter 4). As the third and fourth approaches they discuss subjective well-being (SWB) measures, asking (in Chapter 5) "Is Happiness All that Matters?," and, in what can again be viewed as somewhat of an answer, they consider (in Chapter 6) Amartya Sen's capability approach. Existing SWB measures provide useful information but face serious measurement challenges, and are certainly *not* all that matters. The capability approach (where SWB is but one component) is presented as promising—particularly if implemented with the equivalent income approach advocated in Chapter 4.

Readers of *Beyond GDP* are repeatedly reminded that the construction of welfare measures is value-laden, rather than a merely technical exercise. This crucial reminder reflects both the authors' sense of responsibility, as economists, to help construct better alternatives to GDP and, at the same time, their refusal to be complicit in the profession's tendency to shy away from focusing on values. In particular, they put at the fore the question of *distributive justice*, which is conspicuously ignored by aggregates such as GDP, and the still more fundamental question of *redistribution of what* (opportunities, outcomes, subjective well-being). This pair of questions reappears throughout the book in different reincarnations, such as the *how to aggregate* and *what to aggregate* (or *what to sustain*, or *what to equalize*) questions. Naturally, the *what* questions extend the conversation to domains well beyond economics, such as philosophy and morals, where the discussion maintains its richness as well as clarity and carefulness.

But *Beyond GDP* is far from only a philosophy book. Side by side with the ethical questions that underlie the theory, the authors tackle the practical questions: Merely improve (or "fix") GDP, or entirely replace it? Construct a single alternative, or a dashboard of indicators? In the conclusion chapter, the reader is reminded of the inescapable pragmatic tradeoffs: what is too complex is not operational, but what is too simple is wrong. The authors convincingly (and laudably) argue for maintaining a multiplicity of indicators and approaches in present initiatives, in future research and, importantly, in public debate.

Given the book's breadth and depth, the authors should be admired for keeping it from becoming inaccessibly long. The perhaps-unavoidable downside is that their personal perspective (which, appropriately, they readily admit to) may leave readers whose perspective is different feeling that they got somewhat shortchanged. Specifically, in the absence of the holy grail of a single, all-inclusive, directly measurable well-being measure, comparisons across individuals and situations inevitably involve taking a stand on whether and how different well-being components can substitute for each other. Economists will appreciate the authors' quest to respect "the population's values and preferences" regarding such substitutions. But policy- and implementation-oriented readers may rightly complain that the discussion of the authors' preferred approach—equivalent income—is not as balanced as it could be. While the authors list, and forcefully respond to, certain critiques of the approach, they are focused on theoretical and philosophical critiques more than on pragmatic ones. In particular, the at-times heroic informational requirements of the approach—namely, knowing individuals' willingness-to-pay for hard-to-evaluate situations—are only briefly mentioned. They may deserve the same careful attention that the authors so thoughtfully give to other, less favored, approaches.

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