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## GDP: A Brief but Affectionate History

*Diane Coyle*

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**Diane Coyle : GDP: A Brief but Affectionate History** before purchasing it in order to gage whether or not it would be worth my time, and all praised GDP: A Brief but Affectionate History:

13 of 13 people found the following review helpful. Very usefulBy Andres MarroquinI read GDP: A Brief but Affectionate History by Diane Coyle for three reasons: (1) to see if the book can be used as a textbook in a principles of macroeconomics class; (2) of course, to learn more about GDP and economic growth; and (3) to learn writing from an inspiring economics communicator.Arnold Kling rightly says that economic history can be used to teach macroeconomics more effectively. GDP presents a historical narrative of the evolution of GDP, which started as a

result of war, and soon became the main macroeconomic indicator. So, yes, with a few explanations to clarify concepts, one can use the book in an introductory class on macroeconomics. The Gross Domestic Product has been criticised frequently. Critics argue, among other things, that GDP is not a good measure of social welfare, that it does not include the informal economy, and that it does not deal well with innovation. Those criticisms are justifiable and spot-on, but as Diane Coyle argues, in spite of its many handicaps the GDP is still a useful tool to measure economic performance. From the beginning GDP was not seen as a measure of social welfare, but of income and production. Of course, we need other indicators to measure welfare, but as far as income and production goes, the GDP is still useful. That does not mean that it is perfect, not at all. In fact, it needs serious modifications. I like Diane's writing style a lot. I follow her blog closely. However, I can not tell exactly what is so attractive about her writing. She explains her ideas and arguments with an almost optimal level of complexity, no more, no less. You can look at the way she describes GNP in the book. She could have given a long explanation but instead she just tells what is sufficient for understanding the main ideas in the book. The most important characteristic, I think, is that she asks big questions. At the end of the book she argues that, under the current digital and online economy, and everything that they imply we need a new definition of "the economy." That is a metaphysical claim of a mainly "physical" social science. So she makes one think big and not many writers can do that. Of course I am making huge simplifications of sharply elaborated arguments. .14 of 14 people found the following review helpful. My Review of GDP By J. Livingstone The complexities and the difficulties of GDP are not frequently discussed, but they are well-described here - so is the necessity for a growth measure like GDP. This well-written little book frankly discusses both the pluses of GDP as well as the minuses, warts and all. Only God knows how, but the writer explains the subject matter competently for both the layperson and the professional economist - which is extremely rare, but most welcome. This makes the book well worth reading - to both laypersons and specialists alike. 2 of 2 people found the following review helpful. Slim, readable and informative. By MT57 Slim and readable: it only took me about three hours to go through it. Informative: it covers pretty much every issue I know of on the subject, the only exception I can think of being that she fails to educate the reader on the treatment of welfare state transfer payments (they are not included in GDP which, although that is mechanically correct, produces a misleading under-statement of government's role in the economy - a good chunk of the consumption in GDP is paid for with welfare state transfer payments that are not identified as such in GDP). Maybe also some topics are treated too lightly (household production) than others (surprising depth on financial services), but that's to be expected given the obvious intent to be brief. There were a couple recitations of formulas that I think are mis-stated but they were not significant to detract. Very good introduction to the topic, and more erudite and less polemical than I would have predicted when I opened it. Some of the other reviews, I think downgrade the book for not sharing the reviewer's ideological perspective. That is unfair to the author. The book's title is exceedingly accurate (which itself is rare in books in this field that often overstate their contents to make more sales): the author is not issuing a "a very conservative defense of GDP orthodoxy" to quote one such review. It is simply what the title says, a "brief but affectionate history". A basic understanding of the topic is a good thing in and of itself before one adopts a critical posture, and this book definitely contributes to such an understanding. Well done.

Why did the size of the U.S. economy increase by 3 percent on one day in mid-2013 — or Ghana's balloon by 60 percent overnight in 2010? Why did the U.K. financial industry show its fastest expansion ever at the end of 2008 — just as the world's financial system went into meltdown? And why was Greece's chief statistician charged with treason in 2013 for apparently doing nothing more than trying to accurately report the size of his country's economy? The answers to all these questions lie in the way we define and measure national economies around the world: Gross Domestic Product. This entertaining and informative book tells the story of GDP, making sense of a statistic that appears constantly in the news, business, and politics, and that seems to rule our lives — but that hardly anyone actually understands. Diane Coyle traces the history of this artificial, abstract, complex, but exceedingly important statistic from its eighteenth- and nineteenth-century precursors through its invention in the 1940s and its postwar golden age, and then through the Great Crash up to today. The reader learns why this standard measure of the size of a country's economy was invented, how it has changed over the decades, and what its strengths and weaknesses are. The book explains why even small changes in GDP can decide elections, influence major political decisions, and determine whether countries can keep borrowing or be thrown into recession. The book ends by making the case that GDP was a good measure for the twentieth century but is increasingly inappropriate for a twenty-first-century economy driven by innovation, services, and intangible goods.

Winner of the 2015 Bronze Medal in Economics, Axiom Business Book Awards One of The Wall Street Journal's Best Books of 2014 One of Choice's Outstanding Academic Titles for 2014 One of FA-mag.com's Books of the Year 2014 One of "The Books Quartz Read" in 2014 One of Minnpost.com's "Three (plus) books for the econ buff on your list"; 2014 Longlisted for the Financial Times and McKinsey Business Book of the Year 2014 "Coyle's book GDP: A Brief but Affectionate History . . . provide[s] comprehensive and readable accounts of the history of national income and of the role of GDP in contemporary political and economic life." --David

Throsby, Times Literary Supplement "GDP is, as Diane Coyle points out in her entertaining and informative GDP: A Brief but Affectionate History, a bodge, an ongoing argument."--John Lanchester, London of Books "[A] little charmer of a book . . . GDP: A Brief but Affectionate History is just what the title promises. . . . Cowperthwaite himself would nod in agreement over Ms. Coyle's informed discussion of what the GDP misses and how it misfires. . . . Ms. Coyle--a graceful and witty writer, by the way--recounts familiar problems and adds some new ones. . . . [E]xcellent."--James Grant, Wall Street Journal "Anyone who wants to know how GDP and the SNA have come to play such important roles in economic policy-making will gain from reading Coyle's book. As will anyone who wants to gain more understanding of the concept's strengths and weaknesses."--Nicholas Oulton, Science "Diane Coyle's new book, GDP: A Brief But Affectionate History, is a timely contribution to discussions of modern economic performance."--Arnold Kling, American "[E]xcellent."--Adam Creighton, The Australian "Diane Coyle's book is as good a simple guide as we are likely to see."--Samuel Brittan, Financial Times "Coyle does good work explicating a topic that few understand, even if it affects each of us daily. A pleasure for facts-and-numbers geeks, though accessibly written and full of meaningful real-world examples."--Kirkus "[S]mart and lucid. . . . [S]hort but masterful."--Todd G. Buchholz, Finance Development "[G]reat (and well-timed) new book."--Uri Friedman, The Atlantic "In a charming and accessible new book, Diane Coyle untangles the history, assumptions, challenges and shortcomings of this popular rhetorical device, which has become so central to policy debates around the world. . . . Coyle's book is a good primer for the average citizen as well as the seasoned economist."--Adam Gurri, Uuml;mlaut "[I]t is interesting and important, particularly when it comes to the emphasis now given to GDP, and the inadequacies of this now time-honoured measurement of how our economies are doing. . . . With clarity and precision, she explains its strengths and weaknesses."--Peter Day, BBC News Business "Diane Coyle has bravely attempted in a recent book to make the subject once more accessible, and even interesting."--John Kay, Financial Times "[T]his is as engaging a book about GDP as you could ever hope to read. It falls into that genre of books that are 'biographies of things'--be they histories of longitude, the number zero or the potato--and is both enlightening and entertaining."--Andrew Sawers, FS Focus "As a potted history of approaches to quantifying national output from the 18th century onward, GDP: A Brief but Affectionate History deserves high marks. It is particularly edifying to learn about the military motivation behind the initial attempts."--Martin S. Fridson, Financial Analysts Journal "The strongest part of the book charts the development of national accounting from the 17th century through to the creation of GDP itself and its literal and metaphorical rises and falls in the 20th and 21st centuries. . . . This is lively and surprisingly readable stuff."--Eilicute;s Lawlor, LSE of Books "Coyle has written an engaging, introductory to mid-level book on the GDP that makes sense of a statistic that hardly anyone actually understands. . . . It does not require any training in economics, but it covers many topics that even professional economists would find beneficial, including an argument that GDP is an increasingly inappropriate measure for the 21st century."--Choice "[A] little charmer of a book."--Wall Street Journal (A Best Non-Fiction Book of 2014) "GDP is a thought-provoking account of how the gross domestic product statistic came to be so important. . . . The book is a useful and timely contribution."--Louise Rawlings, Economic Record "Coyle is surely right when she says that GDP is not outmoded, despite all the problems. The people who use GDP need to understand what it is and what it isn't, and to know what are its strengths and weaknesses. They should read this invaluable and accessible guide."--Bill Allen, Business Economists "Coyle's account of the emergence and hegemony of GDP is a timely one, capturing in lucid historical detail the major conceptual weaknesses in the construction and use of GDP and the menu of alternative measures one might turn to."--Atiyab Sultan, Cambridge Humanities "Coyle takes the reader on a whistle-stop tour of the development workhorse of economic modeling and analysis. . . . The book developed out of a talk by the author in 2011 and it retains the liveliness of a performance."--Central Banking Journal "Coyle's greatest achievement is to succinctly describe the history of the concept as it emerged in the 1940s as a result of wartime politics obsessed with measuring productive capacity in an economy."--Atiyab Sultan, Cambridge Humanities "Diane Coyle's eloquently written and accessible book provides a rich account of the history of GDP."--Johannes Hirata, International of Economics "A lively account."--Gillian Tett, Financial Times "A useful introduction to the meaning and limitations of GDP."--Pierre Lemieux, Regulation "From the Back Cover" "Diane Coyle renders GDP accessible and introduces a much-needed historical perspective to the discourse of what we measure and why. A must-read for those interested in the far-reaching impact of GDP on the global economy, just as we seek ways to go beyond it."--Angel Gurriacute;a, secretary-general of the Organisation for Economic Co-operation and Development "Countries are judged by their success in producing GDP. But what is it and where do those numbers reported on television come from? Diane Coyle makes GDP come to life--we see its strengths and its fallibilities, and we learn to understand and respect both."--Mervyn King, governor of the Bank of England, 2003-2013 "This is an engaging and witty but also profoundly important book. Diane Coyle clearly and elegantly explains the fundamental difficulties of GDP--and how this headline figure is liable to radical change by apparently simple changes in method. She also provides a nice treatment of alternative proposals such as happiness surveys."--Harold James, author of Making the European Monetary Union "Well written, interesting, and useful, this book will appeal to many readers. I learned a lot from it."--Robert Hahn, University of Oxford "GDP: A Brief But Affectionate History is a fascinating 140-page book that I cannot recommend highly enough. This is simply the best book on GDP that I've ever seen."--John Mauldin About the

Author Diane Coyle is the author of a number of books, including *The Economics of Enough* and *The Soulful Science: What Economists Really Do and Why It Matters* (both Princeton). She holds a PhD in economics from Harvard and is a visiting research fellow at the University of Oxford's Smith School of Enterprise and the Environment.