

OPINION | INSIDE VIEW

Ilhan Omar's Idea of Progress

She would replace GDP with a measure that includes time spent fishing.



By

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Rep. Ilhan Omar (D., Minn.) speaks to the press in Washington, July 21.

PHOTO: AMANDA ANDRADE-RHOADES - CNP/ZUMA PRESS

Rep. Ilhan Omar (D., Minn.), along with five other Democrats, recently introduced H.R. 4894, the Genuine Progress Indicator Act of 2021. The bill, only six pages long, is a glaring example of why Congress has a meager 28% approval rating.

The goal is a progressive alternative to gross domestic product, which presumably is an unjust tool to prop up big bad business. “The world needs new economic indicators and economic policies that will prioritize and encourage truly sustainable and equitable development,” Ms. Omar claims. The bill requires that “the head of each Federal agency, the President, the Chair of the Federal Reserve, and Congress shall” use both the genuine progress indicator and GDP when budgeting or forecasting economic activity.



Nancy Pelosi's Democratic Juggling Act



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The new measure, a cousin of the United Nations’ squishy World Happiness Report, is likely being proposed to rationalize the progressive multitrillion “infrastructure” spending blowout. The genuine progress indicator aims to blur the lines between entitlement and investment. This is dangerous. As Sen. Kirsten Gillibrand (D., N.Y.) tweeted, “Paid leave is infrastructure. Child care is infrastructure. Caregiving is infrastructure.” No, they’re not.

So what is genuine progress? A 2018 paper in Ecological Economics—regrettably, my subscription has lapsed—defines it as the net of benefits and costs neglected in GDP, things like “inequality, regrettable defensive expenditures, uncounted environmental externalities, depletion of natural resources, and trade-offs with non-work uses of time.” Squishy indeed.

In H.R. 4894, benefits that don’t show up in GDP but would in the genuine progress indicator include “environmental and social factors” addressing “ecological scarcities” and directing “resources to sustainable development without degrading the environment,” you know, things like carbon sequestration and “maintenance of biological and genetic diversity.” Probably on purpose, these are not as easy to measure as lemonade sales or how many widgets roll off an assembly line. I would guess when Democrats are in control, genetic diversity and social factors would rise, and when Republicans are, environmental degradation would send genuine progress spiraling.

Home improvements, especially solar panels, would be a benefit, as would infrastructure like sewers and bridges. OK. And higher education. Got to fund those professors. But then it gets fuzzy. “Time spent on leisure activities,” “household duties” and “volunteering” are all benefits. So are “hunting and fishing” and “harvesting of plants for medicinal and

edible purposes.” So yes, playing “Call of Duty: Black Ops” is a sign of genuine progress. So is cleaning your garage. And growing rutabagas—or weed—in your garden. As is a lazy day fishing for trout. Do your part to juice genuine progress by vacationing all year!

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But sadly, there are costs. Aren’t there always? Income inequality is the first cost listed. It must be really bad for genuine progress. According to the World Bank, whose credibility shattered after it was caught juicing economic numbers for China, the U.S. ranks 51st in the world in inequality with a GINI coefficient of 41.5. A GINI coefficient of 0 is perfect equality and 100 is total inequality. If only we could be like countries with lower GINI numbers, like Haiti or Iran or Tunisia or Kazakhstan or the most equal country in the world, with a GINI of 25, Ukraine. On second thought, no thanks.

There are plenty of other costs to genuine progress: underemployment, homelessness, domestic abuse, pollution and “the loss of natural wetlands.” Fair enough, these are legitimate and undermeasured economic concerns. But, wouldn’t you know it, “high amounts of carbon dioxide” and “depletion of nonrenewable sources of energy” are also costs.

Then the bill adds this doozy as a cost: “lost leisure time due to traffic congestion.” No one likes to be stuck in traffic, though it’s often a productive time to make long phone calls and to think. Or, if you dare, you could put your Tesla on autopilot and watch Netflix in the back seat.

But here’s the rub: The pandemic lockdowns would have caused an improvement in some factors of the genuine progress indicator. There was no traffic anywhere. As the economy tanked, we used less oil. The smog cleared in Los Angeles and coyotes joined the homeless on the streets of San Francisco. We don’t need fantasyland economic indicators so politicians could argue for more lockdowns.

Yes, GDP is flawed. Official inflation numbers miss the technology-driven improvements in our lives. The billionfold drop in computing costs over the past 50 years barely shows up in GDP. There should be serious debate about how we should measure an economy, or if we even have to.

But Ms. Omar's bill is meant to change the subject, similar to stakeholder vs. shareholder capitalism. And it would become an excuse factory: "Yes, our schools are failing, but the genuine progress indicator was up 0.3% last month." Sadly, the time spent debating or even thinking about the bill, like being stuck in traffic, would lower the genuine progress indicator. Better if Congress goes fishing.

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