

# [Limitations of on gross domestic product](https://assignbuster.com/limitations-of-on-gross-domestic-product/)

[Economics](https://assignbuster.com/essay-subjects/economics/)

What are some limitations of the Gross Domestic Product measure and some ideas for improving it? GAP has four major limitations: It includes the replacement of depreciated capital. It measures income produced in a country but not how much income people in that country re-chive. Since GAP only counts monetary transactions (including est.-mates for those in the shadow economy), it misses many other AC-divinities that people value like caring for children or elderly at home. GAP includes many items that do not boost human well-being. For improve it: Adjusting GAP.

Replacing GAP. Supplementing GAP. Other indicators: Measure of Economic Welfare. Index of Sustainable Economic Welfare. Genuine Progress Indicator. Human Development Index. Ecological Footprint. Genuine Savings Indicator. Happy Planet Index. Satellite accounts. Genuine Progress Indicator GAP figures cannot be derived without the GAP numbers and both can complement each other very well. Measurements that make up the GAP include: Income Distribution Housework, Volunteering, and HigherEducationCrime Resource DepletionPollutionLong-Term Environmental Damage Changes in Leisure Time Defensive Expenditures

Lifep of Consumer Durables & Public Infrastructure Dependence on Foreign Assets It instead to Gross Domestic Product ( tort the individual there is no one goanna pay tax (individual, business) if people and business don't pay tax then there is no government and there is no pension and city construction etc because the convergent don't havemoney. Foreign capital goanna get lower. References Redefining Progress - Genuine Progress Indicator. (n. D. ). Redefining Progress the nature of economics. Retrieved October 1, 2013, from http://repossess. Org/ sustainability\_indicators/genuine\_progress\_indicator. HTML PAPA formatting by Bimbo. Org.