I have, for a long time, been telling audiences that there is no new technology coming along to drive our economy along. When doing so I have always got out my phone and said that the appeal they have to offer will run out of road when we come to realise that there are, after all, finite things they can really do for us. Confirmation comes this morning from the FT, who note:

The status value of a new smartphone is declining in line with its added utility. Users flaunting handsets with cracked screens are one indicator. Another is a profits warning from Dixons Carphone. The UK electrical retailer says customers are hanging on to their old iPhones for five months longer, well over two years. A slump in the shares reflects fears of deeper structural change.

I am not at all surprised.

And this is serious. As Gillian Tett notes this morning, also in the FT

Inflation has been undershooting for a long time and prices are also weak elsewhere in the western world. Instead, most Fed officials suspect that structural factors are also at work. Demographics, for example, may play a role: older people consume less aggressively. The decline of unions and a shift to temporary, contingent work might have reduced the bargaining power of labour, undermining wage growth.

Then there are ... mobile phones. Never mind the fact that "free minutes" has suppressed the PCE index this year. The really interesting point is that this symbolised a bigger trend: rapid digital innovation is expanding the productive capacity of our economic system in unexpected ways. This is changing price signals in a manner that economists and statisticians struggle to understand – or measure.

Our statistical systems were developed for a 20th-century industrial world, where goods and services had tangible prices and consistent qualities. They can count goods and serices from motor cars to massages well. But statisticians struggle to measure the impact of rapid product quality changes, such as when a $400 phone suddenly offers dramatically more services than a similarly priced one a year ago. The current statistical systems also fail to capture non-monetary transactions such as the barter

that takes place when consumers download “free” apps and use “free” cyber services in exchange for giving their data to technology companies for “free”.

And as she points out, this really matters because get this wrong and wrong conclusions are drawn. She goes on to evidence that: she bizarrely suggests raising interest rates as a result, even though her analysis makes it clear just how harmful this might be.

We're living in a new economy shaped by, but no longer driven by, technology.

We have not worked out the consequences.