

# Transcript of 'What's the Economy got to do with Me?'

## Season 3, Episode 13, Transforming Tomorrow

[Theme music]

**Paul:** Hello, and welcome to Transforming Tomorrow from the Pentland Centre for Sustainability in Business. I'm Paul Turner.

**Jan:** And I'm Professor Jan Bebbington.

The future is scary, but what kind of impact does this fear have on our daily lives and how does this lead to a knock-on effect on economies and government?

How sustainable is stress?

[Theme music]

**Paul:** You are an accountant.

**Jan:** I am indeed. So, what's the difference between an accountant and an economist, Paul?

**Paul:** This sounds like a joke that begins like 'an accountant and an economist walk into a bar...'

**Jan:** [laughing] ...something like that...

**Paul:** ...yes. What is the difference between an accountant and an economist, Jan?

**Jan:** I think we, we have many things in common, um, but the, the thing we focus on is different.

So accountants focus on the larger scale, they focus on is sort of like organisations or maybe projects or something, or within an organisation. Where economists are interested in the whole economy. Um, so it's, it's nested in a way.

**Paul:** I think that depends on whether you are looking at macroeconomists or microeconomists.

**Jan:** Well, microeconomists and accountants and finance people are kind of similar. They, they have very similar interests.

**Paul:** Yeah. So, macroeconomics is very much the big, big scale of things, either globally, internationally, nationally, even, could be considered macro. That's where you're looking at things like policies and, uh, what the effect they have on large populations and things like that...

**Jan:** ...and why do you want to know this?

**Paul:** Why do I want to know this? Because today we've been joined by an actual economist, someone whose life is worthwhile.

**Jan:** Um, let's... [laughs]

**Susan:** [laughs] ...and accountants aren't.

**Paul:** Susan, for, for a start, I didn't realise you were gonna join in so quickly.

Uh, but, but, um, it, there, there is a, a track record on this that my view of accountants, um, is of a certain level.

I just question Jan, you know, whether accountants actually do anything worthwhile apart from tax people and things.

**Susan:** So, so, do you want an, an explanation that was told to me once? In that accountants count the beans and economists decide how to allocate them.

**Jan:** That's quite good. Yeah, that works. Yeah.

**Paul:** So, and it took an economist to come up with that and did not stab the accountants...

**Jan:** ...well, you'll find out whether or not she's economist in a moment, which may, may put a pin in your balloon, I have to say. [Paul laughs]

So introduce our, our person, who's already, who has already taken part in the conversation, 'cause she's quite assertive, as you'll find out...

**Paul:** ...yes, yes.

Well, we're gonna be talking today about lots of things to do with economics, even if we're not talking to an economist, we'll find that out. Uh, and to do with ties in, with sustainability, with policy, with lots of things such as this.

And we're joined today by Susan Murray, whose voice you've already heard, and Susan is the director of the David Hume Institute in the lovely city of

Edinburgh, which I'm lucky to visit several times a year because we have my in-laws up there, and so it's always nice there.

And the David Hume Institute is an economics-focussed thinktank.

**Jan:** Welcome, Susan. Lovely to see you.

**Susan:** Thanks for having me.

**Paul:** So, Susan, first of all, are you an economist?

**Susan:** No. [Jan and Susan laugh]

**Paul:** Good. Right. So, so I, I, I was heaping all this praise on economists for no purpose. I wasn't flattering anyone that was in the room at the time.

**Jan:** Yeah. And I should, uh, declare a, a slight, well, it's not a conflict of interest, but it is an interest. Is that I'm the chair of the Board of Trustees of the David Hume Institute. So I knew as you were bigging up economists that you were building yourself an own trap.

And did I prevent you from doing it? No, I didn't, so...

**Paul:** ... what really worries me then is that Susan's going to agree with everything you say...

**Jan:** ...no, she's...

**Paul:** ...for fear of what might happen...

**Jan:** ...no. no. She's a really independent and great thinker, so, so we're fine.

So Susan, tell us about your background, and where have you been introduced to sustainability? And then we'll come on to the David Hume Institute itself.

**Susan:** Okay, first, but first I'm gonna reel back a bit, because in answer to that economist question that Paul just asked about, are you an economist? I always say no, because I don't, I've not got a degree in economics, but one of my board members who did have multiple degrees in economics, isn't on the board now, but they, they said to me, Susan, stop saying that. You really are. It's all about how you allocate resources and, and you are as much as someone that studied it.

So, so I think we just need to be, not be purist on who is and who isn't. So anyway, back to your question. I don't really know when it started. I do know I

watched Blue Peter when I was young. So I'm a child of the late seventies, early eighties.

So if you think about what was going on in the world at the time, there was, there was lots of things related to sustainability. And I was brought up in the kind of family where you had saying, sayings like 'never a borrower or a lender be', and 'treat other people how you wanna be treated'. And so those two concepts I think for me are at the heart of sustainability, not borrowing from the future. And, and that kind of gives you an idea of the kind of things that was infiltrating my brain at a young age.

And then I had things like there were, if you weren't around in the eighties, you were being built up with a threat of nuclear war. You know, we had Raymond Briggs book, the man who wrote The Snowman, you know, teaching children how to hide under desks in case there was a nuclear bomb.

You know, it was, it was quite grim stuff, you know, and we had horrible pictures as a young child you would see of whales being slaughtered, um, and with blood all over the water and stuff. Um, so I remember when I was still in primary school, I made my mum walk with me on a sponsored walk to the next town to save the whales.

And now, ironically, I look back at it as if that was gonna make any difference. But, but that kind of idea, I've always been really interested in the world around me. I had brilliant geography teachers at high school. And I also got the chance to study geology.

So we were out on field trips a lot, which from, you know, a comprehensive school in the south of England, not many people got a field trip to Ardnamurchan. But because our geology teacher was so passionate about taking kids out into the real world and studying the landscape, I was really, really lucky.

Um, and my A level geography teacher was, um, all about like allocation of resources. So she was, you know, in, in the, well that was probably then the late, late eighties, early nineties, talking to us about concepts of the next world war will be over water. And, and those kind of things, they just stay with you when you, when you're hearing and discussing things like that at a young age.

And then I went to university to study Geology, um, so that's my first degree. And, then switch to do Environmental Geoscience, because in Scotland you get

to do four year degrees. So my last two years were, um, pretty much applied geology.

So, things like fluid flow and visiting cement works and nuclear power stations and, and all those, those impacts of, um, where geology would be used and, you know, meaningful for people's lives. Not that it isn't in the other sense, but I got sick of looking down microscopes, basically.

**Jan:** Sounds pretty cool.

**Paul:** It does, it doesn't sound like an economist at all.

**Jan:** Ah. Well, we'll come back to this. I think we'll come right back to this at the end.

**Paul:** I'm gonna go through the whole of this episode marking down whether I think or don't think that Susan is an economist. I'm gonna have like two columns for yes, Susan is an economist and no, Susan is not an economist...

**Jan:** ...yeah...

**Paul:** ...the Raymond Briggs reference, no economist would make that reference.

**Jan:** [laughs] So I suppose then as well, what we are thinking is economic thinking, and thinking about the economy.

And that brings me to the David Hume Institute. So can you tell our listeners when it was established and what kind of work it does?

**Susan:** So we were set up 40 years ago, um, by a bunch of men, pretty much, sitting around the fire in Edinburgh, um, who wanted more sorts of diversity of thought on the economy from outside of London. They thought London economic thinking was, was dominating all the decisions. So they set us up.

So if you think about that time, um, that was the time of miner's strikes, it was Live Aid, there were street riots. Um, money, Money for Nothing by Dire Straits was in the charts, and Auf Wiedersehen, Pet was on the television.

So thinking about those concepts of the need to migrate in order to get work and, and bring up your family and, and you know, there was no mobile phones, no internet.

Um, and when you think about how much the economy's changed. Now I'm bearing in mind now, Paul, you're gonna be looking at me saying she's talking the economy now.

Um, but you think about how much the economy has changed in those 40 years since we were started, but in some senses it's not changed at all. People are still having to migrate for work, and we are still talking about how, how you allocate resources in an economy.

**Paul:** Yeah, that, that's totally true. It might just be that you're talking about different people migrating from different places to other places than you were talking about 40 years ago.

Like you say, it was the miners then, and now people are talking about international migrants coming in...

**Susan:** ...yeah...

**Paul:** ...uh, to, to this country certainly, and the debate around that. So there's lots of interesting aspects there. It's fascinating to see how the topics do stay the same.

**Susan:** Yeah. But, but also, you know, I remember in my class at school, I had two, two boys who were very good friends. One was from, uh, both migrants. One was from Iraq and one was from Iran.

And that, you know, so, so you at a young age, you were really aware of people coming from different places to the UK. So, so we've always had waves of migrants for work in the UK.

**Paul:** Yeah, we had something similar. We actually had, uh, two refugee families who were here from, uh, former Yugoslavia, who we had two children who were in our classes for two or three years at senior school 'cause that's where their family had come over, fleeing war, but also coming for the opportunities that were here. There's, yeah, always the, the reasons for people to migrate.

**Susan:** Mm-hmm...

**Jan:** ..mm-hmmm. And on the podcast today, um, uh, we've sort of constructed some questions for our listeners to hear about sort of three big projects that the, the David Hume Institute has been involved in, um, because we think the, you know, of the array of work you do they are really interesting,

and hopefully people will find touchdowns in sustainability and business within these as well.

So let's start off with the Action Project. So tell us about that. When it was undertaken, what was asked, how did you find out how that has then informed, um, thinking going forward.

**Susan:** So I probably need to add a little bit of background to that story before I start, in that I took over the institute about six years ago, so just as the pandemic was starting. And over the course of the 40 years, you know, the before that we'd looked at a lot of different subjects in a whole load of social policy areas, as well as pure economics and things that influenced the economy.

So the Action Project kind of came out of a conversation during the pandemic where we were wanting to look through to the other side. Talking to people about the actions they wanted to see in their communities and in Scotland that we could kind of roll up our sleeves and get on with? That sense of, you know, things being possible?

And we had conversations in communities of place, so geographic places, and with communities of interest so that it wasn't in one way. And we also worked with different facilitators to have those conversations.

So in local communities we worked with really trusted community groups that we had established relationships with from previous research. So places like Campbeltown, Stranraer, Alloa. Quite often places that maybe would get overlooked by other research projects.

And then in those places we worked with the community groups, they helped us reach 'normal people'. It's like, I hate that word, but, but people that weren't there because of, uh, professional interest so much, but, but just interested in how their place would thrive.

And then we worked with people in positions of power in those places. So, for instance, maybe the headteacher of the local school, the, um, local council officials, lawyers, accountants, or any, anyone that we could gather.

And then we facilitated a conversation about how they viewed their place. So it wasn't starting, like most research projects start with a known outcome and a question, and you test the question and you want to know whether or not uh, you know, this single policy is gonna be the one that gets the end, but we

just wanted to see where they might agree on actions and where they might have common issues, and then what might come out of it. So, and we also graphically illustrated all the conversations, so all those graphics are on our website.

And the reason we did that was we wanted to see if there were any commonalities that would come forward. And, and there were, so we mapped everything on a really complicated, um, database, spreadsheet, and gathered all the, all the evidence from all the different conversations.

And in the end, we spoke to more than 5,000 people across Scotland, and including young people and old people and you know, every, every different sort that you could imagine.

And we just found some really common threads, and a bit like nowadays, because this was a good few years ago now, the work of More in Common, actually, I think that's a really powerful concept is that we've got a lot more in common and, and sometimes you need to kind of see your, see your place from other people's point of view.

And I think that's what these conversations really helped with to realise that not everyone experienced the place in the same way. Um, and that was a really powerful fundamental bit of the process that, although, although we did get research outcomes that, that we have used and then rolled on, actually the places and the people involved also got outcomes.

So some of the people that were living in the same place had never met before. They then went on to do voluntary work together. Other places, the council and a local group created new jobs, in other area made a master plan for how they wanted to go forward over the next 10 years, you know, so, so we didn't have those outcomes set at the beginning, and I think that was a really powerful bit of the Action Project.

We just wanted to know what people thought of where they lived and what they would roll up the sieves and do, and, and that was it.

**Paul:** Do you find that, you talked about the fact that you came in, Covid just was appearing and there's...

**Susan:** ...mm-hmm...

**Paul:** ...many people I know in many jobs who arrived and Covid turned up just as they started the jobs, and, ah, well, hang on, my job is totally different.

But when it comes to the people you were speaking to, does something like Covid change how they view everything? Do major events globally, nationally, internationally, affect local and connection to place.

**Susan:** I think it does, but I don't think you can make a sweeping generalisation, 'cause it depends who you are, what resources you've got and how you're experiencing, the, Covid particularly.

But it's the same in, in all our lives, every day. 'Cause, you know, if, if you have a house with heating and food and a garden, you had a very different experience of the pandemic than if you were in an overcrowded flat with four children and, and no outdoor space and no food.

And you know that, that sense of what might be possible, some more, a lot easier to think about what might be possible if you have resources, which kind of brings me onto our next project that Jan's probably gonna ask about, which is the Great Risk Transfer.

**Jan:** The one other thing that on this one before we move on to the, the Great Risk Transfer, is you was, used the word 'thrive'. And sometimes we've used, on this podcast, we've used the word 'flourishing' as well.

Do, do you have a sense of what's, and, and it will be diverse, but what's inside your view of 'thrive'? What does thriving look like from your perspective and from, you know, drawing together all the threads of, of what the David Hume Institute would've examined and looked at as well?

**Susan:** I think for me, the, the thriving aspect is about everyone having choices about their lives every day. So, you have the basic minimum of everyone needing the, the, so food and heat are the main things that that come to mind straight away.

If you have a significant proportion of your community struggling to put food on their table or heat their homes, or black mould all over the walls, then, then they're not gonna be anywhere near thriving, and you've got significant challenges before they're gonna be getting there.

The next stage might be, if you've got all those things, how do you then think about the things like the quality of the local green space and getting outdoors and, you know, all those things that you need in your life in order to thrive as a, as a healthy individual and an active person in society.

**Paul:** So, you've already mentioned the Great Risk Transfer then, and uh, we've diverted away from it, but we'll come back to it now.

What can you tell us about that, and the work you've done on it, and what you've uncovered?

**Susan:** So, the Great Risk Transfer is a concept named by the Institute and Faculty of Actuaries, and I was lucky to see a presentation on it where they basically investigated the concept by speaking to actuaries.

And I was just like, hang on a minute, this is a brilliant way of thinking about things in our society that we don't, we don't always name in a way that's accessible to other people.

And so I said to IFOA, can we work with you and can we have this conversation with 'normal people'. I really hate using that word, but I haven't got a better, better word. Non-actuarial people, not people that are thinking about risk every day.

And they said, great. So, we worked with them. And, um, what we did was ask people about the risk in their life in various different ways, in language that they could cope, like, that they could access, 'cause not everyone uses the term 'risk'.

So, so the kind of questions about what was, what was worrying them in their lives. So in the IFOA report, there were some areas that didn't come up, because they weren't kind of, so housing didn't come up in the IFOA report, but did come up massively with normal people, and people on the, aaagh, I need another word, Jan, give me another word instead of 'normal people'...

[Jan laughs]

**Paul:** ...non-experts...

**Jan:** ...non-experts...

**Susan:** ...non... no, I don't like non-experts...

**Paul:** ...no, no? That's what I know a few economists use, yeah...

**Susan:** ...yeah, no, I don't like it either. Anyway, just, just non-actuaries.

We basically looked, and there were significant risks that had been transferred from the government and organisations, um, to individuals. And if you have resources you can manage those risks, and you can insure against those risks.

But if you don't have resources, and the survey work that we were doing was coming at a roughly about three in ten people, um, not having resources to manage the risk. So, things like people not having home insurance, or not, um, having a level of pension that meant they were going to survive in old age. Or having housing costs when pensions are still calculated, on the whole, on not having housing costs in old age, but there's a trend of more and more people having housing costs now. So, so that kind of thing.

And when we spoke to people about, so, so, why don't you have insurance? And they're like, well, you know, it's a cost today we can't afford, we've got to put food on the table. So, then we sort of said, but what happens if you, if you get a flood in your flat from the flat upstairs and, and you lose everything?

And they were like, oh well, it's not that much, you know, I don't have that much. And so, you've got bedding, you've got some clothes, you've got a laptop. You lose those you're gonna be really stuck. And they were like, yeah... And it was that, kind of, penny-dropping moment.

So, we also found that as a result of the, the process and the way we engaged individuals in that, people also came back to us and said, you really made me think. And, you know, it wasn't always the people that we thought. It was quite often, you know, self-employed people that hadn't been paying into a pension, um, you know, things like that.

And, and it was just like, we've actually made society less resilient, because we have more unmanaged risk. And as soon as you think about that then how do, how do you manage risk in a different way. And the thing we did, you know, in the fifties and sixties was look more at collectively managing risk, so that we pooled risk, and that made it less expensive to manage.

And, and so that kind of trend is a trend that's beginning to return, when you look at the, the new type of pensions that are emerging around collective, collective risk, and the Royal Mail have led the way on that, I think.

**Jan:** What you just said there made me think about New Zealand, and particularly in the early days of European settlement. Um, like all the insurance was done by the government, because there were so few people, and so there was no way you could get a, a market for risk in, in that area.

And then it took quite some time until there was enough people for other sorts of markets to open up...

**Paul:** ...mm-hmmm...

**Jan:** ...but if the price on the markets are too high then you lose the ability to access things that are going to mitigate your risk. So self-insurance or community-based insurance becomes important.

And I think, particularly, one of the banks I really like is Rabobank. Um, and it started off as a farmers' bank, 'cause nobody would lend money to farmers, 'cause it was too risky. So they ended up setting up their own, sort of, credit facility, and I suppose credit unions will be the same sort of thing.

But sort of socialising risk, maybe locally...

**Paul:** ...mm-hmmm...

**Jan:** ...and collectively, and it, when, when everything else is, when you've been priced out of the market, as it were...

**Paul:** ...yeah, it's something that becomes particularly apparent, the need for it when you've got... In my hometown, a town that was dependent upon one particular industry, which is shipbuilding. And in the early to mid-eighties, through the late eighties, into the nineties, even, the industry collapsed a lot, there were lots of redundancies, lots of people suddenly unemployed, and therefore that was an area where things like credit unions became essential. They were what were helping people survive. And there's still credit unions around now there that are still active, and helping people.

And, yeah, it's funny what you think of as what's necessary, and what, uh, basic essentials are for life, and things, and you might think food and things like that, but, yeah, house insurance...

**Jan:** ...mm-hmmm...

**Paul:** ...yeah, but if you do lose everything and you haven't got house insurance, you've *lost* everything. There's no way of getting it back. And, there's so many aspects to it...

**Susan:** One, one of the other things that came out, and is another issue we've looked at over the years, is trust.

So the other reason people weren't choosing to insure themselves is they didn't trust the insurers were gonna actually pay. And, and that sense of they were always gonna be cheated was kind of the, the bit that came through

really strongly. So there's a lot to be done there for, you know, how, how we manage society if people don't trust the people that would be insuring them.

Um, yeah, there's, there's, there was kind of, I mean, there's, there's so much in the Great Risk Transfer report and we've looked at different issues over time.

Um, different sort of nuggets within, within the concept. But it definitely is a way of speaking to different audiences. 'Cause, 'cause you can, it generally, people can understand that that concept of, you know, unmanaged risk.

Other, other people talked about the burden and, and the word 'burden' came up a lot. So, um, there are things now where we've got so-called lots of choice, but actually do we really want it?

And if you look at the change in, in supermarkets, there's been a big change from people going from really big supermarkets with loads of choice to actually smaller ones you can get around with quicker and just, just kind of get your basics.

Um, and that sense of, actually, I really hate doing things that involve lots of admin for me. So I *hate* changing a mobile phone contract or, or the, the cable TV or those kind of things. And every time I've got a, I've got a, an admin burden of something that I really just want it fixed. It is, is kind of, I, I just wish, so I, I dunno if I should tell this story, but I, I will.

Um, I was talking to someone recently about private health insurance. Now, I had to have my gallbladder out earlier in the year, and my husband has a job that means he gets it, um, with his job. So after great umming and aahing, I decided to just, um, use his health insurance.

But, oh my God, the amount of phone calls I had to make in order to get the right codes into the right places and get transferred, and it's like, I just want it fixed on the NHS...

**Paul:** ...mm-hmm...

**Susan:** ...like, it would've been so much easier. And that, that idea that we've all got inordinate amount of time where we can fix things in our lives, actually, sometimes collectively managing risk can be so much easier.

**Paul:** And I know that there's certain areas of life where government regulates against the, this being too complicated. Like, um, things such as your energy bills and such that you're, there is a requirement now, that's been in place for a few years about what companies have to do with regards to making sure you are not paying too much, that you are kept advised on what is the cheapest tariff that you could be on with them, et cetera.

But that's only a recent thing as well. And like you said, there's so many other areas where there's not regulation around that, where you are gonna just find it so difficult to find it. It can be just some points you say, oh, I am just gonna stay with X company. I don't, whatever the quote is this year, the amount that I, effort, I'd have to put in, in order to find a different quote from a different thing, it just makes it complicated.

There's almost an assumption that you, you need, you're an expert on this, so you'll find it dead easy, but, and I think I always sometimes feel that's a deliberate assumption made on the part of companies. So we'll assume that they're experts and therefore they won't be experts, and then they'll just tak the easy way out and just do it the way that [Jan laughs], you know, gets it d...

No matter what it costs them, they'll just do it the easy way...

**Jan:** ...yeah.

**Susan:** There, there was a gift of a headline in the middle of us doing this research, in the FT and it was, um, talking about pensions and it said, 'everybody needs to be an actuary now'. And I just, that that sums it up, you know.

**Jan:** [laughs] Yeah, we're not.

**Paul:** Oh yeah. It's funny, I've had small bits of pension advice through my life. I have several pension funds and you have some people, so, like you say, should you just pool all of your pension pots into one and have it all in one place, so it's easier to manage? And uh, I spoke to someone who said, you're probably best off not doing that. Keep it in a few little separate things and that, that's the, all the advice I've ever taken.

And it was just, yeah, don't bother trying to keep it all in one, so it's easy at the end of the day, have them in different places. So, yeah, it's, it's too complicated, Jan. Life is too complicated..

**Jan:** It is pretty complicated...

**Paul:** ...yes...

**Jan:** But, uh, and here I want to move to like the third big theme that we want to explore with you in that, I know the institute conducts a quarterly survey of views of the economy.

Could you tell us why you do that? And then also what that tells us about the lives of, of your respondents to the survey.

**Susan:** So, so we do this quarterly tracker, um, and it's a big sample for Scotland. 'Cause one of the things we, when you see UK-wide surveys, if, if it's a sample of a thousand, quite often the sample for Scotland is so small you can't really get reliable numbers.

And what we wanted to know was what peoples are thinking about the economy, and also what their spending intentions are. And the reason we ask that is 'cause quite often you see people talking about numbers of, you know, economics or GDP, as if they're fixed. And within every number, there's a whole load of people behind that making choices about how they spend their money, or how they don't spend their money, or what they do with their lives and, you know, where they work. All, all those decisions.

And I just think too often people get forgotten. Um, and so we do a quarterly tracker and we've done it, now we're coming up for our fourth anniversary. And as well as asking people, you know, things like, are they intending to change jobs? What do they think about the economy, and how you know who it's organised for, who it's benefiting? We asked them things about their behaviour.

So some of the questions we started when we were first working on the Great Risk Transfer and we wanted to know things like how money was affecting their behaviour. So were they losing sleep over their finances? We consistently have more than one in four people in Scotland losing sleep over their finances.

But if you have children, um, it rises to about 35%. Um, and it's gone up and down a little bit over the time, but not varied a great deal. And, and that is your working age population.

And so every conversation I'm in about productivity. If you've got a tired, stressed proportion of your workforce, and quite often that's more likely to be the, the mums in, in caring roles, it's, it's a much higher loss of sleep for, for women in that survey.

That is significantly in the key, key sections of the economy in Scotland. So care, um, and retail are the two of the professions that come up quite strongly in, in the people most affected by insecure jobs and, and low wages. But that's also your pension cliff edge for your future.

So connecting that survey back to the Great Risk Transfer, you know, we've, we've got a, a key line of people with, with risk that ,not only have they got risk today, but they've got risk tomorrow as well. Um, and so we see that coming through.

We also ask questions like the number of people not paying into their pensions, and that goes up and down a bit, but is, is roughly between five and 7% constantly.

It, it just gives us a really good picture of how people are thinking and feeling. Um, but also for those with resources, it tells you at the moment that a lot of people are feeling like they need to keep resources close to them rather than spend them, because then, they're unsure about the world and the economy and how it's going to fit.

So if you look at the numbers for what's happening in people's bank accounts, because we also do that correlation, people are beginning to, you know, pay down debts and, and clear mortgage debt and, and hoard is the wrong word, but build up resources so that they've got a cushion if something bad does happen in the future.

**Jan:** And I suppose if you are the government, I mean, it's good for people, you know, think about the future, but if everyone's hoarding their resources, then your, your economy starts to slow down a bit because it's actually, you know, for better or worse, it's built on, on, um, spending. So that must be quite a, a worry in a way, in a macroeconomic sense.

**Susan:** Yeah, I think so. You'll see lots of, uh, lots of headlines around stagflation and, and things like that at the moment. I mean, the, the question for you and a sustainability podcast is you probably want some of them to spend, but you want to spend on, on things that are sustainable rather than just buying stuff that creates another future problem.

And so, so thinking around if you're gonna stimulate the economy, how you stimulate things that are, are going to do good and, and help people. So I mean, I was using an example the other day for anyone that's, that's hoarding

money in bank accounts at the moment, there are really interesting options around community shares that have a return.

So there's a, um, I'm not promoting, I'm not a financial advisor, but I'm, I'm really interested in how some local councils are using a platform called Abundance to basically crowdfund money for things that they need to invest. So infrastructure particularly.

And Glasgow City Council has one live at the moment, which is solar panels on, on public buildings. So it will cut their energy bills, but it will also raise an income for the council through a different way. But there you then get a, a return on your investment through, through the income they generate.

So it's a different way of working and it's kind of part of a transition, I think.

**Paul:** It ties in with a few of the SDGs, beyond just wanting stuff that is sustainable to be what you're buying, but you're looking at decent work, no poverty...

**Jan:** ...mm-hmm...

**Paul:** ...this, these kind of aspects to the SDGs and the importance of them and how that is [sighs] people all over the world and their perceptions of it.

People might not even realise sometimes that they're in poverty, or that they don't have decent work, but the, when you ask them questions like you're asking them, it kind of reveals the truth of the matter that they might not even realise.

**Jan:** Yeah. So understanding the economy, making sense of your, your choices within the economy. You also have a democratic choice as well.

So Scottish government elections are coming up. In your view, how strongly will sustainability related topics feature in the campaign, and how strongly will core economics topics feature in the campaign? And do you think the political parties will link these two things together?

**Susan:** So this is really difficult to answer. Because it depends on what you define as sustainability and the words you use.

So one of the reasons I've ended up in this job is I kind of think about, there's all these different conversations and quite often people are saying the same thing in a different language.

It happens that they're both speaking English, but they're using a different sort of jargon. And sometimes in sustainability field people use that language and it turns off other people, but actually they could both want the same thing.

So, so things like, I've seen it around the, the term 'fair work', even. There's some people recoil when you say fair work and think that you're, you're meaning something really heretical and every business will go out of business and things, and actually you just mean people getting a wage that they can live on, you know.

And, and that sort of, as soon as you can translate it into whoever you're speaking to's language, and what they understand, generally, there's much more agreement than there is disagreement. And I think that's what this election is gonna be. And it's gonna be very different for Scotland than it has been before.

And that is mainly because any, anyone listening to this that has been staying up to the polls recently, if we look at the recent polls that are coming in, in Scotland at the moment, Reform party are on course to get a significant number of seats in the Scottish Parliament. Now, we've never had that before.

We, we've had a parliament that's had lots of, you know, sort of smaller independent parties. But, but what if Reform become the main party. You know, it's a very different culture of politics than what we've had in the Scottish Parliament before and, and that completely changes everything.

So in terms of what might be campaigning issues, Jan, you've already mentioned, well, Reform party is talking about, you know, lots more oil, almost coming out against wind farms, but not quite, you know, so who knows what will be in their Scottish manifesto, but I'm not imagining that would be much that traditional sustainability people would be celebrating.

However, if you think of it another way, some of the community language, and I'm trying to be positive here, but some of the community language that people are, are coming together on, you know, there's a lot of passion for places that maybe have been left behind actually, you know, getting more resources and...

**Jan:** ...mm-hmm...

**Susan:** ...and thriving more. Now that could be something that could be really, uh, you know, sustainability agenda, but, but the language might turn off those people that, that, that might get on board if you phrased it in a different way.

So, I, I always think of litter's a really good entry point to lots of sustainability conversations. 'Cause it's the number one thing that comes out for local councillors is people caring about litter in their area. So quite often a litter pick is something that can bring people together, and then they get hooked in with other activities.

Some people love community gardening, other people hate it, but, but it's that sense of communities are all about all different sorts of people and they won't all get on all the time. But there's gotta be a way to mediate.

And I think that's gonna be the key for whatever ends up out of the Scottish Parliament election, is there's gotta be a way forward and there's gotta be a pragmatism and, and compromise so that we're not stuck with just people arguing in Parliament.

Um, and, and so there's this sense of people will just have to roll up their skis and get on with whatever the result is, because people and places in Scotland need stuff done.

**Jan:** Yeah. I suppose in some ways it comes back to both the, you know, the survey, but also it comes all the way back to the Action Project. You know, people and places and what, what's necessary for thriving.

**Paul:** I think it goes even further back than that to school days, like, uh, Susan was talking about at the very start, because things like a litter pick, that's the kind of thing where you get children hooked on topics of sustainability as well.

You get them involved with doing things like that and get them involved, and just 'cause it works for children doesn't mean it's not gonna work for adults...

**Jan:** ...yeah...

**Paul:** ...and getting them involved and somehow having that first step.

**Susan:** There is one major difference in Scotland to, to England. So I, I just, um, was in England at the weekend visiting my mum. And it's really, really noticeable some of the lack of community has come from not having catchments for schools anymore.

And I think in Scotland, you know, generally most people still go to their catchment school. The kids know where their high school is. You've got lots of children walking to school 'cause it's their nearest one.

But if you look at, you know, talking to stressed parents in England where they've got kids being driven to different sides of the town 'cause they couldn't get their kids in the same school.

Like, it's really adding a whole load of extra stress and community division. Because actually schools. Still in Scotland do so much in their local community, which most people are still living in. And I think *that* in terms of community cohesion is really, really important.

But also really important because it reduces young people's mental health issues because they, they know where they're going. There isn't that big day of choice in March where you find out you might not have got the school that you wanted.

And that sort of sense of disappointment that, that it weighs on some people's shoulders. It's a real stark contrast in, in young people that we are not talking about at the moment.

**Paul:** Well, I think then it brings us towards the end. And I guess the last question for you, Susan, is really, what's gonna be next for the David Hume Institute, specifically in areas relating to sustainability?

**Susan:** So I kind of feel I haven't fulfilled your economy question enough Paul, so I should, I should say...

**Paul:** ... I, I've very definitely got you down as not an economist.

[Jan laughs]

**Susan:** It is all about, so when I was at school, I always thought that economics was maths and there was a right and a wrong answer. And, and as I've learned over the years that there isn't a right and a wrong answer, 'cause in every number there's loads of assumptions that people have made about how people behave.

And I think that's what I'm really interested in: those assumptions, and what if the assumptions aren't right. And that's why I'm really fascinated with economics.

Um, so what are we doing next? Um, I am, obviously it depends on funding 'cause we're a small charity, so we're always looking for funding to do, to do the projects.

We will carry on doing the quarterly economic tracker because it's a really good way of focusing minds on the people and the behaviours behind the economy. Um, but we are also hoping to repeat something we've done every five years for the last in, for the last few cycles, on diversity of thought.

So we've tracked the diversity of leaders in Scotland. The reason we do that is because we think you get stronger thinking when you've got diverse boards. You've got a diverse leadership. If you just get groupthink coming together, and no one challenging each other, no one saying anything different, then you get stuck.

And I think that's where, going full circle to your original question about the David Hume Institute, in technical policy terms, which I'm sure some of the people listening to this probably know, the, the way I think about what DHI does is we increase the size of the Overton window, so the policy making window.

So I, I tend to think there's no, there's not always a right or the wrong answer, and if you just introduce this single policy, everything will be fine. Actually, what we can do is create, create space so that there might be different choices, and then we can discuss where there might be benefits and there, there might be unintended consequences and, and really have that discussion about what might be the best policy at this time.

And, and that's kind of where we're going.

**Paul:** Well, Susan, economist or not, I've really enjoyed this conversation. Thank you so much for joining us.

**Susan:** Thank you for having me.

[Theme music]

**Paul:** Where did you come down on the debate? Is Susan an economist?

**Jan:** What I really liked about that debate is that we are all practical economists...

**Paul:** ...mm-hmm...

**Jan:** ...if you know what I mean...?

**Paul:** ...yes...

**Jan:** ...because we, we all think about, you know, how we mobilise resources, um, you know, whether or not to, you know, pay down your mortgage, can you afford your mortgage, all of those sorts of things.

So I think, uh, Susan employs economic thinking.

**Paul:** Ah, very good...

**Jan:** ...yeah, yeah...

**Paul:** ...very good theory.

Uh, it's almost like we're all microeconomists in charge of our own personal economy in that regard. And that's why I guess when Susan didn't like the phrase 'non-experts' to describe, uh, people who were non-actuaries and non, whatever they were non of, um, it's because we all know our own economic situation...

**Jan:** ...yeah...

**Paul:** ...even if we don't know the wider economic situation that's going on at a macro level.

**Jan:** One thing I really like about the David Hume Institute, which is of course why I'm involved as a, as a trustee, is that I first encountered them in around 2007, 2008, when, um, the Climate Change Act had gone through the UK Parliament and the Scottish Climate Change Act was going through.

And they asked a bunch of us to write essays about, uh, 2030. And the, the premise of the essay was that Scotland had reached its climate change ambitions, but the rest of the world hadn't.

Uh, which is turning out to be, you know, [Paul laughs] I'm, I'm not even sure, Scotland, Scotland's off, off track a bit, but, so, and we had to write these essays, you know, just, uh, three, four pages reflecting on what that felt like from 2030.

And so I always found the, a really, um, you know, super institute in terms of, um, opening up more voices, thinking about things that no one else is thinking about, and trying to convey that into a, a, you know, a public sphere and a policy sphere to try to inform the debate.

Um, so it's a, it's a really, you know, I've, I really enjoy their work.

**Paul:** I'm not going to denigrate the David Hume Institute, but I did find it quite funny that in order to try and create a broader, more diverse set of thinking about the economy and everything, you had a group of middle-aged men sat [Jan laughs] in, in a room.

Um, but I guess that was just the way it was back then...

**Jan:** ...yeah...

**Paul:** ...they probably, most economists probably were middle-aged men, unfortunately.

And it is a lot more diverse now as, as is evidenced by the fact that economist or not, Susan is the Director...

**Jan:** ...yeah...

**Paul:** ...of the David Hume Institute.

I found that certainly amusing though that, that, they were there saying, how do we make this more diverse just because we want to focus on Scotland. But now it's focusing on people who are all over Scotland in these different communities.

I mean, places that she mentioned, such as Alloa, Stranraer, for those non-British listeners, even for *some* British listeners, you would never be able to...

**Jan:** ...put them on a map...

**Paul:** ...put them on a map. Yes, that's it. It's, and they're sort of communities that are really out there on the coasts of Scotland just so far from anywhere that might be considered major cities.

**Jan:** Yes. And I suppose this is a very much a phenomena of the British Isles, is that the closer you get to a coast in the British Isles, the less likely you are to have a good economic basis.

So, so, you know, Barrow would be, you know, one, one area, Morecambe, down the road from Lancaster. And so it is actually thinking about places where the economic experience is really very different from the economic experience at the centre.

So what's happening in London is very different to what's happening elsewhere.

**Paul:** Yeah. And hearing those stories and some of those statistics such as, you know, 35% of people with children lose sleep over their finances...

**Jan:** ...mm-hmm...

**Paul:** ...and about a quarter of people generally. So those with and without children, but...

**Jan:** ...yeah.

**Paul:** The number of people there, and more mothers than fathers as well. And yeah, just how it can affect people at levels that you just don't necessarily think of if it's not affecting you on a personal level.

**Jan:** It is indeed.

So that was a, that was a...

**Paul:** ...sobering...

**Jan:** ...a sobering. Uh, what else we got to talk about as, as we're coming up on next podcast?

**Paul:** Well, it's sobering again, I'm afraid, because we're gonna be joined by some friends from the University of Dnipro in Ukraine who are gonna be talking to us all about their experience of university in a country that is at war at that moment.

**Jan:** And that'll be a pretty new experience, well, certainly a new experience for you and I to hear those stories, and maybe for some of our listeners as well, a new experience to hear how that is done and how it is, uh, managed.

And how, hopefully, the partnership with Lancaster University helps that process as well.

**Paul:** Yes. Yeah, it'll be fascinating to hear from them. Until then, thank you very much for listening. I'm Paul Turner.

**Jan:** And I'm Professor Jan Bebbington.

[Theme music]