Summary  The submission concerns the question of future economic focus. To realise a vision of a flourishing and fulfilled Scotland, collaboration will be necessary between specialists and practitioners from a diversity of fields; expertise on the economy can no longer be monopolised by economists. Sociologists, anthropologists, historians, geographers, and economists who lie outside the mainstream of the discipline e.g. feminist economists should also contribute. Not all human life can be reduced to the economy, nor all economy to GDP; we construct the economy rather than it being given to us as a natural fact, and by reconceiving it we can reconstruct it. We therefore ought to make economic policy holistically, asking questions about gender, the quality of life, well-being, equality, the environment, and not just about ‘growth’. Knowledge about the economy produced in this way can be a framework for policy proposals. It is animated by a vision of a democratic, inventive, just Scotland that will flourish and be an example to others, whatever the outcome of the referendum, precisely because we have the courage and vision to take our own path.

Introduction

The following submission is in response mainly to the fourth question of the inquiry’s remit, namely: What economic focus is important to achieve your vision for Scotland? Nonetheless, the broad scope of this question means that other areas of the inquiry’s remit will necessarily be touched upon, as well as questions outwith its remit stricto sensu but integral to any fundamental consideration of Scotland’s economic future.

The aim of the submission is not to make specific policy proposals. Rather its objective is to take advantage of this opportunity to reflect on what Scotland’s future economy ought to look like by offering some general considerations. These considerations are drawn from the author’s own training and history: as a former equity fund manager; as a sociologist and anthropologist; and as a postdoctoral researcher in the social studies of finance, an emerging field combining a variety of methodologies from different social and human sciences to offer a picture of the financial industries that is broader and deeper than that offered either by traditional financial economics or behavioural finance, even as it complements aspects of both of those. Some of the pioneers of this field are Scottish academics, and the author of this submission hopes that an important part of Scotland’s economic future will involve collaboration between scholars in this field, academics in other relevant disciplines, think tanks, policymakers, politicians, activists and all other interested citizens. Moreover, it is first and foremost as a citizen that I offer this modest contribution – a citizen in the true sense of the word, as someone engaged in public life and committed to working alongside others to better conditions for all.
Who should think about the economy?
Whenever there is public or media debate about the economy, a variety of experts are invited to contribute to the debate. Most of these experts are economists by training, and often by profession, whether they are employed by universities, the civil service, banks (central, commercial, retail, or investment), think tanks, or trade unions. When they are not professional economists, they often have some kind of formal academic training in the discipline, even if not at doctoral level – the economics correspondents of national newspapers or television channels, for example. This seems natural enough, but we ought to ask why business has carried on as usual since the financial crisis, even though the overwhelming majority of economists (often by their own admission) failed to predict it or anything like it. Why, despite the apparent loss of legitimacy by experts in economics, have alternative voices not appeared? This is all the more grave in that in contemporary economics most economists are trained in a narrow neo-classical paradigm, and the kind of debates between different approaches to economics that flourished even fifty years ago have been pushed to the margins. The economy is too important to each and every one of us, and too complicated and crisis-prone, for any one narrow area of expertise to possess a near-monopoly on public analysis of and judgment about it. Since most economists are still male, white, and middle-class, there is a further narrowing of perspective at a time when we should be urgently seeking to multiply our points of view.

There are long traditions of knowledge production about economic matters in sociology, anthropology, and human geography; important contributions from historians; and marginalised traditions within economics, of which one of the most vibrant today is feminist economics, all of which ought to be mobilised when it comes to economic policy-making. Nor should the knowledge drawn on be purely academic; plenty of practitioners of economic life (which in the final analysis includes all of us) have thoughtful and incisive contributions to make on the basis of reflections on their own personal experience, whether this be in finance, on the factory shop floor, as carers or teachers or entrepreneurs. Experts in economics are useful for talking about the direction of interest rates or analysing the latest employment figures; they are on somewhat shakier ground when it comes to broader questions like the moral and ethical dimensions of debt; and often have little to say on questions of well-being, happiness, health, gender, or the ways in which economic action is necessarily embedded in people’s relationships with one another, and imbued with time- and place-specific values. Yet it is the quality of these that make people’s lives fulfilling or otherwise, and not quarterly 0.4% upward shifts in GDP.

Understanding the economy holistically
Much contemporary talk about the economy is horribly reductive. ‘The economy’ has become the focus of political action, including rhetoric about political action, as if all life and all that matters in it were reducible to the logic of the economy; and that logic is often reduced still further as the success or otherwise of governments is measured mainly by the movements of GDP – even if most people in their daily lives have other, far more varied and concrete concerns. We need to challenge this logic of the economy.
It helps to remind ourselves that for most of human history, there has been no ‘economy’ in the sense we understand it now. Aristotle, Adam Smith, and Karl Marx all managed without it. When Gladstone used the word in his speeches, he meant something like our contemporary ‘fiscal responsibility’. It was only with the construction of national accounts, first of all in the USA and the UK, between the two world wars, that our modern concept of the economy emerged, as something observable and measurable in the manner of the object of study of the natural sciences, and as a focus for government action (including action that takes the form of rhetoric about ‘rolling back the frontiers of the state’, ‘cutting red tape’, ‘outsourcing’, and so on, since in reality the government and its agents are as involved as they ever were, perhaps even more so). Most of the time the idea that ‘the economy’ exists, as an objective fact, is taken for granted (and not only by economists), but in fact ‘the economy’ only exists because powerful institutions – academia, bureaucracies, legislatures, media, statistical organisations – insist it does, and produce data and analyses and policies that sustain its existence.

This is not to say it is somehow unreal, but merely to point out that there is nothing natural or inevitable about the way in which we conceive it, and that as knowledge producers, policymakers, workers, activists, and citizens we ought to be aware that we do have the potential to conceive it in other ways. To take just one example: the calculations of GDP, often presented as an objective fact about ‘the economy’, are in fact highly contingent, and from the very beginning economists constructing national accounts had to decide what to include, and what not; as feminist economists have tirelessly pointed out, domestic labour, of the kind most often done by women (even today), is not measured as part of GDP, even though without this kind of labour ‘the economy’ as we usually conceive of it would collapse in fairly short order. More generally, focus on GDP as the measure par excellence of the economy downplays or excludes altogether so many other measures that are of equal or greater importance when we consider what really matters to the people whose lives and relationships are obscured from or abstracted into GDP. The UN’s Human Development Index is a good starting point to see quite how much we lose when we focus obsessively on this single, incomplete measure.

Broadly speaking, any economic fact is thus also a social, cultural, legal, ethical, educational, or environmental fact. We ought to keep this to the fore when analysing the economy, or rather, when deciding what vision of the economy we wish to see and what measures might help us get there. We should ask of any policy proposal not, ‘how will this help boost growth?’, but ‘how will this help the well-being of which groups of the people it affects?’ Growth – and we should remind ourselves that it is not just GDP that grows – might often be part of the answer, but it ought never to be the sole criterion. Construction projects boost GDP and are very visible and tangible, but given male domination of employment in the construction sector, they don’t help women nearly as much; growth in output may be desirable, ceteris paribus, ‘other things being equal’, as the economists are fond of saying, but other things have a habit of intruding: if the longer-term environmental consequences of an obsessive focus on growth are devastating (which they may already have become), we should be considering what it might mean to
shrink, and in what way we might shrink that might not radically undermine our quality of life. And even if we can grow in an environmentally sound, carbon-neutral or even negative way, that growth might still not be desirable, if it is funded by ever-expanding debt, or its distribution favours only a minority of people, or requires the relinquishing of control over important aspects of our daily lives to corporations accountable only so long as they haven’t been offered a more attractive tax break somewhere else. What matters, then, is not growth, but improvements in the quality of life for each and every one of us, not only individually, but as a collectivity, and as a promise for the generations to come.

Conclusion
As mentioned in the introduction, the aim of this submission is not to make policy proposals, but to outline a set of basic considerations that can guide us in rethinking how we deal with the complex, but often simplified, question of the economy. Nonetheless, from these considerations policy proposals can grow, not least because there are already plenty of eminently sensible and yet suitably radical proposals in existence, the adoption of which would be to the great benefit of all Scotland’s peoples.

We might then imagine Scotland as the first place in the world to adopt a citizen’s income instead of the current system of welfare payments, a policy advocated sporadically by thinkers from both left and right for decades now, and which might be funded, in whole or in part, by hypothecated revenues from VAT, or from dividend income in inalienable shares in a national network of regional investment banks (in the sense of banks that actually invest productively, rather than speculate). We might imagine therefore a genuine safety net available to all, rather than the bureaucratic and political haphazardness of welfare with its attendant measuring, evaluating, moralising about and often stigmatization of the less well-off and the marginalised; we might imagine therefore the possibility that everyone in our country could seek fulfilling employment, or reach and exceed their educational potential, rather than be driven by brute economic necessity to take whatever meaningless, underpaid job is going. We might then imagine many other things, but only if we learn to ask rather trickier questions of our dominant notions of the economy than we have been accustomed to until now.

Solidarity, social justice, equality, the democratic intellect, boldness, imagination, inventiveness, forward-thinking: these are things Scotland has been known for, and will continue to be, if only we have the courage and the conviction to pursue our own path, an inspiration and example for people around the world, rather than an ailing case of ‘branch plant syndrome’, buffeted by the blasts of the cold winds of capitalist realism and its moralizing advocates: independence in the most meaningful sense, whether formally independent or simply enjoying more devolved responsibility for matters economic. This submission does not take a position on the outcome of the referendum, nor on which outcome is most desirable, but it does take a position nonetheless: the status quo, when it comes to the economy, as to many other things (and the economy is inseparable from those ‘many other things’), is not an option.
References – Works drawn on in the submission

Van Parijs, Philippe: 2013 “The Eurodividend: Why the EU should introduce a basic income for all.” The London School of Economics & Political Science, British Politics & Policy Weblog, 15th July.

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