**Andy Haldane - Putting the “Public” in Public Institutions**

I'm Andy and I'm a central banker. That wasn't actually a joke but thank you.

So my job is to try and understand the economy and let us set interest rates to try and make the economy grow. That's what I do.

Back in 2015, I was in Nottingham in the Midlands of England talking to people about the economy. And the data back then suggested the economy was actually doing pretty well: jobs were being created, incomes in the economy were back above the level they'd been before the crisis. We were in an economic recovery.

So my first stop in Nottingham was with a set of local businesses, a round table. And over lunch I spoke to those businesses about the economic recovery, they nodded along, some were awake one or two were even sober. And at the end they threw me a few polite questions and we all left happily.

Next stop was a round table not of companies, but of charities: homelessness charities, food banks, mental health charities. Now, my institution, the Bank of England, had never spoken to charities before – this was an experiment. But I thought maybe they'll provide a somewhat different window on the world.

Well, I was 30 seconds in to my talk about the economic recovery once, somewhat to my surprise, a hand went up and the person said, “I don't wish to be impolite,” now that's always a clue, right? “I don't wish to be impolite but what the hell are you talking about? What the hell? None of the people I've come across in the last three or four years have remotely experienced a recovery. They've gone backwards over that period.” And then we went around the table and each charity in turn told their story with the self-same bottom line. Economic recovery was not in the lived experience of anyone in that room, not even close.

I left the room bit bruised, a bit perplexed. When I got back to London though I asked my economists – of which there are many – to just look again at the numbers, just look and see whether, although the UK as a whole had recovered, were there one or two towns or cities that hadn’t, for example Nottingham. And they came back to me later that day and said, yes, actually, there were one or two places where there hadn't been any recovery. I said “which ones” and they said “Scotland”. “All of Scotland?” “Yeah, all of Scotland.” “Any others?” They said “yeah there's also Wales and Northern Ireland, Scotland well, in England well one or two places there too – there's the southwest of England, there's East Anglia, the Midlands” – that explains Nottingham, by the way – “and also there's the Northwest of England and the northeast of England.” “Hang on, so that means then that nowhere’s recovered apart from London and the southeast.” And they said “Andy, you've got it, you know, well done.” Pretty patronizing economists, actually.

Wow, how has that happened? How could it be that a set of non-experts in charities had told me more about the economy than all those economists, all those company bosses I had been speaking to?

Well the answer is now obvious to me, actually, and that's because those people are the economy. Their lived experience: spending, saving, working, is what makes the economy tick. If we are to understand the economy, we must find ways of tapping into that lived experience of the ordinary citizen.

And in the period since that is just what I have been trying to do – tapping into those conversations that never previously we've tapped into. I can tell you hand on heart I've learned more from those conversations that I ever could have from any spreadsheet or any chart. I've learnt from community workers in Cardiff how a rise in the cost of living is for them a sharp choice between heating or eating. I've learned from parents in Newcastle how they received through their door everyday more loan leaflets than pizza leaflets. I've learned from tenants in Blackpool how in 21st century Britain we still have urban slums and drug dens calling themselves a housing market. I've learnt from pensioners in Airdrie how as their bank branch has closed the access to their money in their bank account is not a nice to have it is a basic human right.

I could go on. And none of this is to say that experts and expertise aren't needed. Of course they are. For complex choices you need experts and you need expertise; but equally it is always the case that expertise is enhanced by tapping in to the views of non-experts. And why is that? Well that's because those non-experts bring diversity of the two E’s: diversity of experience and diversity of expertise. And those two E’s in turn give rise to the two C’s: namely creativity and challenge. And they in turn are the wellspring of good effective decision-making in complex environments.

There is wisdom, there is wisdom in crowds and the bigger the crowd and the more diverse the crowd the greater that wisdom. There is more collective wisdom in this audience today than there is standing on this stage by many orders of magnitude.