PRESS RELEASE

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CPPR
Centre for Public Policy for Regions

ANALYSIS OF SCOTTISH GOVERNMENT ECONOMIC TARGETS

Main Messages

One year on, the Government's economics target report card is somewhat mixed:

- More than half of the economic targets are on track to being delivered
- However, given current trends, the Government's two prime targets of higher growth and higher productivity, are the two furthest away from being met
- For some targets, this assessment is preliminary given concerns over the accuracy of the available data.

Background

In November 2007 the Scottish Government published its new Economic Strategy document for Scotland, which set out Economic Targets for growth. The Strategy considers the challenges Scotland faces in 7 key areas: growth; productivity; participation; population; solidarity; cohesion; and sustainability.

CPPR's Director Richard Harris outlined the purpose of the Report – "***The main objective at this stage is to make an initial judgement of how easy or difficult it will be for the Government to meet its targets. CPPR intend to follow this up later in the year with further work on ideas for how the targets might best be achieved and on whether these are the most appropriate targets for Scotland".***

The Governments targets consist of:

By 2011:

- Target 1A - To raise the GDP growth rate to the UK level;
- Target 7A - To reduce emissions over the period to 2011.

In the longer term:

- Target 1B - To match the GDP growth rate of the small independent EU countries by 2017;
- Target 2 - To rank in the top quartile for productivity amongst our key trading partners in the OECD by 2017;
- Target 3A + B - To maintain our position on labour market participation as the top performing country in the UK and close the gap with the top 5 OECD economies by 2017;

- Target 4A + B - To match average European (EU15) population growth over the period from 2007 to 2017, supported by increased healthy life expectancy in Scotland over this period;
- Target 5 - To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017;
- Target 6 - To narrow the gap in participation between Scotland's best and worst performing regions by 2017;
- Target 7B - To reduce emissions by 80 per cent by 2050.

Co-author John McLaren highlighted that "***Today's report presents an early review of where Scotland is currently placed with respect to each target, in terms of whether the target has been, or is likely to be, met and the size of the task required to 'close' any likely remaining gaps by the target date*. *We assume that the meeting of targets is meant to be on a sustainable basis rather than as just a one-off*"**

The summary results are that:

- Two targets (1 and 2) are well away from being met

- Target (3A) is being partially met but the second part (3B) will require further action

- Target 5 is partially being met, but very slowly and there is unlikely to be major improvement without further action

- Three targets (4, 6, and 7) are already being, or are anticipated to be met.

Commenting on these results, co-author Jo Armstrong said - "***The picture overall is mixed. Whilst the majority of targets appear to be on track, the Government's prime targets, of higher growth and higher productivity, are two notable laggards. If the improvement in population growth comes about then this will help GDP growth but even then targets 1 and 2 are likely to be difficult to achieve***."

The full report is available from the following link (look in the sub-heading labelled "Scottish Government Budget and Economic Strategy"):
http://www.cppr.ac.uk/centres/cppr/analysisofthescottisheconomy/.

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