

# ***The Government Economic Strategy and the population growth target***

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Improving population and household statistics conference  
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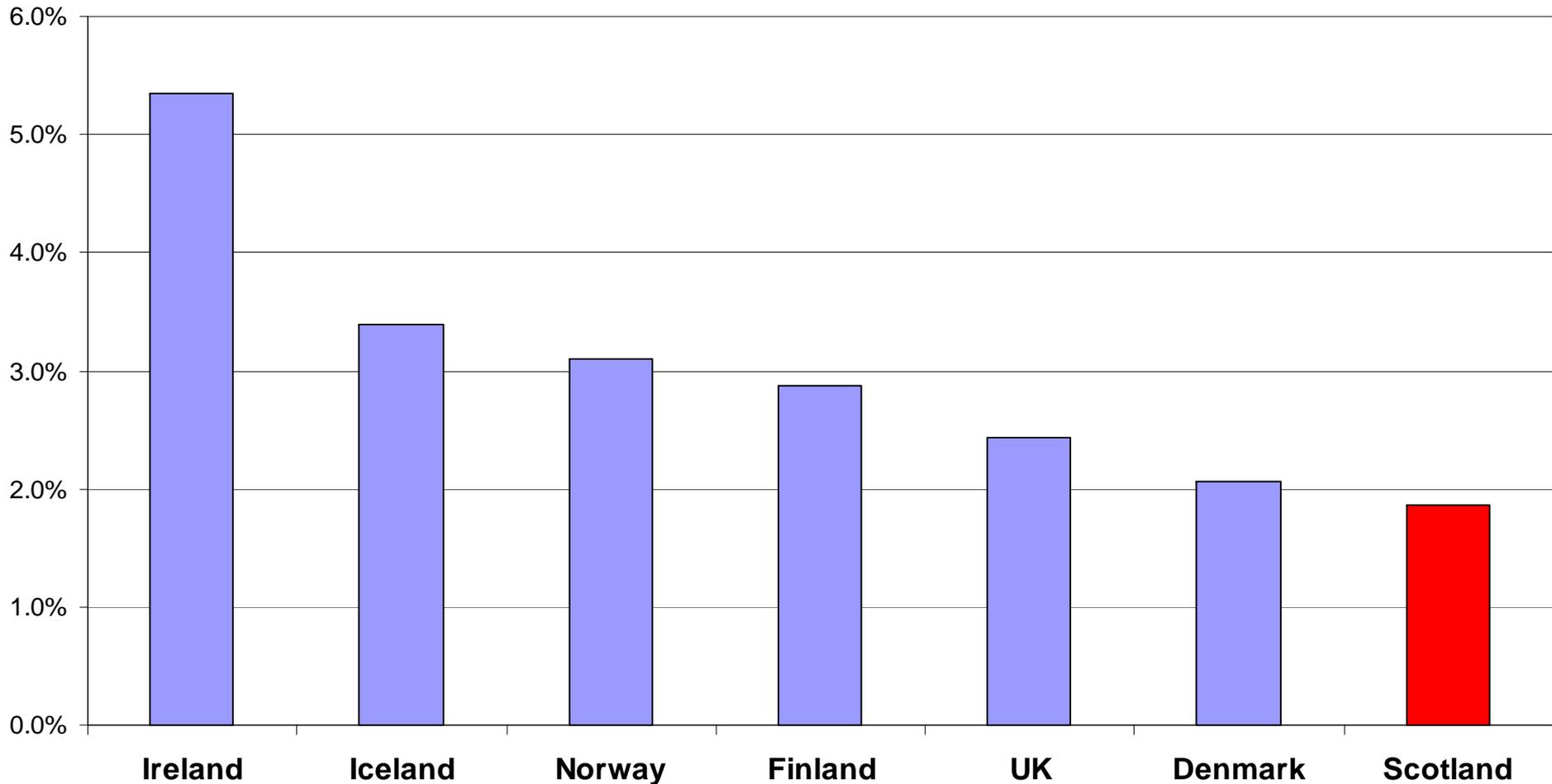
# What is this Government's vision?

The *Government Economic Strategy* sets out a single, over-arching Purpose:

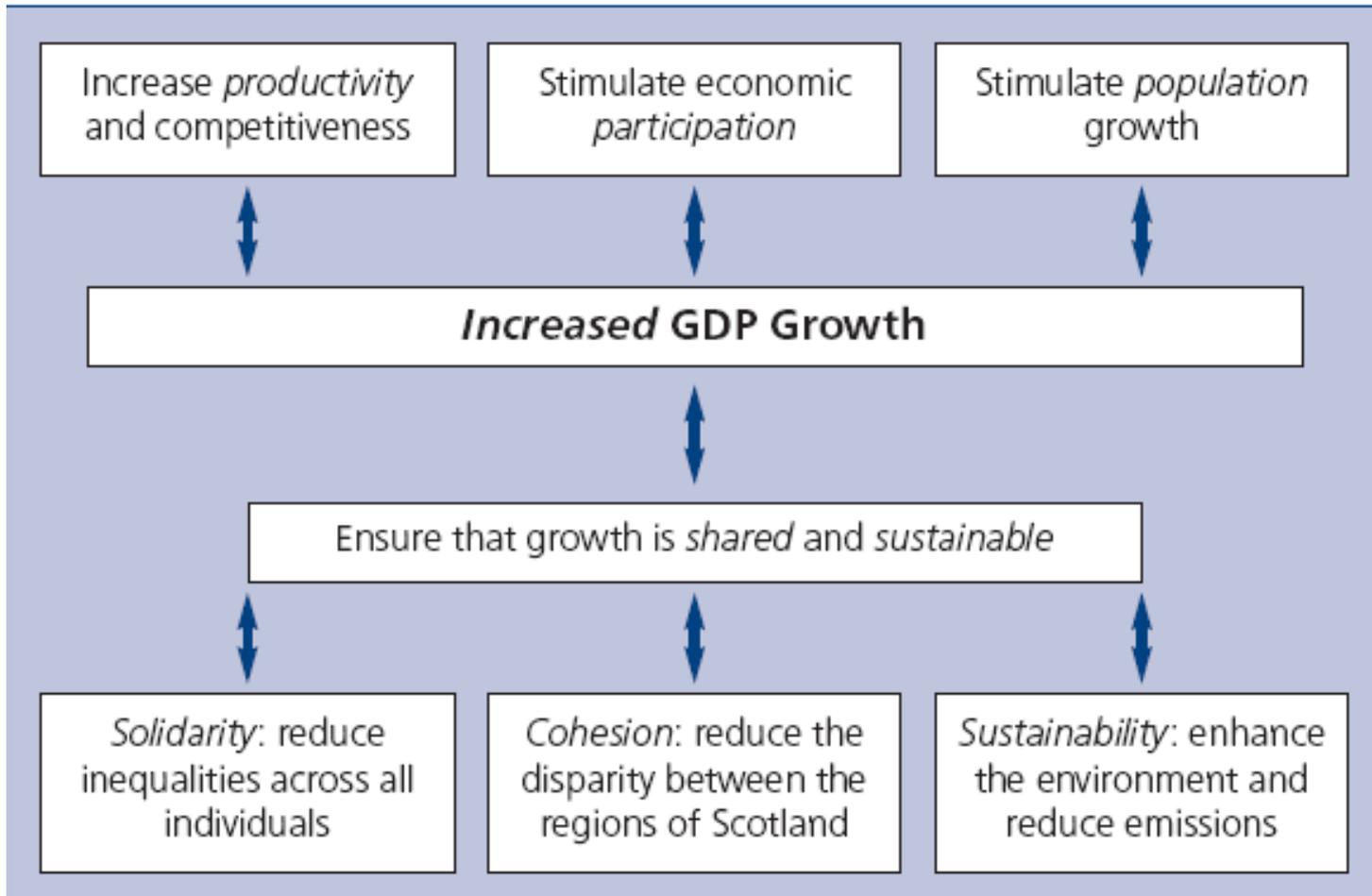
***to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth***

# Underlying Gap in Economic Growth

30 Year Average Annual GDP Growth Rates, 1977-2007



# The key drivers of growth



# The Purpose targets

1. **Economic Growth**: by **2011**, raise our GDP growth rate to the UK level  
by **2017**, match rate of small independent EU countries
2. **Productivity**: by **2017**, rank in the top quartile of OECD countries
3. **Participation**: by **2017**, maintain position as the top performing UK nation for labour market participation, **and** close gap with top 5 OECD countries
4. **Population**: by **2017**, match average EU-15 population growth, **and** increase healthy life expectancy
5. **Solidarity**: by **2017**, increase overall income **and** the share of income earned by the lowest 30% as a group
6. **Cohesion**: by **2017**, narrow the gap in participation between our best/worst performing regions
7. **Sustainability**: by **2011**, reduce emissions  
by **2050**, reduce emissions by 80%

**So, population growth not seen as an end  
in itself ...**

“Population growth is a key contributor to,  
and consequence of, a more vibrant  
society and more dynamic economy”

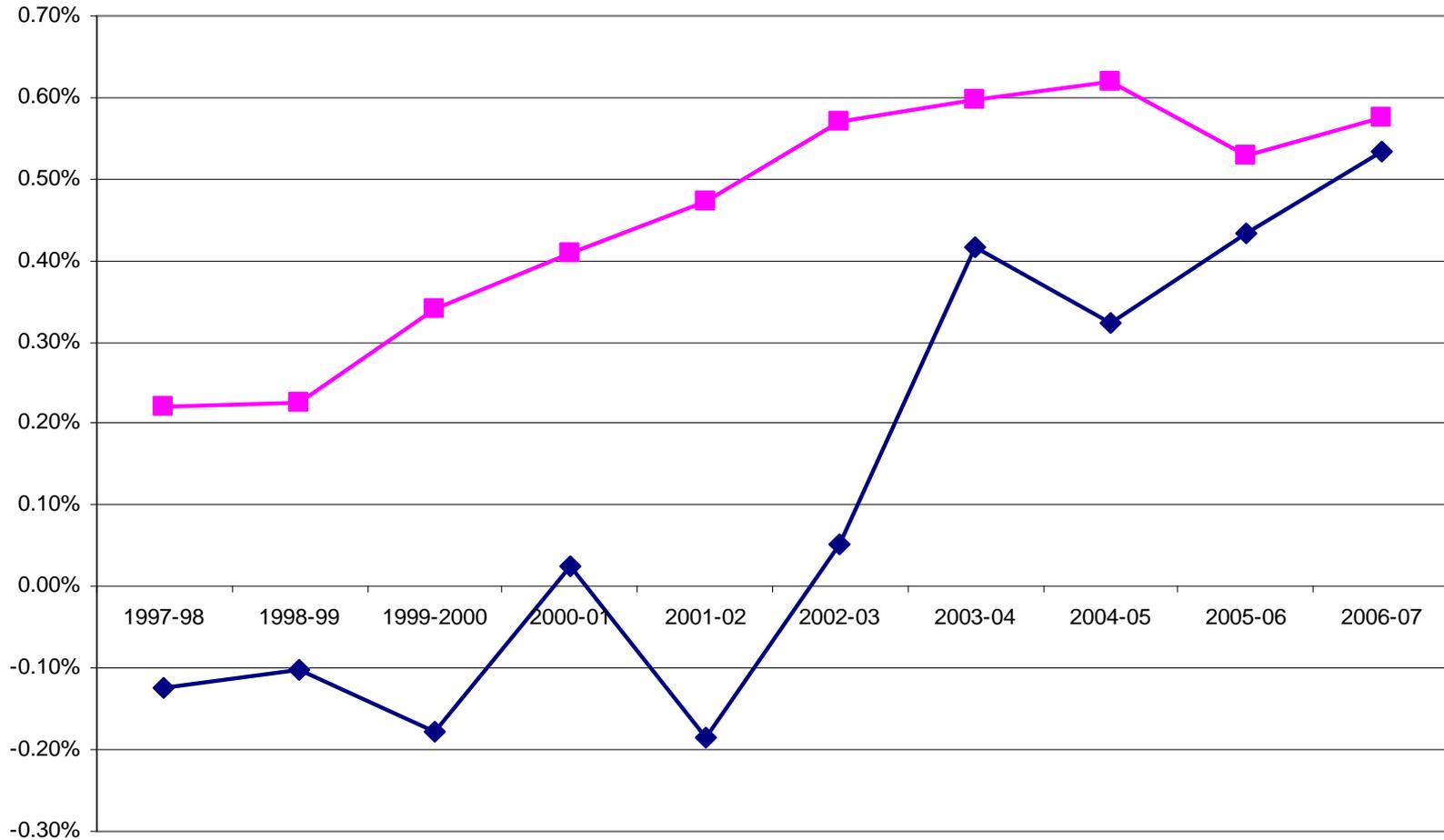
*Government Economic Strategy*

# Background

- Since the 1950s the size of the Scottish population has remained relatively stable
- In recent decades many of our competitors have experienced higher levels of population growth
  - Contributing to higher levels of economic growth
- Higher UK population growth accounts for around 50% of the gap between average Scottish and UK GDP growth over the last 10 years

# The population challenge: 1

Annual Population Growth Rates, Scotland and EU15, 1997-98 to 2006-07



EU15 is population at 1st January in each year

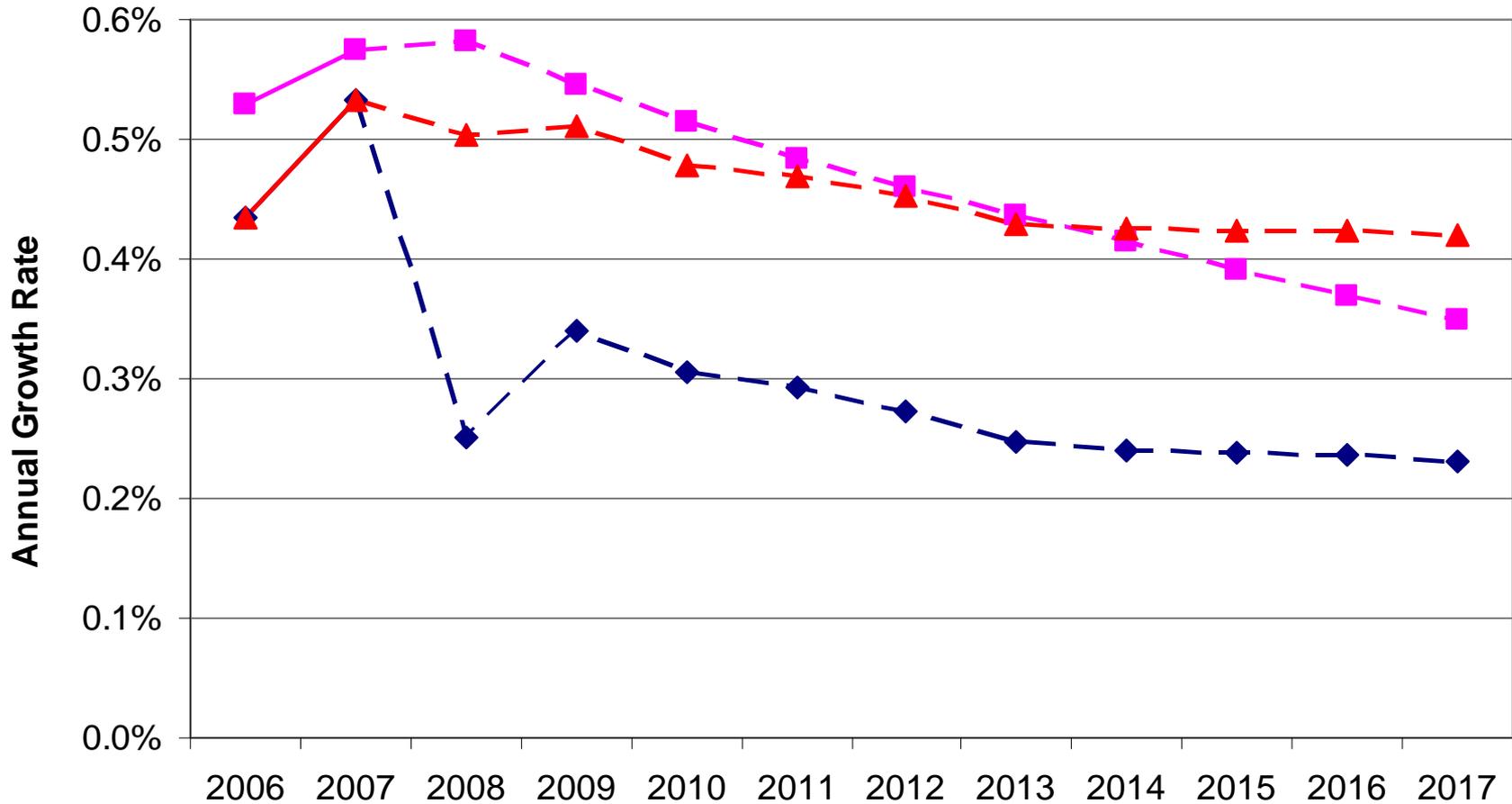
◆ Scotland ■ EU15



The Scottish Government

# The population challenge: 2

Population estimates and projections for Scotland and EU15



—◆— Scotland (central projection) —■— EU15 —▲— Scotland (high migration variant)

## The population challenge: 3

- Latest Eurostat projections suggest we need to grow the Scottish population by around 23-24,000 per annum
- Scotland is currently almost entirely reliant on net migration for population growth
  - Impact of Economic Slowdown?
- Large inflows of A8 migrants since 2004 – but, these look to have peaked

# Measuring Progress

- The target places even greater focus on population and migration statistics
- Need to use as wide a range of data as possible to measure ongoing progress and identify emerging trends
  - Role for local level intelligence
- Better evidence on short-term migration flows?

# Key Questions

- What is the impact of increased migration flows on public services?
- What are the socio-economic characteristics of people moving to Scotland?
  - And how are these characteristics changing?
- Why do people choose to move to Scotland?
  - and why do they leave?

# How will we meet the population target? – the policy response

- Establishing a comparative economic advantage over our neighbours – even in the face of a downturn
- Renewing the focus on Scotland's diaspora
- Making more use of migrant's skills
- Encouraging more international and rest of UK students to stay here beyond graduation
- Introducing a Scottish Green Card