

Innovative Manufacturing Research Centre Conference, 23 April 2009

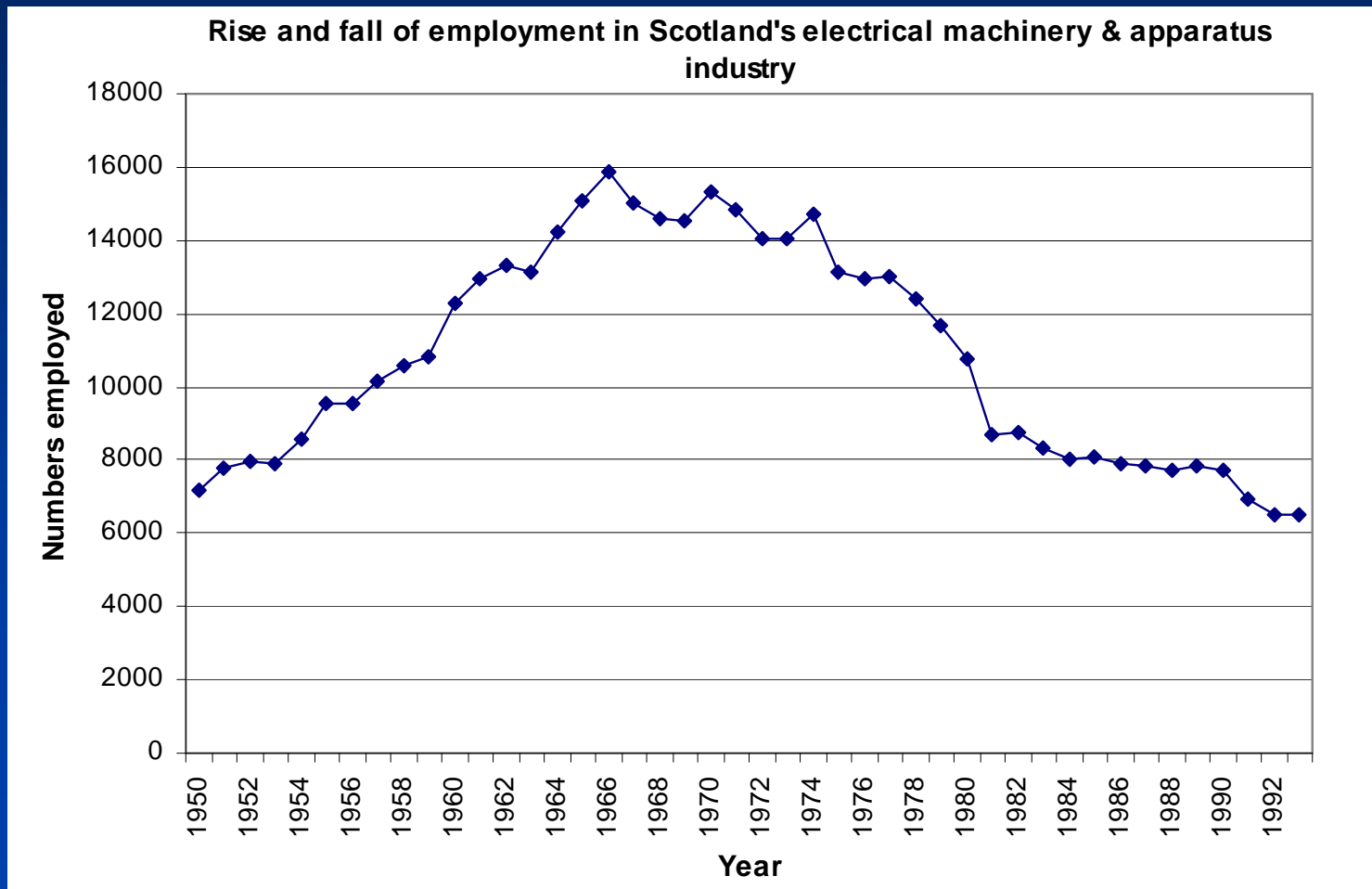
‘What Was/What Next’ - the future for economic
growth in Scotland and the UK

Anton Muscatelli

Key points

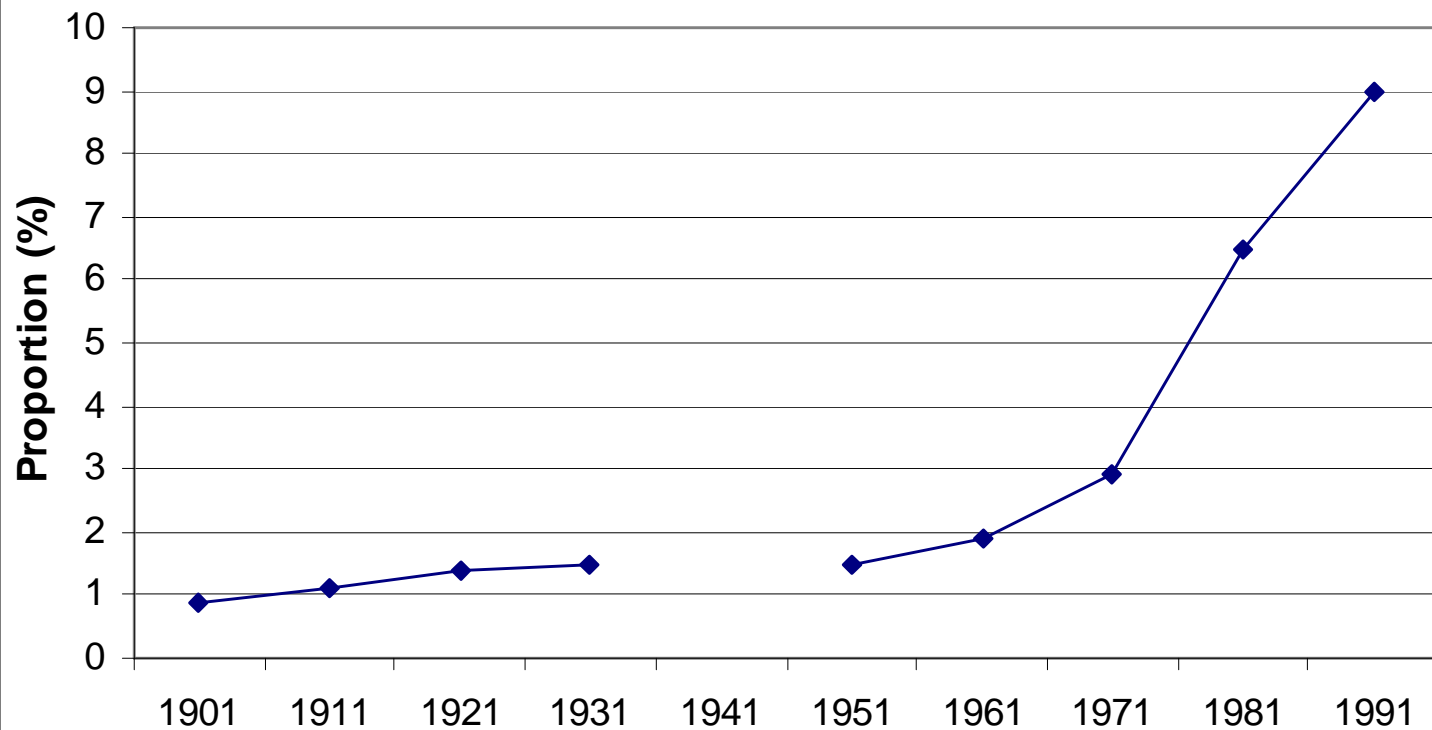
- We need an industry and job-replacement strategy, not simply a focus on given sectors
- What should public investment be focused on?
- Need to focus on high-level skills (graduate and postgraduate)
- Improve total factor productivity growth through innovation and skills and deployment of technology
- Manufacturing?

Rise and Fall of industries: I

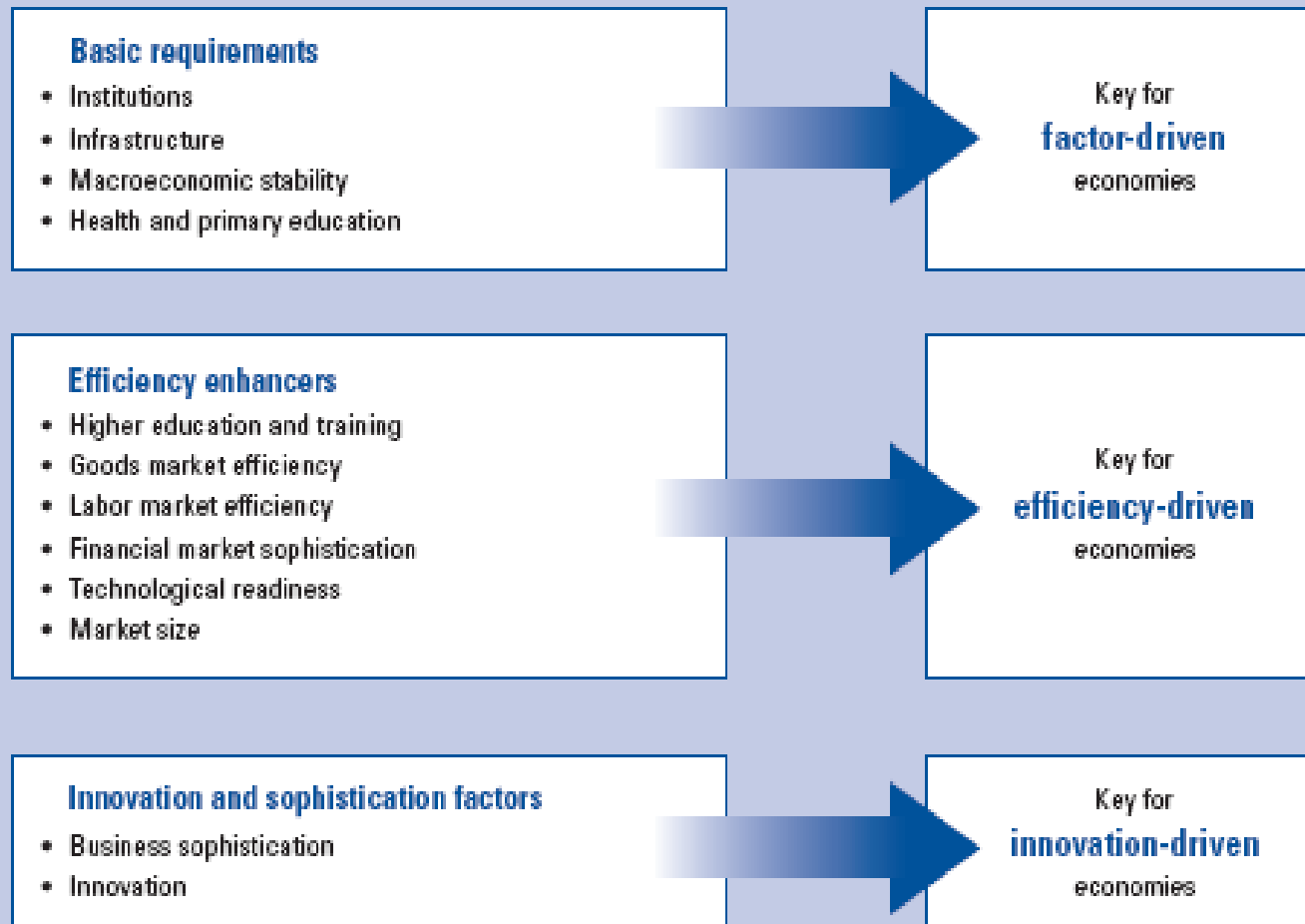


Rise and Fall of industries: II

Number employed in banking, finance, insurance, business services & leasing as a proportion of total Scottish workforce (%)

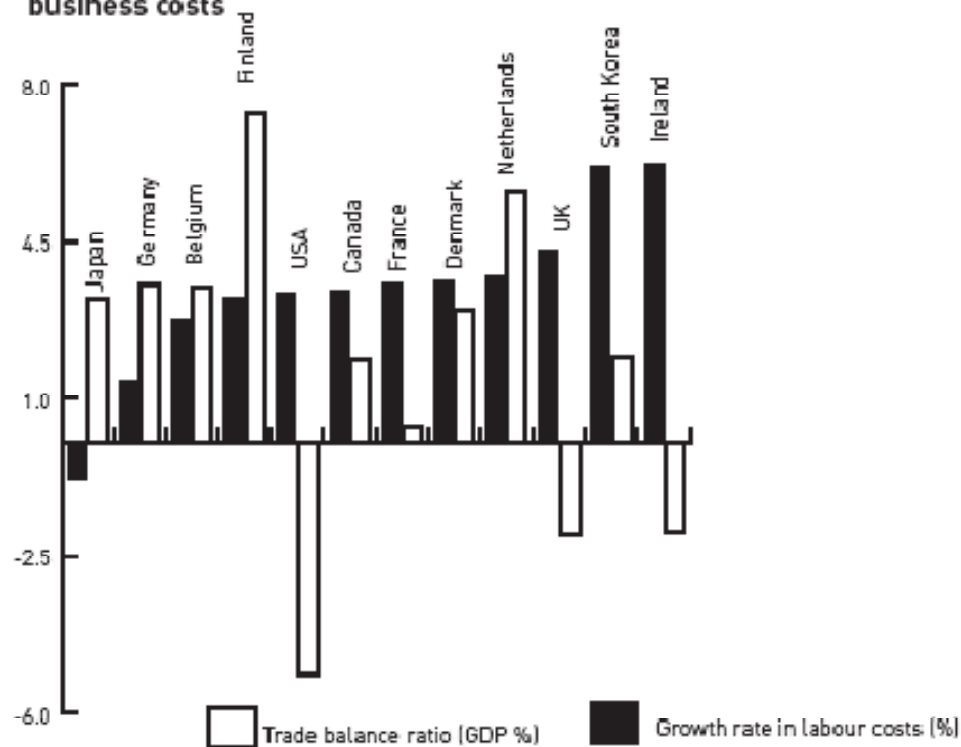


Pillars of National Competitive Advantage



Export Performance and Business Costs

Graph 2.10: Lack of relationship between export markets and business costs

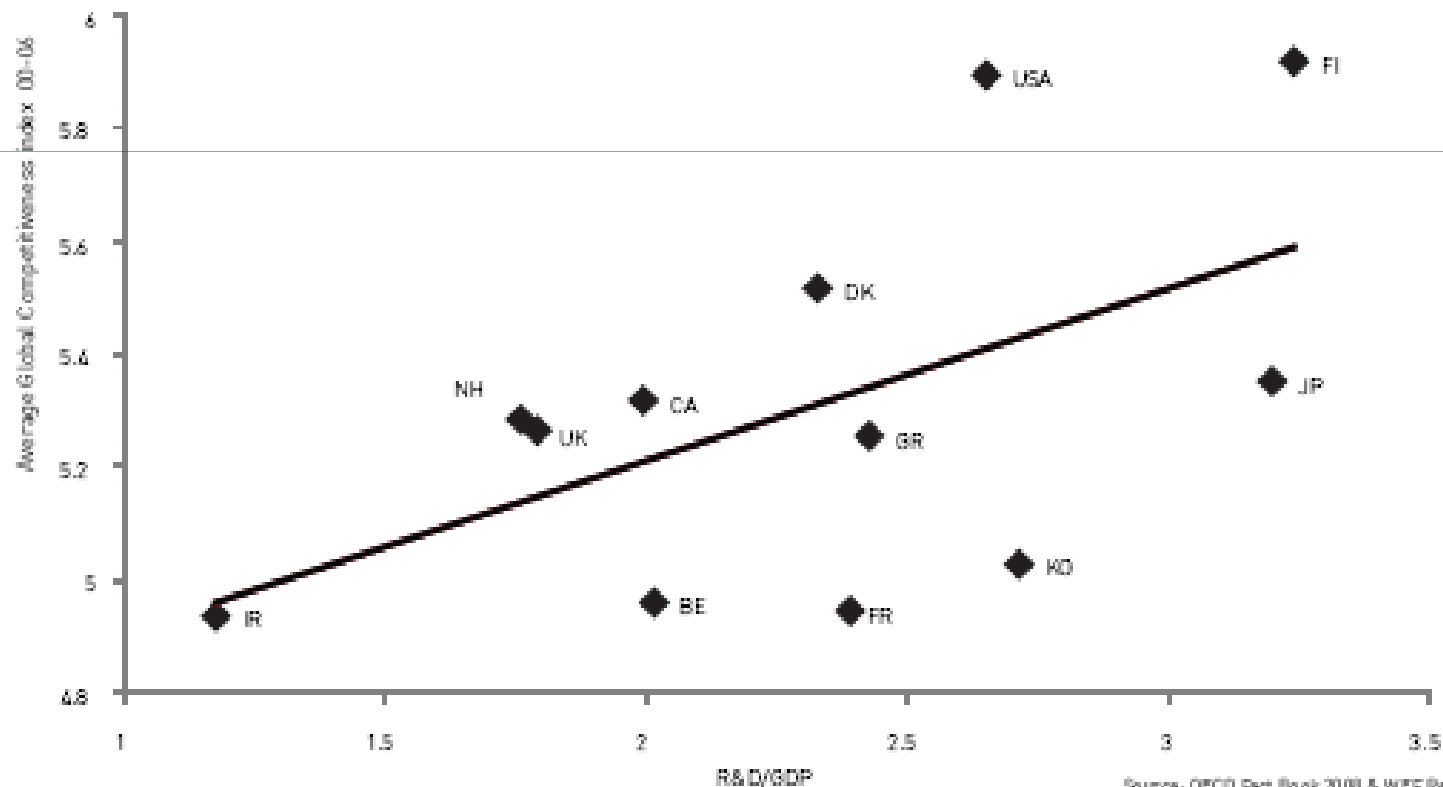


Source: OECD Fact Book 2008 & WEF Report 01-07

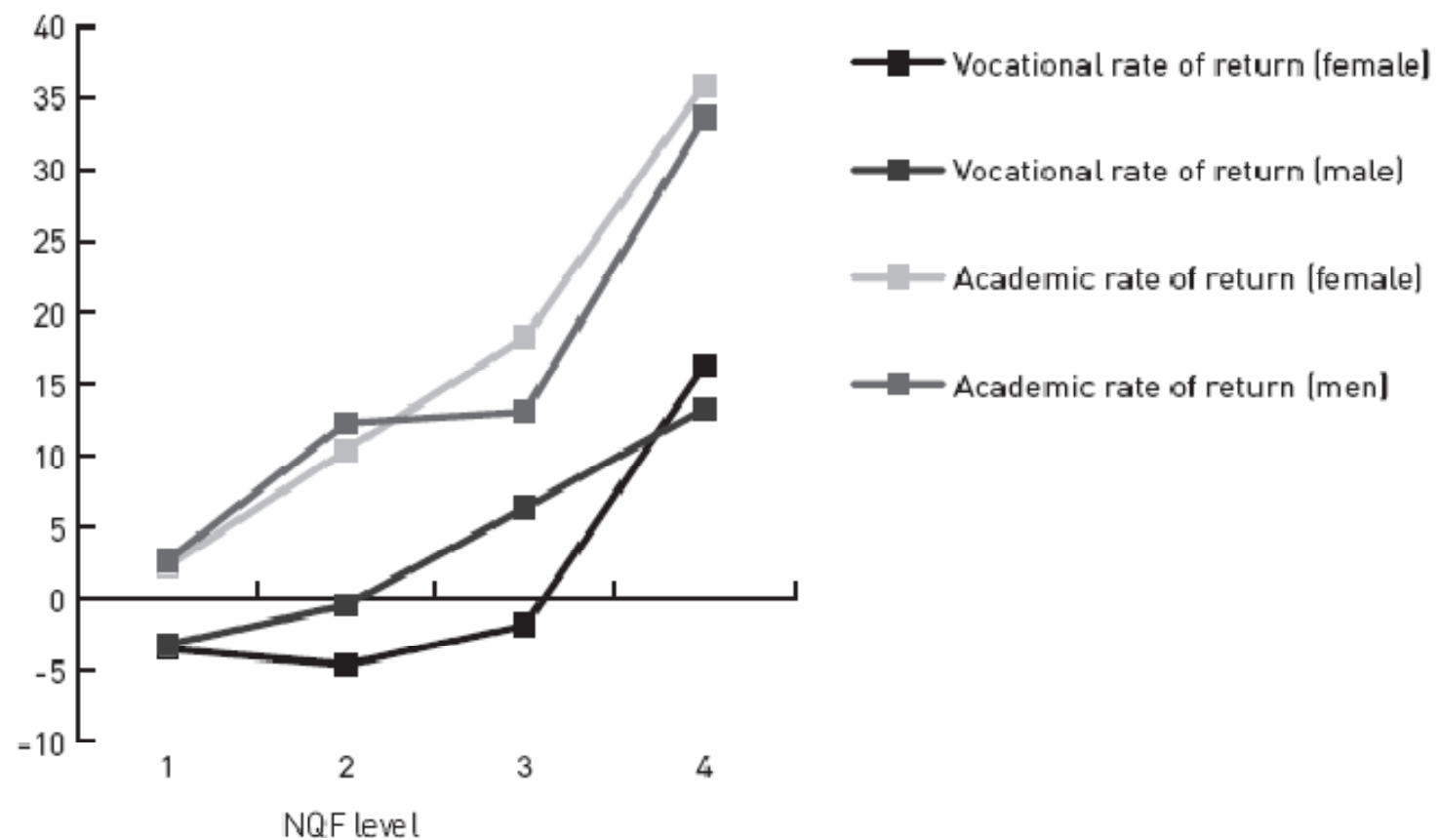
R&D and Competitiveness

“Investment in innovation makes advanced economies more competitive”

Graph 2.11 Relationship between R&D and competitiveness

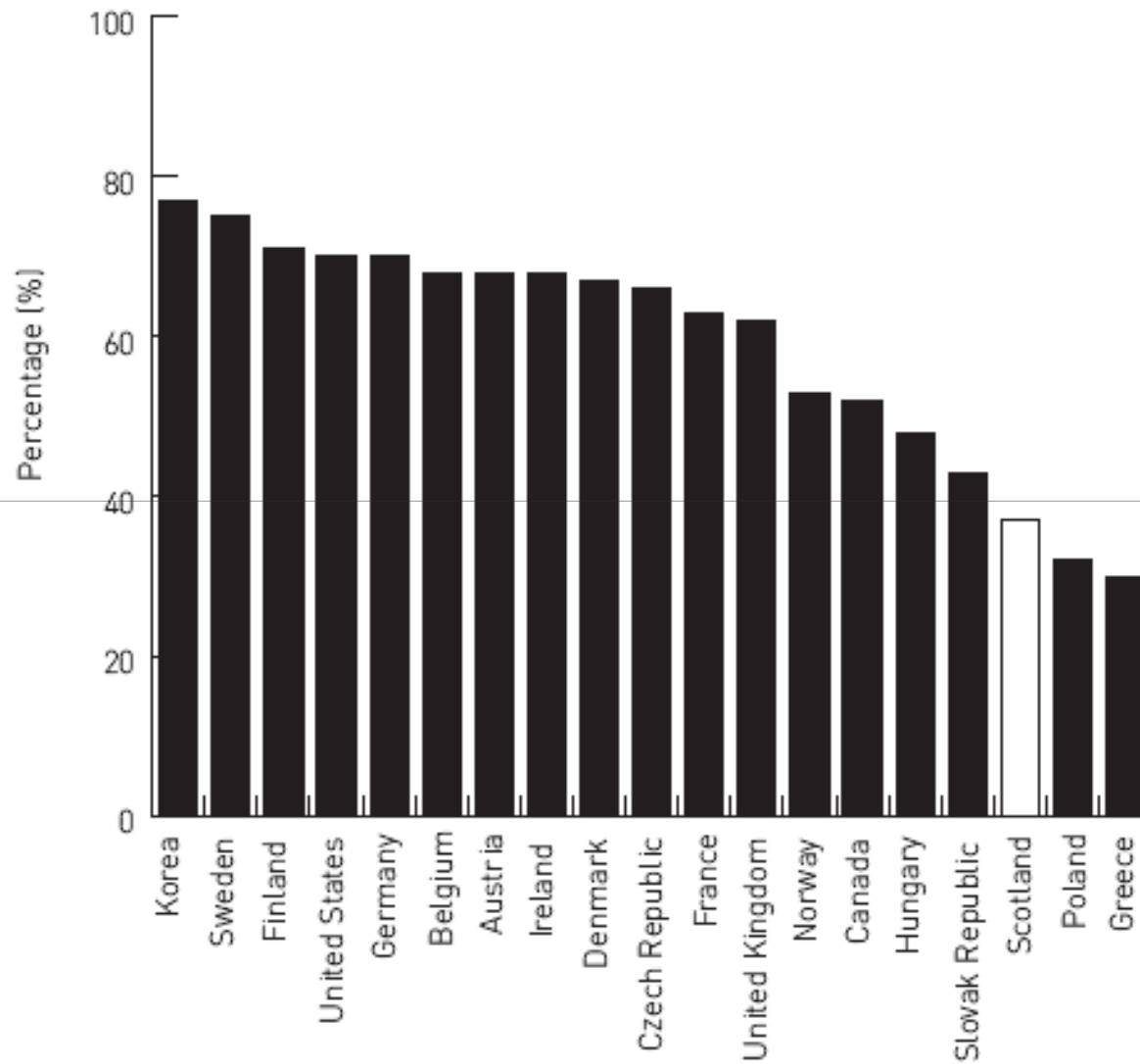


Graph 3.11 Rates of return to academic and vocational qualifications



	Academic	Vocational
1	1 poor standard grade	City and Guilds 1, BTEC
2	5 standard grades	City and Guilds 2, BTEC diploma
3	2 highers	Trade apprenticeship
4	First degree	HND/HNC

Graph 4.3 Business Expenditure in Research and Development as a proportion of Gross Expenditure in Research and Development (%) in 2006



Source : OECD, Main Science and Technology Indicators.

Conclusions

- Manufacturing?
- Yes, but.....