FOREWORD

Nation, Assets, People: A 2020 Vision for Scotland

The Scottish Council for Development and Industry is a diverse, inclusive and independent development organisation which seeks, through its wide-ranging networks, to innovate and influence economic policy to deliver sustainable growth for Scotland.

We are a unique organisation representing the corporate and civic groups which underpin the social and economic foundations of Scotland. Building on a heritage of meeting the challenge of change through driving innovation and bold thinking, we share a common vision for the future of Scotland.

That unity of purpose is delivering sustainable economic growth for Scotland through our Nation, our Assets and our People.

Our Vision for Scotland:

We believe in a Scotland that is ambitious, enterprising and outward-looking and measures success in its ability to maximise its natural assets, its potential and its people.

It is a confident nation that is ambitious about its place in the world and is collaborative, creative and innovative in delivering sustainable economic prosperity.

It is an inclusive and diverse society which allows individuals to realise their full potential and enables participation and contribution from across its regions.

It is a nation which values its natural assets and its people and focuses resources on delivering maximum economic and social benefit, balancing the need for investment and consumption.

It is a nation that commits to creating a powerhouse generation whose energies and aspirations are unlimited.

It is a nation committed to delivering a sustainable legacy.

It is a Scotland of bold thinking, tough choices and clear focus.

Making it Happen: Blueprint for Scotland

To achieve this vision for Scotland as a nation we need an action plan for growth and a commitment to succeed, by ensuring we:

- Create a sustainable and aspirational environment that encourages and supports enterprise and growth.
- Are innovative and world-class in our public service delivery, balancing the needs of investment and consumption across our society.
- Measure and harness the full potential of our natural and national assets to meet the challenges and opportunities of change and growth.
- Enable innovation, collaboration and knowledge-sharing across regions, businesses, services and generations.
- Define and deliver ambitious targets for international success, maximising Scotland’s reputation and key strengths.
- Create an inclusive and connected nation and regions through investment in our physical and digital infrastructure.

For the full Blueprint, visit www.scdi.org.uk/blueprint
EXECUTIVE SUMMARY

SCDI key policy priorities

Scotland requires bold thinking, tough choices and a clear focus if it is to be a strong and successful competitor in the global marketplace and a smarter, fairer nation. To deliver on these challenges Scotland must maximise its assets, its potential as a nation and its people.

1. AN OUTWARD AND ENTERPRISING NATION

Scotland is an outward-looking and enterprising nation. To grow our reputation and our markets, we must be ambitious about our place in the world and be successful at collaborating and delivering innovation.

Growing and internationalising Scotland’s businesses will improve export earning, build more sustainable businesses, attract more inward investment, improve our international reputation, support a skilled workforce and make Scotland a desirable home for global talent, a powerhouse of creativity and innovation.

As a nation, we must set clear goals and develop international strategies for our key sectors, our cities and our regions. Scotland has global strengths in key economic sectors such as food and drink, tourism, life sciences, financial services and education. Our reputation for excellence must be retained. Scotland must also broaden and embolden its innovation to include non-technological and imaginative responses and innovations in sectors such as tourism and events. These sectors have the potential to be sources of rapid growth.

Innovation can and must be found in a wide range of activities, such as applying different business models and testing and delivering organisational change.

Over the next decade, employment will be a challenge throughout Europe, with the OECD predicting unemployment levels of 10% (or 57 million people) within the OECD area.

In addition, entrepreneurial activity will become increasingly important to generate growth in the Scottish economy, especially in view of public spending reductions. It is the high-growth SME sector which will be vital in delivering most of the growth potential for jobs – and Scotland’s international growth potential. New and small firms unconstrained by existing business knowledge will have a key role to play.

Scotland must set ambitious targets for international growth – not least a commitment to double the value of exports over the next decade. To maximise its potential, we must support capital spending, R&D and skills. This requires fiscal funding mechanisms which maximise the benefits to Scotland and to the UK, creating economic stability and supporting growth.

To maximise our natural assets, our potential and our people, Scotland must be a connected, enterprising and collaborative nation with clear international ambitions which are supported by world-class infrastructure and public service delivery.

2. MAXIMISING SCOTLAND’S ASSETS

Scotland has a wealth of natural and created assets which must be maximised to deliver their full economic growth potential. The natural environment already supports a large part of our economy and we have the potential to lead the world in sustainable cities, sustainable regions and sustainable communities.

We have the opportunity to grow a world-leading green economy which creates ‘green-collar’ jobs, drives innovative technology and delivers against renewable
energy and climate change targets. In renewable energy terms, Scotland has 25% of the useful wind in Europe blow across our shores. The Pentland Firth and the waters around Orkney deliver the best assets for tidal power in the Western Hemisphere.

Scotland has competitive advantages in offshore wind, wave and tidal, carbon capture and storage, both in technologies and generation potential. We acknowledge that Scotland’s natural resource of water offers huge potential, but to achieve this, infrastructural investment in both generation and transmission technology is key.

In traditional energy terms, the indigenous oil and gas industry has a key role to play in ensuring the UK’s future security of supply. Investment and policy support is needed to sustain the mature basin and to enhance the potential of North East Scotland as an energy hub for the Eastern Hemisphere, delivering leading global engineering capabilities, construction and supply businesses.

Scotland has some of the most compelling, best-known natural and cultural tourism assets in the world. We must ensure our ability to sell our assets is first class.

The connectivity of our infrastructure also remains a challenge to growth. We must change the mindset within Digital Britain which has said that investment to deliver 90% super-fast broadband coverage is sufficient for future prosperity.

An economically-successful Scotland must maximise its assets by ensuring they are fully connected to the world – in transport, digital and energy terms.

Creating a register of Scotland’s business, natural and capital resources would introduce a mechanism to capture for long-term investment a share of the value of developing Scotland’s natural resources, especially renewable energy.

3. REALISING THE POTENTIAL OF OUR PEOPLE

People are Scotland’s greatest resource and our greatest source of potential. To compete effectively Scotland’s people need 21st century skills such as innovative and critical thinking, the ability to collaborate, to think cross-culturally and internationally, and to understand and utilise technology.

Our people need skills matched with industry demands and in pace with the growth of knowledge. A workforce that is highly-skilled, highly-motivated and productive is fundamental to our future economic competitiveness.

We must also tackle the long-term structural challenges such as the 1 in 6 of the working-age population neither in work or study and the 1 in 5 in the population who have problems reading and writing.

We must deliver a transformational skills agenda, which dynamically embraces up-skilling, re-skilling, innovation and support for STEM subjects. Scotland is home to some of the world’s best-regarded and most dynamic centres of learning both in the university and college sector. We have an ethic for excellence, a desire to explore new ideas and the advantage of relatively fast lines of communication.

Our challenge is to be more effective at fast-tracking innovation to market, to create and support research & development, invest in top-class infrastructure (and use it well) and to invest in skills. We must ensure our young people are given opportunities to work, train and learn.

Importantly we must inspire our people and our nation to believe we can.
### KEY PRIORITIES

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<th><strong>Short term - next five years</strong></th>
<th><strong>Long term - next ten years</strong></th>
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<tr>
<td><strong>AN OUTWARD AND ENTERPRISING NATION</strong></td>
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<tr>
<td>Broaden the business base of Scottish exporters and establish a network of Scottish Trade Centres</td>
<td>Double the value of Scotland’s exports</td>
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<td>Managed restoration of public finances to ensure public sector net debt falls as a share of GDP, but ensuring we support capital spending, R&amp;D and skills</td>
<td>Return public spending growth to be in-line with the GDP growth trend in the long term</td>
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<td>Restore the strength, reputation and competitiveness of Scotland’s financial sector and its support for higher business investment and manufacturing</td>
<td>More balanced and sustainable growth across business sectors, with manufacturing a stable or growing share of GDP, and support for new world-class financial services headquartered in Scotland</td>
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<td>Strengthen the Scottish Parliament’s responsibility for tax and spending decisions which promote sustainable economic growth. Increase the supply of skilled people for the Scottish economy</td>
<td>Increase sustainable economic growth and supply of skills</td>
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<td><strong>MAXIMISING SCOTLAND’S ASSETS</strong></td>
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<td>Begin construction of offshore wind, CCS, marine energy parks and new onshore and offshore grids, with Scottish supply chains</td>
<td>Meet 2020 renewable energy, climate change and green economy / ‘green-collar’ jobs targets. Transform every Scottish city into a low carbon city. Create low carbon zones around renewable power stations, CCS infrastructure and water resources to attract new industry to Scotland</td>
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<td>Phase out supplementary corporation tax on the North Sea oil and gas industry</td>
<td>UK oil and gas to supply 60% of the UK demand for oil and 25% of its gas. Establish Aberdeen as the world’s leading energy services hub</td>
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<td>Support the market-led roll-out of high-speed broadband with public funding for the areas where the market will not deliver. Establish Scotland as a first-choice location for green data centres and build outsourcing excellence within Scotland supported by technology</td>
<td>Full wire Scotland to high-speed broadband, and transform business practices to achieve world-leading productivity growth performance. Create new ‘distributed cities’ in the Highlands and Islands and southern Scotland</td>
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<td>Grow Scotland’s international air route network, including direct flights to China and India</td>
<td>Commence construction of high-speed rail in Scotland</td>
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<td><strong>REALISING THE POTENTIAL OF OUR PEOPLE</strong></td>
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<td>Independent review of university and college funding in Scotland to maintain international competitiveness</td>
<td>Focus more resources on centres of excellence</td>
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<td>Refocus innovation schemes, create a single Office of Higher Education Technology Transfer and ring-fence 0.5% of the procurement budget to stimulate innovation across the economy</td>
<td>Increase business R&amp;D to at least the UK average of 1.08% of GDP</td>
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<td>Deliver a transformational skills syllabus and prioritise places in STEM subjects</td>
<td>Maintain high employment levels and reduce economic inactivity, re/up-skill workforce and deliver skills for priority industries</td>
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