

Inclusive growth: What are we all talking about?

IPPR Scotland, Russell Gunson, August 2019

Inclusive growth: What are we all talking about?

IPPR Scotland

- Dedicated to researching public policy solutions across the full range of social policy
- Progressive think tank – economic growth and social justice
- Four years old in Scotland, 30 years old across the UK
- Independent, non-profit with charitable status
- Cross-party
- Neutral on the constitution

The largest think tank in Scotland and across the UK.

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Influential reports on:

- Income tax and devolved taxes
- Public finances and austerity
- Child poverty and inequality
- Schools, governance and attainment
- Fair access and widening participation
- The economy
- The future world of work
- The skills and post-16 education system

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Inclusive Growth in Scotland

What do we mean?

- Inclusive growth adopted by Scot Gov in 2015
- Used ubiquitously
- But blurry term and ill-defined

Unless we know what we're talking about...

...the words may change but the action probably won't

(and the outcomes won't?).

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Inclusive Growth origins

Inclusive growth originated from international development policy area.

- Distinct from 'trickle-down' economics – 1980s
- Distinct from 'third-way' economics – 1990s/2000s

Inclusive growth is about growth that **in and of itself** reduces inequalities.

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Inclusive Growth in Scotland context

For Scotland, we concluded there are **four key aspects** to Inclusive Growth:

1. Fair economy is a stronger economy
2. Narrowing equalities through strengthening economy
3. Inclusive growth aimed to benefit the least well-off the most
 - place-based an important means to this end
 - Equally, have to understand structural inequalities experienced by different groups.
4. Sustainability – environmentally and in terms of long-term structural, lasting change.

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Inclusive Growth policies?

1. 2030 child poverty targets
2. Fair Work agenda
3. Business pledge
4. Early years expansion
5. Attainment gap funding
6. Skills and enterprise reform
7. Fair Access to higher education

Forthcoming:

1. Scottish National Investment Bank
2. Infrastructure pledge?
3. Social Security devolution

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But is it all just words?

Strong evidence of intent but...

No evidence it has made a difference to people's lives (yet)

- Clear buy-in and understanding across government and beyond.
- But confusion as to what it means, and how best to deliver it.
- Not always a recognition that inclusive growth, by definition, means a change in approach.

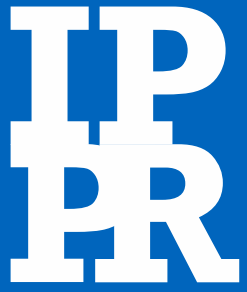
But even after only a few years, Inclusive Growth is unifying aim.

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How do we turn Inclusive Growth into reality?

Scale of ambition needs to match scale of the challenge

1. Need clearer definition, focused on reducing socio-economic inequalities, applied consistently
2. Further developing a social partnership approach
3. Focus economic strategy on 'everyday economy'
4. Better proof public spending against IG definition
5. Give the agenda teeth (for example tax system)
6. New networks needed for collaboration and culture change
7. Measurement and evaluation could improve



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