An Insight into the Scottish Economy

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1 Introduction

Call a thing immoral or ugly, soul-destroying or a degradation of man, a peril to the peace of the world or to the well-being of future generations: as long as you have not shown it to be ‘uneconomic’ you have not really questioned its right to exit, grow and prosper.

E. F. Schumacher: Small is Beautiful (1973) pt.1 ch.3

This paper aims to give a broad overview of the Scottish economy and a feeling for the difficulties of a newly-won partial independence from the British Parliament in London.

On May 12th, 1999 the Scottish Parliament, adjourned on March 25th, 1707 after the Union of Parliaments following the Union of the Crowns, was reconvened in Edinburgh. Scotland now has its own parliament and as a result, the power and responsibility to ensure a stable and continually prospering economy.

Although the Scottish Parliament has considerable economic powers, such as inward investment attraction and infrastructure provision, the important and macroeconomic powers still remain with the British Parliament, such as fiscal, economic and monetary policy, international trade, competition law and relations with the EU.\footnote{PeBo99} In spite of the numerous microeconomic powers conceded to the Scottish Parliament, the “real” power, however, still resides in London. Still, with the broad range of microeconomic powers now existing, Scotland can protect, regulate and look after the “inner-Scottish” economy. This may prove to be the greatest difficulty the new Parliament will have to solve.

The relative lack of detailed investigations into the Scottish economy and above all, the lack of correct and up-to-date figures and statistics has not only complicated studies on this work, but will also hamper Scottish economic policymaking according to Jeremy Peat and Stephen Boyle.\footnote{PeBo99 pp. 169+}  

Scotland’s economy has undergone a vast and mostly painful transformation from a predominantly rural society before 1750 to a mainly service-based economy in the late 1980s and 1990s with a time period of manufacturing peak and dependence thereof in-between. Thus, to fully understand the present economic situation, one must have in mind the rich economic past of Scotland.

For further information on some structural aspects of the Scottish economy, please consult the appendix for extra tables of statistic material, a list of tables and references.

I have to thank Andres Löh for his tireless support and his patience in answering my questions concerning \LaTeX.\footnote{PeBo99 p. 157}

\footnote{PeBo99} pp. 169+. 

2
2 Scotland’s Economic History

The chief enjoyment of riches consists in the parade of riches
Adam Smith: *Wealth of Nations* (1776) bk.1 ch.11

2.1 Pre-Industrial Age

Farming was predominant. In contrast to the rich arable farmland of the Scottish Lowlands, the Highlands offered more possibilities for pastoral farming. It is clear that the Highlands tried to grow as much grain as they could, but were in constant need to import more.\(^3\) Small crofts were common here. Crofts are small patches of land on which the owner sustains himself and his family with great difficulty. But the uplands were far from being self-sufficient. Especially on the islands, Shetland and the Hebrides, fishing is widely used to balance the poor farming conditions.

Following the Unification of the Crowns in 1603 and the resulting pacification of the borders, peace and growth led to slowly increasing prosperity. Cattle and livestock farming began to bring profits and landowners started the first basic industries.

These improvements to the lifestyle were, however, only visible in the Lowlands. In the Highlands, hardly any changes were present. Nevertheless, according to I. D. Whyte these slow changes should not be underestimated:

"In the economic climate of their time they represented a notable break with the past [ . . . ]\(^4\)"

Brewing and distilleries were of such small scale that nearly everything was consumed inside the country. Fishing and forestry added to the local agriculture. Textiles were also present and with the beginnings of the basic industries these developed rapidly.

2.2 The Early Industrial Age (1750-1914)

Abundant supplies in coal, ironstone and limestone made Scotland a favorable location for the ongoing Industrial Revolution. British technology and know-how sparked the juggernaut of industrialization in Scotland.

**Textile industries** developed in nearly every village, landowners investing in new factory-based mills that returned fortunes to their owners. The strategic situation of Scotland to America provided another advantage: cotton was easily imported. Cotton imports expanded by +700% from 1778-1788 and by further +500% from 1788-1801. The successes of the linen and wool factories on the east coast were overshadowed by the cotton industry in the west.

\(^3\)[BrLe77] p. 17  
\(^4\)[WhWh83] p. 127
Table 1: Growth of Scottish pig-iron production (1796 – 1870)

<table>
<thead>
<tr>
<th>Year</th>
<th>N° of furnaces</th>
<th>% change</th>
<th>Production (tons)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1796</td>
<td>21</td>
<td></td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td>1830</td>
<td>27</td>
<td>+29</td>
<td>40,000</td>
<td>+150</td>
</tr>
<tr>
<td>1840</td>
<td>70</td>
<td>+159</td>
<td>241,000</td>
<td>+503</td>
</tr>
<tr>
<td>1850</td>
<td>143</td>
<td>+104</td>
<td>630,000</td>
<td>+161</td>
</tr>
<tr>
<td>1860</td>
<td>171</td>
<td>+20</td>
<td>1,000,000</td>
<td>+59</td>
</tr>
<tr>
<td>1870</td>
<td>156</td>
<td>-9</td>
<td>1,206,000</td>
<td>+21</td>
</tr>
</tbody>
</table>

Coal was not only used for steam energy, but also for refining pig-iron (the first textile mills rarely used steam power but water mills instead). Until 1800, the domestic use of coal (e.g. heating) was still well over 50%. But this changed with the growth of the iron and connected industries (railroad and shipbuilding) and the increasing demand of coal for steam-driven trains and ships. By 1830, the metal industries took over the leading position from the cotton industries. The Scottish pig-iron, however, lacked an important chemical to turn it into high-quality iron. Therefore, it had to be imported from other regions and mixed with the Scottish pig-iron to obtain quality steel. Table 1 illustrates the initial boom of the Scottish iron industry. The exorbitant boom only occurred after 1830.

After the 1830s Scottish products faced stiffer competition on the foreign markets as the United States and Germany were by now fully industrialized and looking for markets for their goods. With the American Civil War, cotton imports deteriorated drastically and import prices rose. The textile industry suffered major crises. Coal and steel became the leading industry sectors until by 1870 the Shipbuilding, steelmaking and marine engineering industries took over.

In 1913 the 39 Clydeside shipyards launched a record 756,976 tons of shipping. From 1870 to 1914 approximately one-third of the total British shipyard production originated in Scotland. In the peak year 1913, it was nearly one-fifth of the world tonnage. Evidently, in this time, shipbuilding was the chief growth point of Scottish economy. Scotland was by that time the leading open-hearth steel district in Britain.

2.3 Modern Industrial Age and Recession (1914-1980)

Table 2 shows the changes in the different employment categories in 1907 and 1976. It is interesting to see the textile sector’s importance nearly reaching

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5 [WhWh83] p. 175
6 [WhWh83] p. 179
7 [WhWh83] p. 182
Table 2: Employment by major manufacturing categories in 1907 and 1976 (in rank order)

<table>
<thead>
<tr>
<th>1907</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron and steel, engineering &amp; shipbuilding</td>
<td>230,691</td>
</tr>
<tr>
<td>Textiles, clothing, leather and canvas</td>
<td>223,291</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>130,557</td>
</tr>
<tr>
<td>Building, clay &amp; stone</td>
<td>80,557</td>
</tr>
<tr>
<td>Food &amp; drink</td>
<td>70,968</td>
</tr>
<tr>
<td>Paper &amp; printing</td>
<td>44,440</td>
</tr>
<tr>
<td>Timber</td>
<td>34,480</td>
</tr>
<tr>
<td>Public utilities</td>
<td>29,395</td>
</tr>
<tr>
<td>Chemicals</td>
<td>9,274</td>
</tr>
<tr>
<td>Other metal trades</td>
<td>5,555</td>
</tr>
</tbody>
</table>

zero and at the same time the metal manufacture staying at its level and even increasing. Mining decreased drastically.

The heavy industries were so closely interlinked and interwoven that neither could exist without the other. This extreme dependency made all sectors vulnerable to a recession occurring in only one.

By 1913, there had grown up in Scotland a collection of interrelated activities employing over a third of a million men, or a quarter of the total labour force: some 150,000 in coal, 100,000 in metal manufacture, 75,000 in mechanical engineering and 50,000 in shipbuilding, whose future prospects were dependent upon the vagaries of the export market and the course of international trade, particularly within the Empire.8

The world-wide recession that followed WW I threw Scottish industry into a complete and utterly disastrous situation. With world-wide demand nearly falling to zero and inefficient plants with high costs of production, Scotland’s economy was in desperate need of modernization. World-wide industrialization had eroded markets, Scotland could not produce the demanded type of high-quality steel, electricity further reduced the demand for steam and coal. All export-orientated industries slumped, with only one exception: the whisky

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8[DeFi96] p. 16
sector. Exports here gradually increased and became an important industry branch. Still today, the food and drink sector in Scotland is larger than average, mainly due to the whisky exports.

On the eve of WW II, the Scottish economy was little different from what it had been just before WW I. Rearmament now made the major contribution to recovery.\footnote{[DeFi96] p. 19} But, on the other hand it prevented the economy from adapting to new products and investing in new innovative technologies. It only locked the heavy industries firmer into Scotland’s economy.

After WW II, by the end of the 1950s, changes had to come in the heavy industry. The flaws of this sector were too obvious by now and the government turned off the life-support system of public ownership.\footnote{[DeFi96] p. 22} This continuous flow of tax-money had kept the industries alive up to this time. Exposed to the forces of a free market, most Scottish firms died out quickly and room was made for new, future-orientated industries.

With government aid an attempt was made towards diversification. Foreign-owned light industries were attracted and had considerable success in Central Scotland and the New Towns. These New Towns were especially constructed from the scrap after the war to move population away from the densely populated areas and to attract new firms by offering new possibilities, good infrastructure and space for the workers. Foreign multinational firms, mainly from the USA, entered the market, looking for an entry into the European market. Building up branch factories in Scotland circumvented European tariffs and guaranteed the steady rise in employment and importance. Japanese and US electronics firms opened branch factories and brought new jobs.

The service sector grew immensely, in particular the public services. The advantages of services are that they are only dependent on the economic health of the domestic market and so granted relative stability.

Steelworking and heavy industry have gradually moved into the economic past, making room for light industries, especially electronics, and services. Other manufacturing sub-sectors still matter, with whisky being the shining star. However, in the 1960s a major discovery was made that was thought would change the economic life of Scotland: the North Sea Oil.

### 2.4 North Sea Oil

With the discovery of North Sea Oil in 1969, it was hoped that this would bring the long-anticipated stimulus to the sluggish Scottish economy. But this over-optimistic view had to make way for a more realistic estimate of the situation in the late 1970s.

When the oil was discovered, there were no major Scottish companies and virtually no infrastructure for the extraction. By the time Scottish firms had been established, they could no longer compete with the foreign, multinational oil and gas companies with vast amounts of capital and expertise.
Scottish industry simply did not understand the oil and gas industry or its requirements until the opportunity presented by the North Sea had already been lost and foreign companies were firmly entrenched. [...] nor can the oil and gas companies be faulted for utilising their traditional international infrastructure to exploit the discoveries in the North Sea. In the volatile international market, they simply could not afford the luxury of waiting for a suitable infrastructure to develop in Scotland.\textsuperscript{11}

The entry opportunity to the North Sea oil riches was only a very small one and the Scottish economy was not yet ready for it. On top of that, the British government needed money urgently and quickly to even out the worsening balance of trade.\textsuperscript{12} The government forfeited its chance of British / Scottish economic development in the North Sea by attracting multinationals and insisting on rapid development. Peter L. Payne\textsuperscript{13} quotes Pike, who believes that [...] a policy of slower, more closely controlled development, similar to that adopted by Norway, could have boosted Scottish content significantly.\textsuperscript{14}

Scottish firms did eventually develop. However in the mid 1980s Saudi Arabia left the OPEC cartel and sold more oil. As a result, the oil prices fell from a peak of nearly 80\$ per barrel to barely 20\$. Profits fell drastically, no new firm had incentives to enter a market that couldn’t even offer profits to the firms already inside and with extensive capital to back them up.

As a result, the Scottish economy did not benefit as much as hoped for from the North Sea oil impact. The profits of the multinationals did not stay in Scotland, but instead went to shareholders in the different countries.

\textsuperscript{11}[DeFi96] p. 31
\textsuperscript{12}[ChHa94] pp. 284+.
\textsuperscript{13}[DeFi96] p. 31
\textsuperscript{14}Pike, Thesis, pp. 284, 286; see also: Harris et al., Impact of Oil, pp. 29, 67-68, 120.
3 Scotland’s Present Economy

And even when a society has got upon the right track for the discovery of the natural laws of movement – and it is the ultimate aim of this work, to lay bare the economic law of motion of modern society – it can neither clear by bold steps, nor remove by legal enactments, the obstacles offered by the successive phases of its normal development, but it can shorten and lessen the birth-pangs

Karl Marx: *Das Kapital* (1867), preface

3.1 Primary Sector (Agriculture, Forestry and Fishing)

Agriculture is at a slightly higher-than-average level in comparison to other western European countries. It is still important outside the industrial belt (“Silicon Glen”) and in rural areas. Agricultural land is declining, but output has steadily increased. Dairy farming is more common in areas of higher rainfall and near to the population centers. Arable farms are seen mostly on the fertile soils of the east.

Forestry is a major industry in the rural areas, using 13% of the land area in 1986.\textsuperscript{15} It provides the raw material for the Scottish pulp and paper plants.

Fishing has declined drastically; the EU limits the amount of fish to be caught. Fish farms have recently been introduced in which salmon is generally bred for export.

3.2 Secondary Sector (Manufacturing and Construction)

As already discussed, the golden age of mining and heavy industry is over. Although the coal and steel industries are mostly extinct, the manufacturing share of Scotland’s GDP is quite large in comparison to the rest of the UK. Light industries have taken over, and with the whisky sector still growing strongly. The relatively high share of manufacturing to the GDP is not unknown in other western countries. Germany’s manufacturing share for example exceeds 30%.

Whisky accounts for over a fifth of the Scottish export earnings and 12.4% of the total manufacture exports\textsuperscript{16} and is probably one of the most well-known Scottish products. The overall percentage of whisky as a manufacture export good has fallen from some 20% to 12% today: computer and electronics industries have taken over a grand share. Japanese, European and US firms producing in Scotland and exporting to the EU are the reason for this. The (mostly foreign-owned) electronics industry, as already mentioned before, accounts for the major share of the Scottish manufacturing sector.

High-quality textiles are produced and exported. Luxury textiles such as Cashmere, pure wool and finest fabrics produced in Scotland are export stars. Interestingly enough, they cannot be afforded by the majority of the population.

\textsuperscript{15}[ScOf88] p. 28
\textsuperscript{16}[PeBo99] p. 40
Of Scotland’s total exports of £39.8 million in 1995 slightly more than half were destined for the rest of UK (52% or £20.7 million).\textsuperscript{17}

3.3 Tertiary Sector (Services, Public Administration)

The service sector, as in every modern, developed economy, is the largest sector in terms of employment and percentage of GDP. However, the Scottish service sector is still relatively small (63% of GDP compared to 68% for the rest of UK).

Scotland’s banking and finance sector has seen a considerable boom in recent years. With the old system, centering around the \textit{The Royal Bank Of Scotland}, the few existing banks had a quasi-monopolizing regime. By now estate funds, building societies and other private banks have entered the market and as a result, prices are falling sharply. Scotland, especially Edinburgh, has positioned itself fourth in the European league for finance, after London, Paris and Frankfurt. Many funds are managed by Scots\textsuperscript{18}. The banking and finance sector not only consists of banks and insurance companies, but also of accounting, legal, architectural and computer-related services.

Hotels, catering and tourism are now a big part of the sector. Scotland offers an excellent background for tourism, beautiful scenery, culture, history and sports. The rich culture and history attracts tourists as well as sporting facilities. Golfers all around the world play by the rules of the “Royal and Ancient Golf Course”, situated near St. Andrews. The problems are mainly the bad weather conditions and if the weather is bad, there are not enough “things to do”. The majority of tourists come from the rest of the UK, only few from abroad.\textsuperscript{19}

3.4 Employment and Unemployment

Employment – and especially unemployment – is what most people think the economy is all about. Although this it not true, it is certainly one of the main aspects and by seeing the unemployment numbers, one can clearly note the differences from one period to the next. But, unemployment rates tend to lag behind the economic health and output. If output rises, firms will only employ more workers \textit{after} their respective output has risen and only \textit{after} an increase of demand. Please consult table 3 for the distribution of Scottish Employment by sector in 1996.\textsuperscript{20}

A total of 2.3 million people were employed in Scotland in Spring of 1998. In other words, this is an unemployment rate of just under 6%, or some 110,000 men and another 32,00 women out of work.\textsuperscript{21} Of the employed, just over half

\begin{footnotesize}
\textsuperscript{17}[PeBo99] p. 38  \\
\textsuperscript{18}see Table 6, App. p. ii  \\
\textsuperscript{19}1987 estimate: 13.4 million domestic and 1.4 million overseas tourists [ScOf88] p. 31  \\
\textsuperscript{20}[PeBo99] p. 119  \\
\textsuperscript{21}[PeBo99] pp. 26, 35
\end{footnotesize}
Table 3: Scottish Employment by sector in 1996

<table>
<thead>
<tr>
<th>% share</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.7</td>
<td>Agriculture, hunting, forestry and fishing</td>
</tr>
<tr>
<td>1.2</td>
<td>Mining, quarrying incl. oil &amp; gas extraction</td>
</tr>
<tr>
<td>15.6</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>1.6</td>
<td>Electricity, gas, water</td>
</tr>
<tr>
<td>5.6</td>
<td>Construction</td>
</tr>
<tr>
<td>22.9</td>
<td>Distribution, hotels &amp; catering: repairs</td>
</tr>
<tr>
<td>5.2</td>
<td>Transport, storage, communication</td>
</tr>
<tr>
<td>13.9</td>
<td>Financial &amp; business services, etc.</td>
</tr>
<tr>
<td>7.1</td>
<td>Public administration &amp; defence</td>
</tr>
<tr>
<td>21.1</td>
<td>Education, social work &amp; health services</td>
</tr>
<tr>
<td>4.7</td>
<td>Other services</td>
</tr>
</tbody>
</table>

were women. The trend towards women employment has increased over the years. In 1981 women only made up 44% of the total workforce, in contrast to just over 50% today. These numbers may sound good, but they conceal the truth. A large number of these women are employed on a part-time basis and therefore do not have the same amount of output as a full-time employee. On the other hand, part-time jobs do not necessarily have to be negative, as they fit into many employee’s time schedule.

The growth of the service sector has created many part-time jobs offered to women. If one takes a look at the percentage of men and women employed per sector, it is evident that women are heavily outnumbered by men in agriculture, energy and water, manufacturing, construction as well as in transport and communication. In each, a total of over 75% men are employed. A higher percentage of women can be found in all the service sectors. They outnumber men in the sectors hotels and restaurants, banking and finance and even more in public administration, education and health.\(^{22}\) Of course, these statistics do not tell us in what position men or women actually work.

In general, the higher the educational level, the lower the number of long-time unemployed. University graduates, although making up a total of 10% of the unemployed, are only 3% of those out of work for more than a year. Those without even an equivalent of a Standard Grade account for 40% of the total unemployed and 55% of the long-term unemployed.\(^{23}\)

All in all, the level of unemployment in Scotland is still quite high, but small in comparison to the dramas of the mid-1980s with an unemployment rate of nearly 15%.

\(^{22}\)[PeBo99] p. 33
\(^{23}\)[PeBo99] pp. 109-110
4 Scotland’s Economic Future

There are two problems in my life: The political ones are insoluble and the economic ones incomprehensible.
Sir Alec Douglas-Home, Speech 1964

Foreseeing the future is nearly impossible, but one can analyze trends and try to predict generalities.

The primary sector will not provide the Scottish economy with new impulses. The importance of this sector has declined over the years and there is no sign, and no reason for this to change.

In the secondary sector at the moment only whisky seems to have a future. The probably most well-known of Scottish products is likely to keep its leading position and its share of Scottish exports.

As in all other developed economies, much hope is placed in the tertiary sector. Scotland still has potential here waiting to be exploited.

One problem is the small amount of new firms in Scotland. To have the same rate of new business set-ups as in the rest of the United Kingdom, Scotland would have to increase the current rate by over 50%. Without the set-ups the Scottish economy may eventually “overage”, no new firms with fresh ideas enter the market, that is left only to the old and cumbersome companies.

A strong financial sector will bring new impetus to the Scottish economy. World-wide financial markets have gained enormous importance and seen exorbitant growth rates. Scotland has a firm place in the financial markets and their share has increased over the years. Their importance cannot be denied and Scotland has a reputation bonus in finances it can exploit.

Tourism is the next sector that will probably have a shining future. Scotland has many advantages to offer tourists, but Scotland will have to be aware of the difficulties. Too much tourism will ruin the ecology and countryside, Scotland’s most valuable asset. Finding the balance here may prove difficult.

North Sea Oil is a special case as it may still hold potential for the Scottish economy. The initial euphoria has ended, but there is no need to forget the riches under the sea. Production costs have sunk drastically in the past few years. Oil prices today are much lower than thought to be profitable in the early days of the North Sea oil industry and still the firms continue with their offshore oil extraction. Oil companies have tried to lower costs more and more, to stay competitive in a difficult market.

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24 see Table 6, App. p. ii
5  Appendix

Table 4: The Structure of the Scottish economy, by distribution of Employment by Sector 1901-1990

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture, Forestry and Fishing</td>
<td>12.0</td>
<td>9.9</td>
<td>8.9</td>
<td>7.4</td>
<td>4.1</td>
<td>2.2</td>
<td>1.5</td>
</tr>
<tr>
<td>2. Energy and Water Supply</td>
<td>6.8</td>
<td>9.0</td>
<td>7.3</td>
<td>5.7</td>
<td>3.0</td>
<td>3.7</td>
<td>3.1</td>
</tr>
<tr>
<td>3. Metals, Minerals and Chemicals</td>
<td>3.6</td>
<td>5.6</td>
<td>4.9</td>
<td>5.6</td>
<td>4.8</td>
<td>3.3</td>
<td>2.4</td>
</tr>
<tr>
<td>4. Metal goods, Engineering, Vehicles</td>
<td>8.0</td>
<td>13.0</td>
<td>9.6</td>
<td>12.6</td>
<td>13.0</td>
<td>10.6</td>
<td>8.5</td>
</tr>
<tr>
<td>5. Other Manufacturing</td>
<td>21.7</td>
<td>19.0</td>
<td>18.6</td>
<td>16.9</td>
<td>14.3</td>
<td>11.3</td>
<td>10.3</td>
</tr>
<tr>
<td>6. Construction</td>
<td>7.4</td>
<td>3.1</td>
<td>4.5</td>
<td>6.9</td>
<td>8.2</td>
<td>7.0</td>
<td>6.0</td>
</tr>
<tr>
<td>7. Distribution, Hotels, Catering</td>
<td>7.7</td>
<td>12.0</td>
<td>14.9</td>
<td>12.4</td>
<td>12.8</td>
<td>19.3</td>
<td>19.4</td>
</tr>
<tr>
<td>8. Transport / Communication</td>
<td>7.7</td>
<td>7.2</td>
<td>8.0</td>
<td>8.2</td>
<td>6.7</td>
<td>6.3</td>
<td>5.8</td>
</tr>
<tr>
<td>9. Banking, Finance, Insurance, Business Services, Leasing</td>
<td>0.9</td>
<td>1.4</td>
<td>1.5</td>
<td>1.5</td>
<td>2.9</td>
<td>6.5</td>
<td>9.0</td>
</tr>
<tr>
<td>10. Public Administration and other services</td>
<td>17.0</td>
<td>19.7</td>
<td>20.3</td>
<td>22.6</td>
<td>29.8</td>
<td>29.7</td>
<td>34.1</td>
</tr>
<tr>
<td>11. Not Classified</td>
<td>7.3</td>
<td>–</td>
<td>1.5</td>
<td>0.1</td>
<td>0.4</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Table 5: The Structure of the Scottish Economy, in % Share to Total GDP 1963-1988

<table>
<thead>
<tr>
<th>Year</th>
<th>Agricult.</th>
<th>Manufact.</th>
<th>Services</th>
<th>Energy &amp; Water</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963</td>
<td>5.34</td>
<td>30.63</td>
<td>50.00</td>
<td>3.13</td>
<td>7.63</td>
</tr>
<tr>
<td>1973</td>
<td>5.07</td>
<td>30.61</td>
<td>50.90</td>
<td>5.03</td>
<td>8.83</td>
</tr>
<tr>
<td>1979</td>
<td>3.35</td>
<td>28.53</td>
<td>54.60</td>
<td>5.55</td>
<td>7.99</td>
</tr>
<tr>
<td>1988</td>
<td>2.69</td>
<td>21.93</td>
<td>62.70</td>
<td>5.09</td>
<td>7.57</td>
</tr>
</tbody>
</table>

(*) The figures in brackets for 1988 are comparable proportions of GDP for the United Kingdom as a whole, though their compilation may not be consistent with that employed for Scotland

26[DeFi96] p. 14
28[DeFi96] p. 25
Table 6: Funds under Scottish management (£bn)\textsuperscript{30}

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Scottish-based specialist fund managers</td>
<td>11.3</td>
<td>20.3</td>
<td>25.9</td>
<td>35.7</td>
<td>41.3</td>
<td>44.2</td>
<td>41.7</td>
</tr>
<tr>
<td>Scottish life offices</td>
<td>22.7</td>
<td>36.6</td>
<td>61.6</td>
<td>73.3</td>
<td>95.1</td>
<td>110.0</td>
<td>120.0</td>
</tr>
</tbody>
</table>

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\textsuperscript{30}[PeBo99] p. 131