

THE SIGNIFICANCE OF REGIONAL POLICY TO SCOTTISH ECONOMY

GERALD MUNYORO

Graduate Business School, School of Entrepreneurship and Business Sciences

Chinhoyi University of Technology, Chinhoyi, Zimbabwe

Department of Economics, School of Business, Dundee University, Dundee, Central Lowlands, Scotland, Scotland

ABSTRACT

The focus of this study is to examine the significance of regional policy to Scottish economy because, Scotland is experiencing unprecedented levels of redundancy and unemployment, in many parts of the country – including, most surprisingly, the cities of Glasgow and Edinburgh - despite the fact that, for many decades they have been seen as the backbone of the Scottish economy. Poor performance by Scottish regions is blamed mainly on the collapse of the traditional basic industries, such as shipbuilding and heavy industry in cities, and a lack of investment in rural-based regions. Therefore, the region is now being seen as the appropriate level, for formulating strategies to improve business competitiveness and create employment and for that reason, such policies are principally aimed at reducing unemployment in areas, where it is persistently high and industrial clusters are seen as a constituent of the solution, to this problem. The introduction of industrial clustering strategy will enhance the promotion of innovation, as well as the performance of individual companies for the reason that, innovation is of significance not only for increasing the wealth of nations in the narrow sense of increasing prosperity, but also in the more fundamental sense of enabling people to do things, which have never been done before. For this reason, it is essential to identify a set of industrial clusters, that can be used to resuscitate the Scottish economy.

KEYWORDS: Scottish Economy, Regional Policy, Economic Growth, European Union, European Market, Deindustrialisation