

MEETING WITH PROFESSOR STIGLITZ

RECENT ENGAGEMENTS, AND WORK OF THE COUNCIL OF ECONOMIC ADVISERS

Recent Engagement with Professor Stiglitz

- Professor Stiglitz regularly engages with the Chief Economist. The most recent engagement took place on 29 March 2017, when Professor Stiglitz had a phone-call with Gary Gillespie (Chief Economist) last Wednesday. They discussed the following items:
 - Scottish Government's response to EU referendum result. Following the call, Professor Stiglitz was sent 'Scotland's Place in Europe'.
 - Potential further topics for discussion during today's meeting, including potential developments around currency policy and how to undertake a well-managed transition. Particularly relating to on-going currency union and institutional architecture to support alternatives reported.
- Professor Stiglitz has also been an important facilitator of the Scottish Government's engagement with bodies such as the OECD, particularly around inclusive growth.

Current CEA work-streams

- The Council's current remit is been to advise the Scottish Government on the two central themes of Scotland's Economic Strategy: boosting competitiveness and tackling inequality in Scotland.
- The **Council's areas of focus** are currently grouped on the following areas:
 - The **Economic Impacts of Brexit** on Scotland;
 - **Inclusive Growth**, in particular development of the Scottish Government's approach to developing inclusive growth policy and analysis;
 - Advice on the Scottish Government's approach to **Innovation and industrial policy**;
 - Fiscal matters, specifically on the **Additional Rate of income tax**.
- Prior to last year's election, the Council also considered broader measures of economic progress, related to the SES ambitions around Productivity, Inequality, Wellbeing and Sustainability [This is an area of interest to Professor Stiglitz, in light of his previous work on alternatives to GDP, and his current engagement with the Wellbeing 7 initiative.]

CEA meeting, January 2017

- The last formal meeting with the Council took place on 26-27 January 2017. Papers were circulated to Professor Stiglitz in advance, along with other Council members.
- The main items discussed were:

- The Scottish Government's approach in response to the EU referendum result, as articulated through ***Scotland's Place in Europe***;
- **Patient Capital and National Investment Banks**, with particular focus on a development bank for Scotland, in a discussion led by Professor Mazzucato. [Following this, Council members offered to provide an independent submission to the UK consultation on industrial policy on this issue];
- Scotland's broad approach to **industrial policy**, in light of the UK Green Paper on industrial strategy;
- Progress with the **Enterprise and Skills Review**;
- Discussion of the analysis underpinning the **Additional Rate of income tax**, with a view to informing the Council's workstream on this.
- Updates on **developments with Scotland's economy**, and progress on **inclusive growth**.
- Council members subsequently had a conference call with the Chief Economist on 6th March. This focused on the Additional Rate workstream, and the Council's draft response to the UK Industrial Strategy consultation.

Upcoming CEA Engagements

- Professor Stiglitz may be in Edinburgh in August to speak at the Book Festival. Officials are looking to arrange a special session of the CEA to coincide with this, if Professor Stiglitz is available to attend.
- Professor Stiglitz may also be in Scotland on 17-19 October, attending the Officials will look to engage with Professor Stiglitz on this around a potential CEA session, and around the possibility of his attending and speaking at the Inclusive Growth conference.