- Where did the idea for this talk come from?
- Scotland's economic geography has changed quite substantially.
- Edinburgh is central — but this isn't just an Edinburgh story.
- Particular focus today on what this means for East Lothian.

Has the economic centre of gravity in Scotland been shifting eastwards — and, if it has, where does East Lothian fit into that story?

An introduction to the FAI

Who are we?

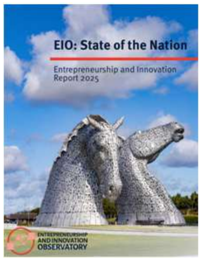
- The Fraser of Allander Institute is **Scotland's leading independent economic research institute**, based at the University of Strathclyde in Glasgow
- Established in **1975** and celebrating more than 50 years of economic analysis
- Research focused particularly on the **Scottish economy and public policy**
- Produce regular **economic commentary, forecasts and analysis**
- Work with businesses, government, charities and other organisations on **commissioned research**
- Aim to make economic evidence **accessible to policymakers, businesses and the wider public**

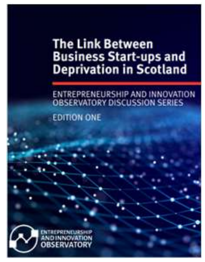
- Independent economic research institute at Strathclyde.
- Established 1975 — more than 50 years.
- Scottish economy/public policy is our bread and butter.
- Forecasting + commentary + commissioned research.
- Translating complicated economics/data into something useful.

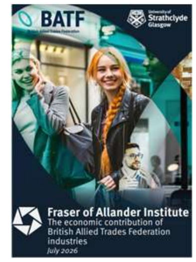
My journey to the FAI

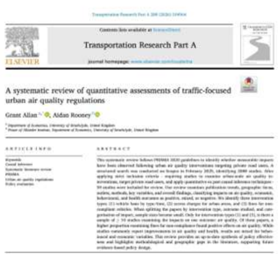
- BA (Hons) International Business with Economics, University of Strathclyde, 2019-2023
- MSc Applied Economics, University of Strathclyde, 2023-2024
- Started working at the FAI upon completion of my master’s, November 2024
- Began my PhD in Sports Economics, University of Strathclyde, October 2025

Other projects








Transportation Research Part A

A systematic review of quantitative assessments of traffic-focused urban air quality regulations

Grant Allan, Aidan Rooney

The economic rise of the East

UNIVERSITY of STRATHCLYDE FRASER OF ALLANDER INSTITUTE

What we're saying Work with us About us

Published: October 28, 2019 | Scottish Economy

The economic rise of the east: Scotland's powerhouse region

The shifting balance of economic activity from west to east is leading to fundamental structural shifts in our economy.

BUSINESS HQ MONTHLY

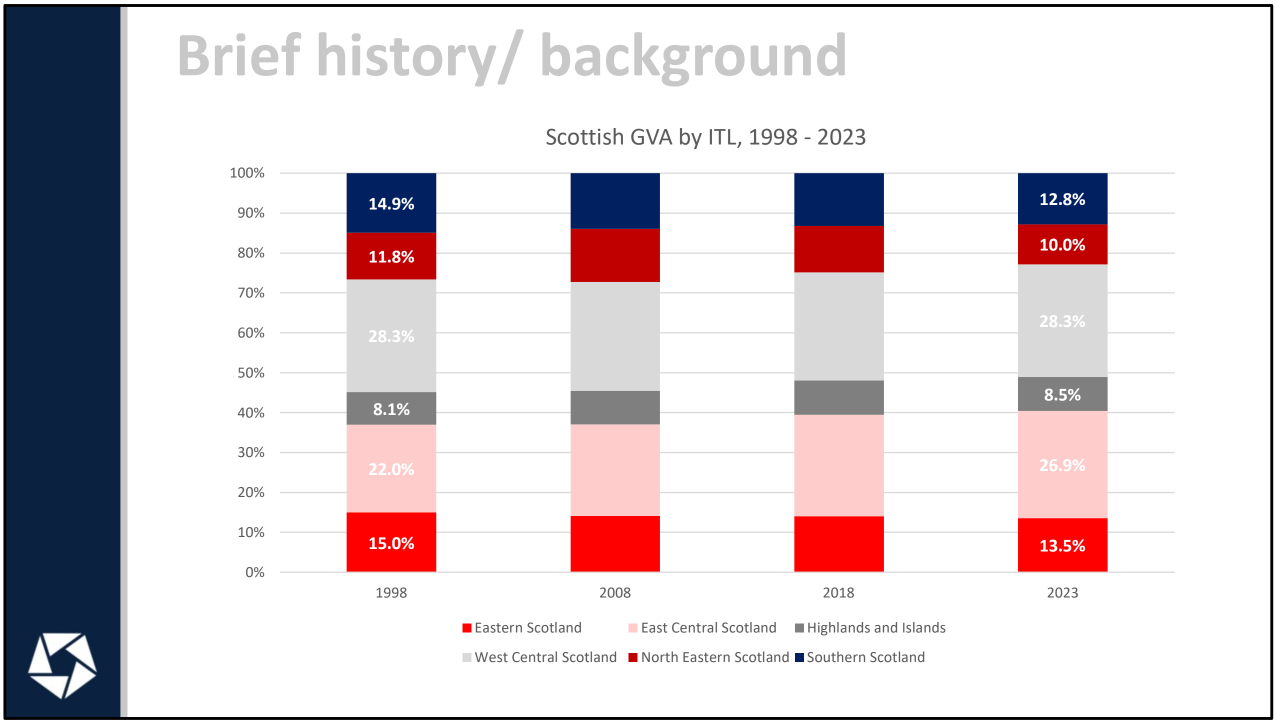
The Edinburgh Edition - all articles

Edinburgh is the focus of our latest edition of Business HQ Monthly, in which we put the spotlight on the major issues facing the Scottish capital, and take deep dives into the city's economy and vital sectors.

In our Business HQ Monthly The **Edinburgh** Edition, we feature some of the players on Edinburgh's business scene, including entrepreneurs and the chiefs of well-known enterprises in the industrial and **hotel** sector, as we bring the city's story to life.

In this month's big read, Scott Wright analyses what has been happening in **Edinburgh**'s tourism sector; whist I take a look at Edinburgh's crucial financial sector, which I note has in recent decades seen seismic shifts and ultimately the loss of two major banking headquarters to London.

We'll also have contributions from The Herald's own Kristy Dorsey and Brian Donnelly, as well as entrepreneur Antoinette Fionda-Douglas and Aidan Rooney, assistant economist at the **University of Strathclyde**'s Fraser of Allander Institute.



- Historically: Glasgow/West — industry, manufacturing, population.
- Aberdeen/North East — oil and gas.
- Edinburgh — finance, government, professional services.
- Deindustrialisation + decline of some traditional strengths.
- Growth of services, knowledge-intensive industries and Edinburgh.
- Has Scotland's economic centre of gravity shifted?

What do I mean by the "rise of the East"?

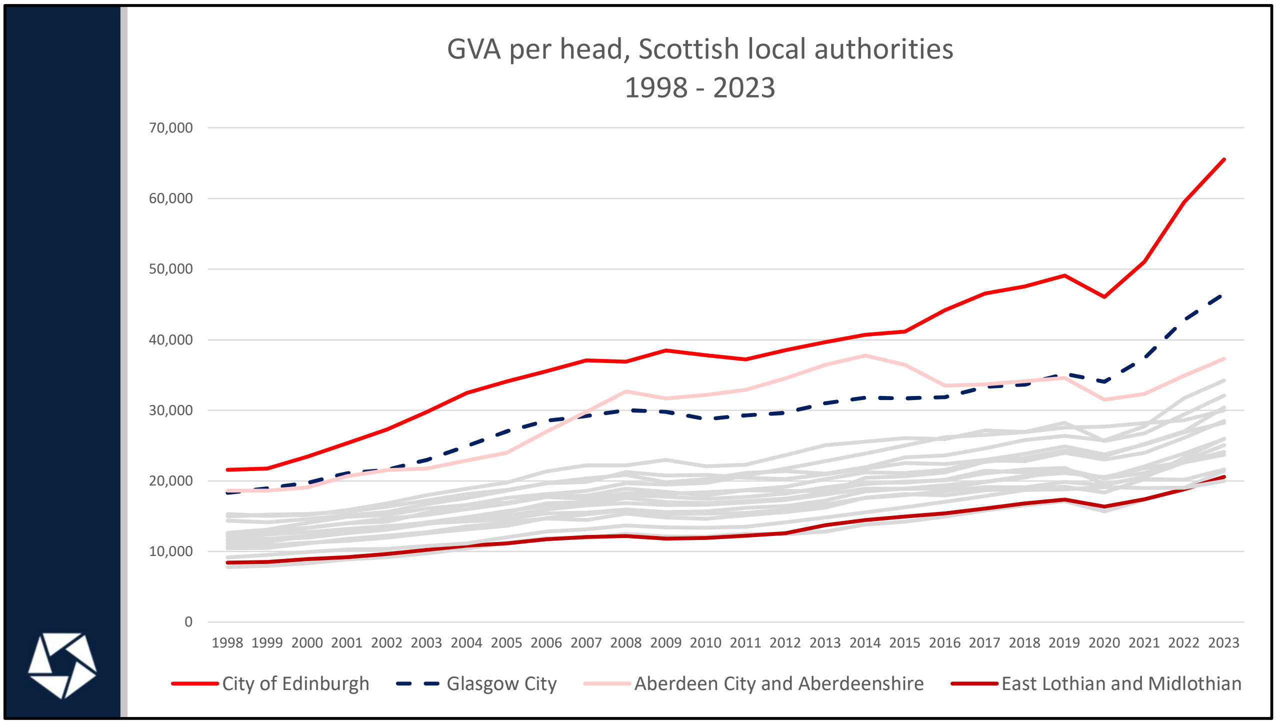
- Economic activity has become increasingly concentrated around Edinburgh and the wider Lothians
- Edinburgh has pulled further ahead on productivity and high-value employment
- The surrounding Lothians are among Scotland's fastest-growing areas for jobs and population
- But Edinburgh and the Lothians play different economic roles
- That success is creating new pressures - particularly around housing and infrastructure

When I talk about the economic rise of the East, I don't mean that every part of eastern Scotland is outperforming every part of western Scotland on every measure.

What I really mean is that the centre of gravity of the Scottish economy has increasingly shifted towards Edinburgh and the wider Lothian region.

And there are two slightly different stories within that. Edinburgh is increasingly Scotland's high-productivity, high-skilled economic core. The surrounding Lothians — including East Lothian — are benefiting from and contributing to that success through population growth, employment growth and their connection to the wider Edinburgh labour market.

Productivity

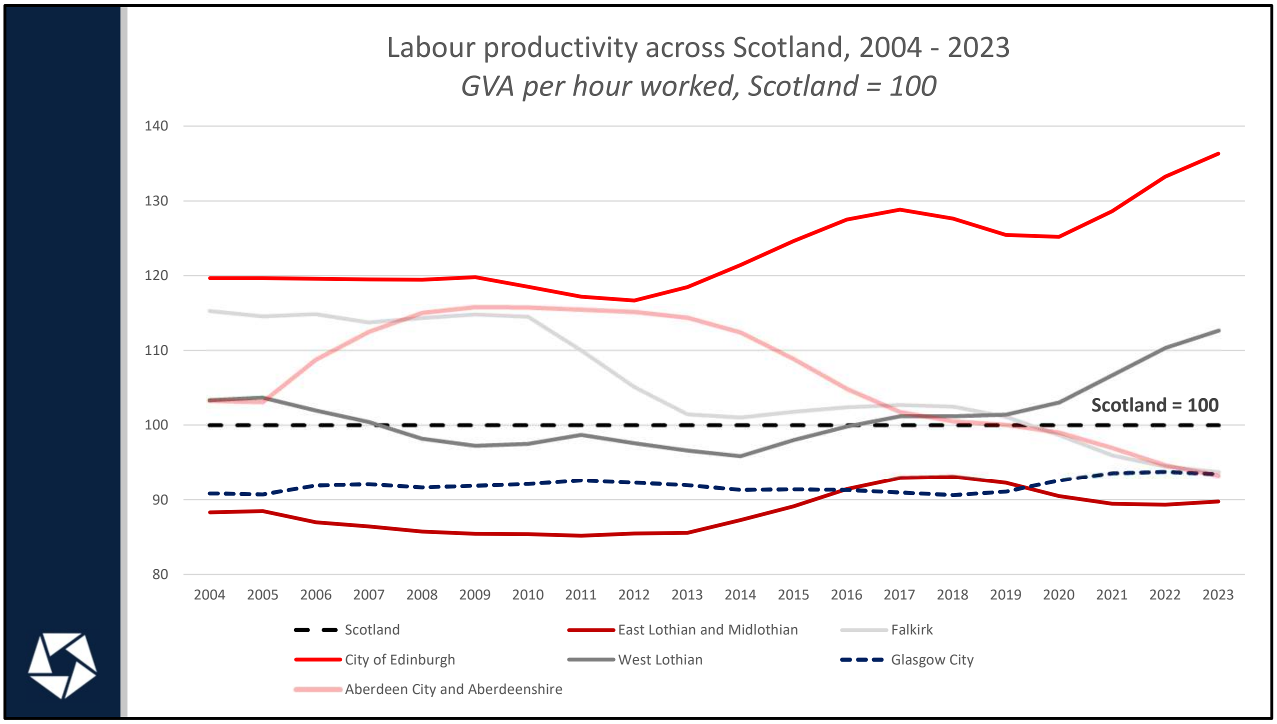


This is probably the most dramatic illustration of Edinburgh's economic position.

But there's an important caveat. GVA per head is output produced in an area divided by the population living there. It isn't quite the same thing as saying the average Edinburgh resident produces £65,000 of output.

Edinburgh attracts large numbers of commuters from surrounding areas — including East Lothian — who produce output in Edinburgh but are counted as residents somewhere else.

So GVA per head can exaggerate the productivity advantage of a major employment centre. That is precisely why the next chart matters.



Once we measure productivity per hour worked, the Edinburgh story doesn't disappear. In fact, it becomes even more striking.

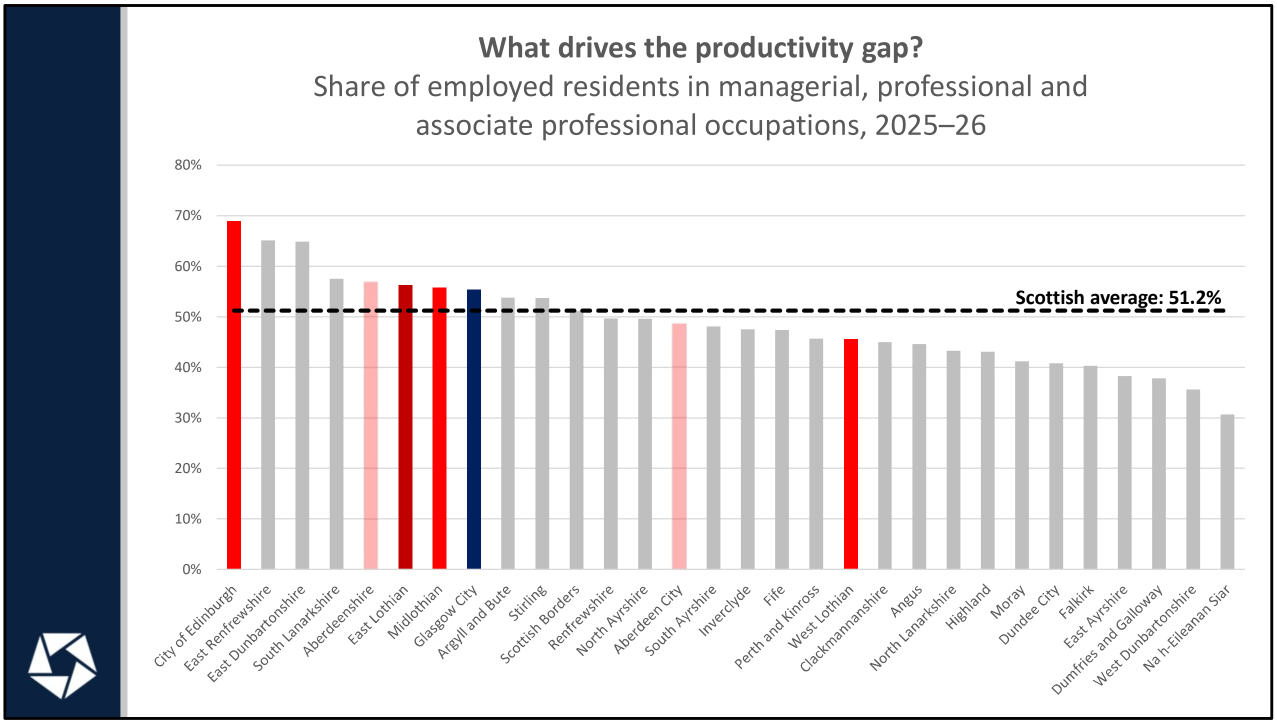
An hour worked in Edinburgh now produces around 36% more GVA than the Scottish average.

And look at the direction of travel. Edinburgh was already highly productive twenty years ago, but its advantage has widened considerably.

West Lothian is another interesting part of the eastern story because it has moved from around the Scottish average to well above it.

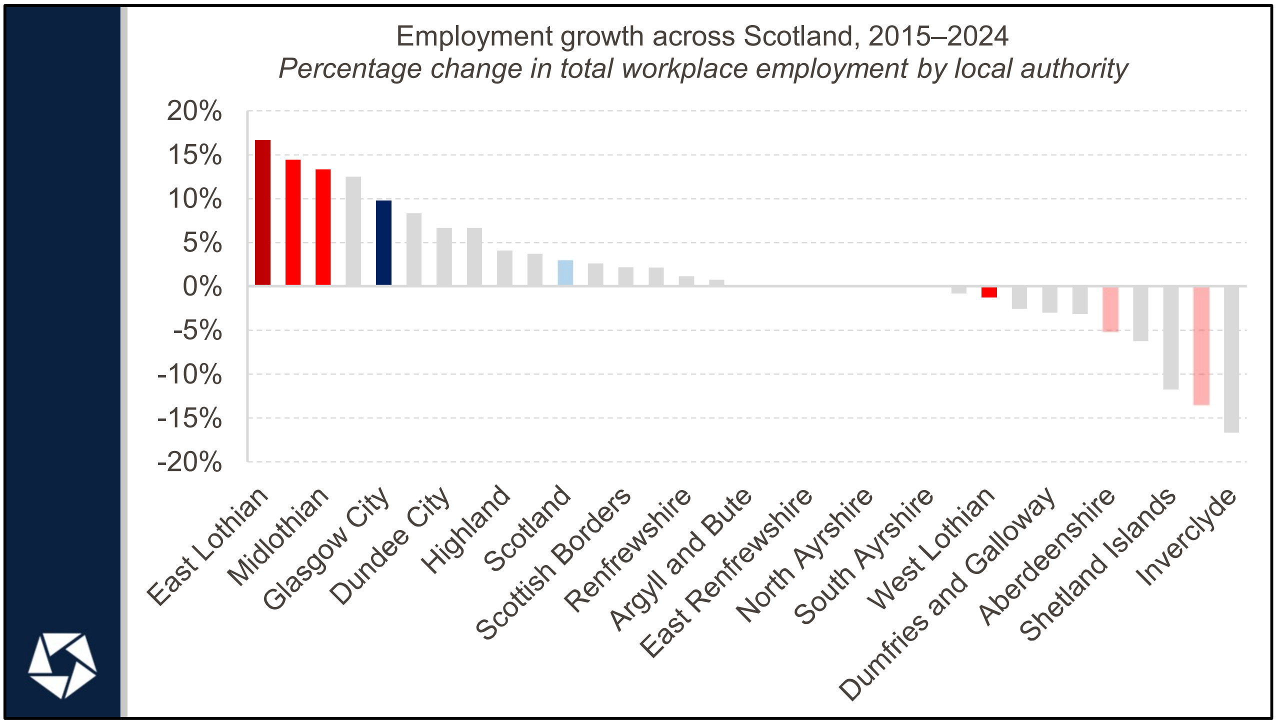
But East Lothian and Midlothian give us an important qualification. Their productivity per hour is still below the Scottish average.

So the economic rise of the Lothians is not simply four versions of the Edinburgh story. Edinburgh is the extraordinarily productive employment centre; surrounding areas can prosper through somewhat different mechanisms.



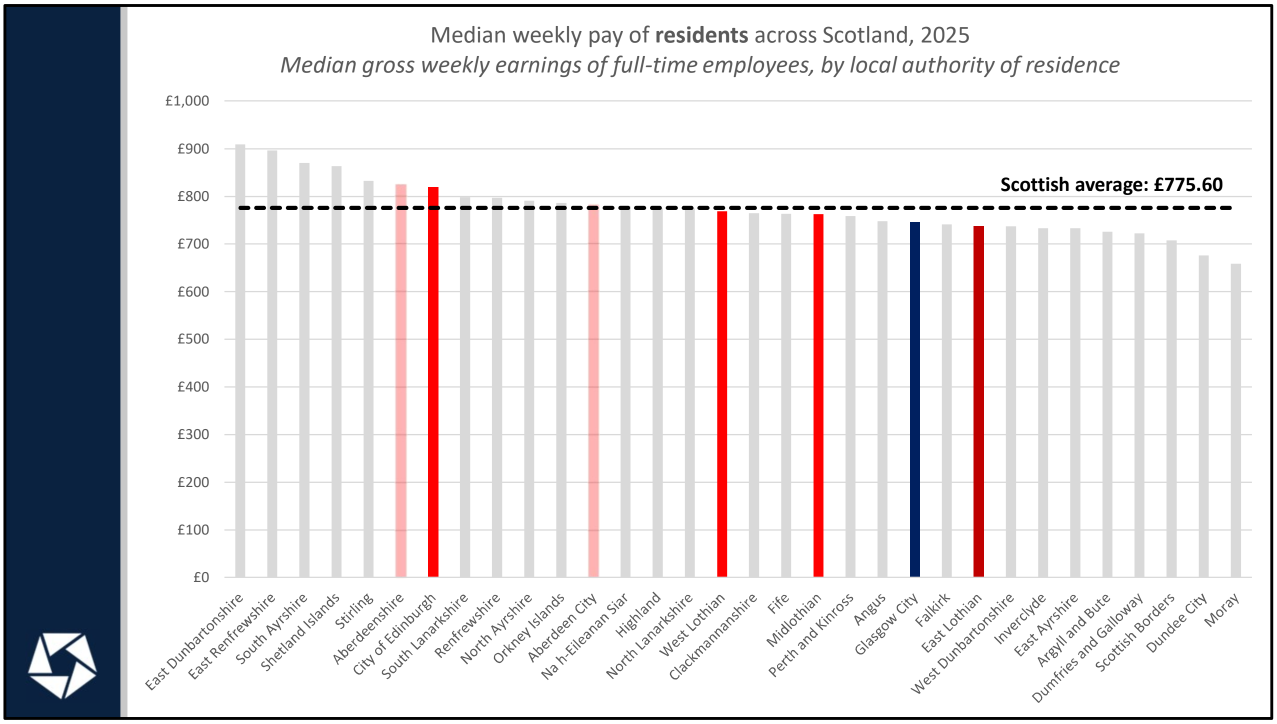
- Productivity ultimately reflects *what kinds of jobs* an economy has.
- Edinburgh: nearly **69%** managerial/professional/associate professional.
- Scotland: around **51%**.
- Finance, tech, professional services, public administration etc.
- East Lothian: **56%** — above Scottish average.
- Skilled *residents* ≠ jobs necessarily located in East Lothian.

- Productivity is only one side of economic success.
- Are there actually more jobs?
- This is where East Lothian becomes particularly interesting.

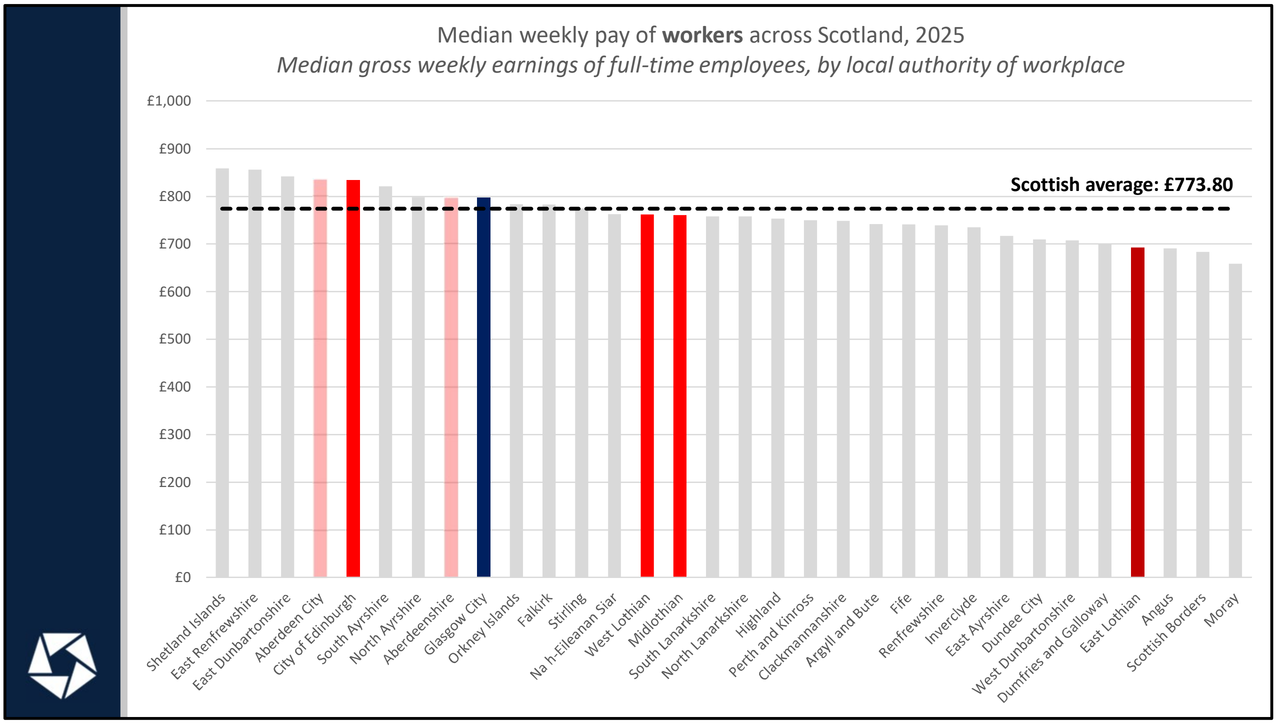


- East Lothian at the very top: **+16.7%**.
- Edinburgh +14.4%; Midlothian +13.3%.
- Scotland only around +3%.
- Strong cluster across Edinburgh/Lothians.
- Not just Edinburgh sucking activity out of neighbours.
- East Lothian itself is adding workplace employment.

If Edinburgh dominates the productivity story, East Lothian really stands out when we turn to employment growth.



- Important distinction: where someone **lives**.
- Edinburgh residents relatively highly paid.
- East Lothian around £737/week.
- Below Scottish average in this particular measure.
- But don't interpret one ranking as the whole prosperity story.
- Now compare with workplace pay.

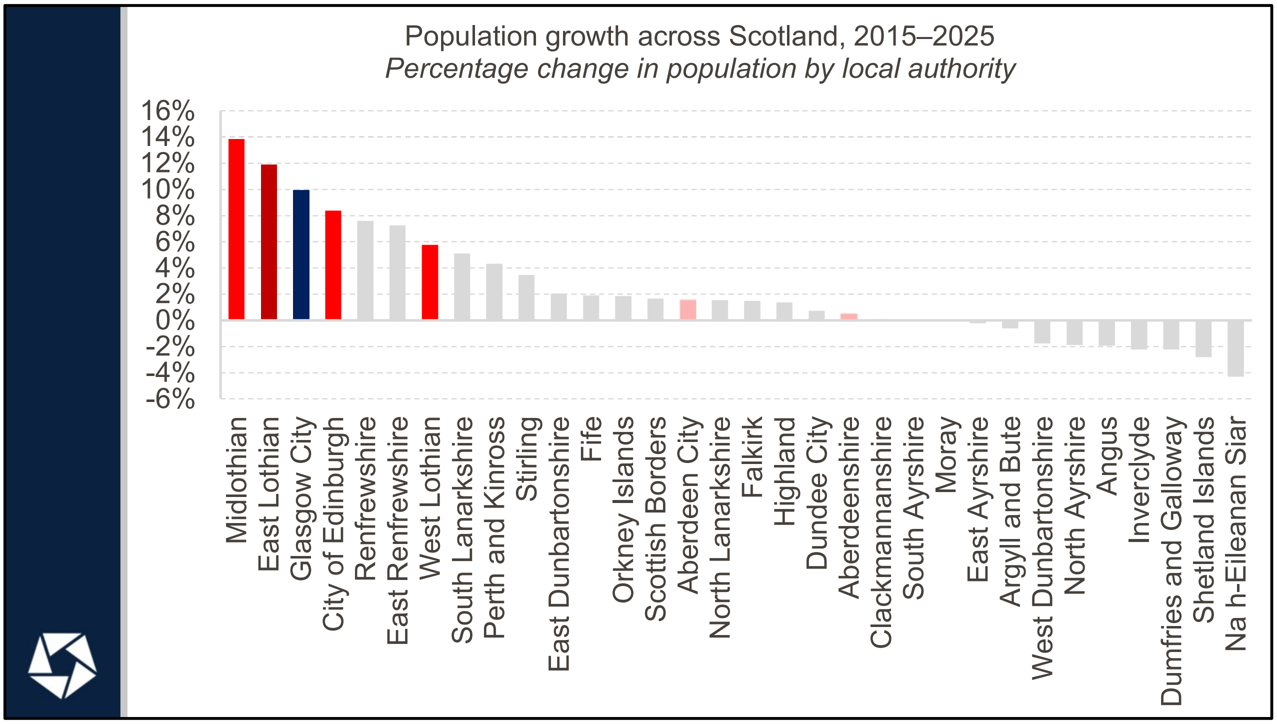


- Now: where the **job is located**.
- East Lothian workplace pay ~£692.
- Lower than East Lothian resident pay.
- Some residents access higher-paid jobs elsewhere.
- Edinburgh is an obvious part of that wider labour market.
- Administrative boundaries don't correspond neatly to economic boundaries.

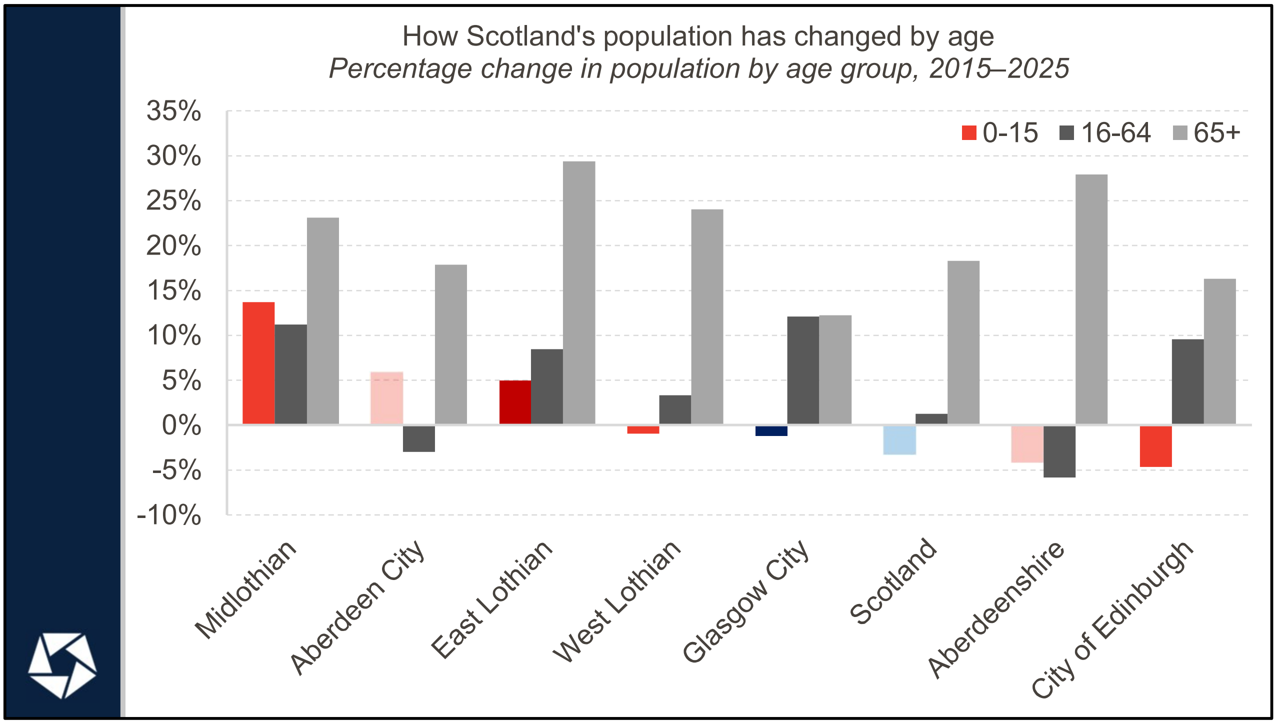
You can live in East Lothian, earn your income in Edinburgh, spend much of it back in East Lothian, and contribute to Edinburgh's measured output. Economically, the boundary between the two is much more porous than a map of council areas suggests.

Population/ demographics

- Jobs and economic opportunities attract people.
- Population can then reinforce growth.
- Especially important in ageing Scotland.
- But it also starts creating capacity pressures.



- Midlothian: +13.8%.
- **East Lothian: +11.9%.**
- Edinburgh +8.4%.
- Many Scottish areas essentially stagnant or shrinking.
- Strong eastern/Lothian growth pattern.
- *Does that accord with what you've seen locally?*

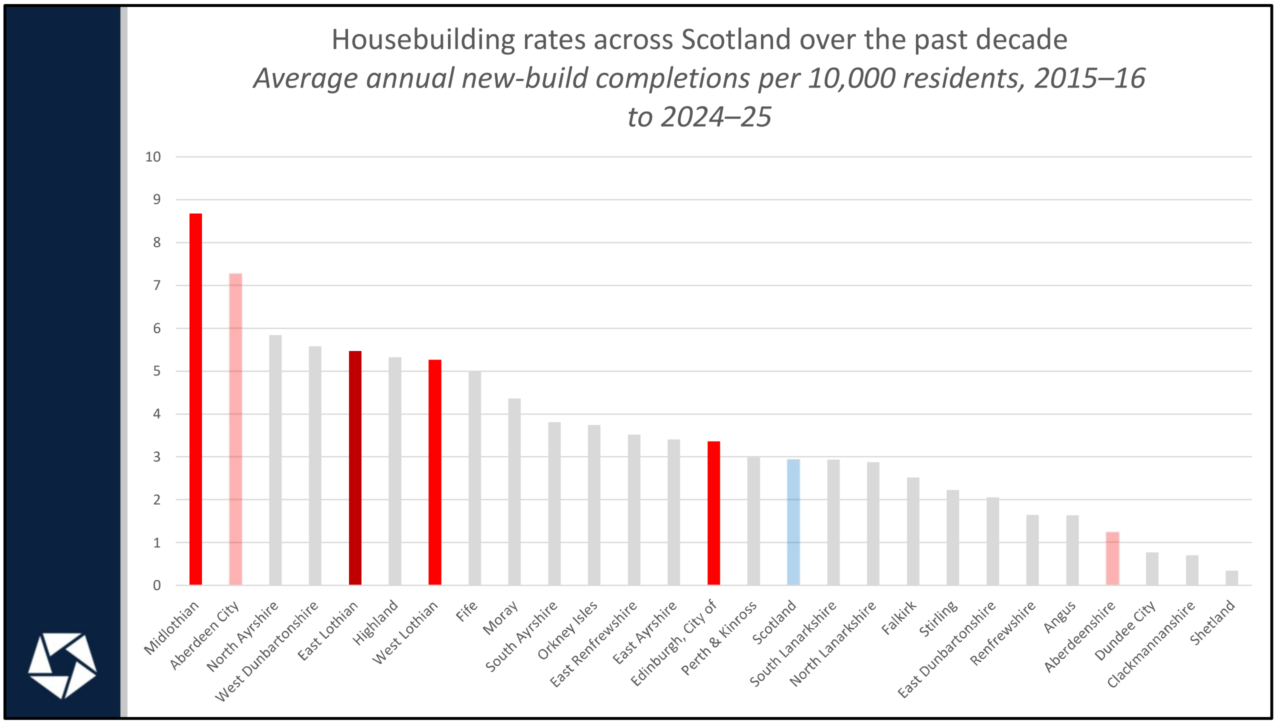


- Ageing is happening everywhere — don't focus solely on 65+.
- East Lothian 65+: **+29%**.
- But working age also **+8.5%**.
- Children **+5%**.
- Scotland overall: child population declining.
- So this isn't simply retirement-led population growth.
- Families + working-age people = economic capacity.

For me, this is one of the most encouraging findings for East Lothian. Yes, the population is ageing — very substantially. But unlike many parts of Scotland, that's happening alongside growth in both the working-age population and the number of children.

Housing

- Growth has consequences.
- More people need somewhere to live.
- Edinburgh already faces severe housing pressure.
- Can surrounding areas provide capacity?
- Housing becomes an economic issue, not simply a social one.



- Midlothian stands out — highest rate.
- East Lothian also strong: **~5.5 per 10,000**.
- Scotland ~2.9.
- Edinburgh ~3.4.
- So housing supply *has responded* in the Lothians.
- But demand is growing rapidly too.
- Question isn't simply “are we building?” but **“can we build fast enough?”**

“And that brings us to the paradox at the heart of successful places: the more attractive an area becomes, the harder it can become to accommodate the people who want to live and work there.”

East Lothian's role in the rise of the East

- Growth has consequences.
- More people need somewhere to live.
- Edinburgh already faces severe housing pressure.
- Can surrounding areas provide capacity?
- Housing becomes an economic issue, not simply a social one.

Where does East Lothian fit into the rise of the East?

- Part of Scotland's fastest-growing economic region
- Exceptional employment and population growth
- A skilled and expanding working-age population
- Closely integrated with Edinburgh's high-productivity labour market
- Providing some of the space and workforce needed for the wider region to grow
- The challenge now is accommodating that success

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