

CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

EXTERNAL AFFAIRS INQUIRY

SUBMISSION FROM Scottish Funding Council

The Scottish Funding Council (SFC) is the national, strategic body for the funding of further/higher education (FE and HE) and research in Scotland, and welcomes the opportunity to contribute to the call for evidence. Should the Committee find it useful, we would be pleased to take part in subsequent evidence sessions on the issue.

Engaging with the European Union

1. What principles should inform the focus of the Scottish Government's external affairs policy with regard to the European Union?

Consistent with the Scottish Government's *Scotland is Now* and *Scotland is Open* campaigns, openness and friendship are two principles that should continue to inform the focus of the Scottish Government's policy regarding the European Union (EU).

Many Europeans live and work in Scotland, and vice versa. The primary way that Scotland can demonstrate openness is to continue to welcome European citizens to Scotland. However, we recognise that immigration policy is a reserved issue. We would support the Scottish Government's continued efforts to push for differentiated immigration controls for Scotland, to promote the principle of openness and in recognition of the demographic challenges that Scotland faces. Scotland's post-16 education system is underpinned by strong international links and universities and colleges would welcome an immigration system which allows the continued free movement of European staff and students.

Beyond education, Scotland has a wider history of collaborating with other European nations. To continue this collaboration, Scotland should maintain compatibility through aligning Scottish funding and education systems with those used in the EU. We note the early information on the development of the next stage of the EU's Horizon Europe programme. Whilst the traditional goals of developing excellent science and research and attracting financial investment remain vitally important, there is also increased emphasis on 'softer' priorities, such as ensuring that the Horizon Fund contributes to the wellbeing of EU citizens and delivers socio-economic benefits. Scotland should be mindful of the direction of travel within the EU as it develops its plans for continued engagement, and ensure that our priorities and wider values continue to align with those of the EU, where possible.

2. Are there examples of best practice for ways in which nations / regions from non-EU Member States engage with and influence the EU?

Scotland could look to how the European Economic Area (EEA) countries engage with the EU. Norway, Iceland and Lichtenstein participate in a number of EU programmes. Switzerland is not part of the EEA or EU, but has a number of bi-lateral agreements with the EU.

In 1996, Israel was the first non-European country to be associated to the EU's Framework Programme for Research and Technological Development. This is another example of engagement with the EU by a non-EU country.

In the area of education, Scotland is already part of the European Higher Education Area (EHEA) and has signed up to the Bologna process. In addition, many Scottish colleges and universities are members of European networks such as the League of European Research Universities. Scottish institutions also benefit from membership of Jisc (Joint Information Systems Committee – a membership organisation providing digital services for education and research in the UK), which influences the European digital agenda through organisations like GEANT¹ and OPERAS². These networks provide opportunities for the sector to continue to influence and maintain consistency with the EU, and Europe more generally, in a post-Brexit scenario.

3. What should be the focus of the business plans for the Scottish Government Innovation and Investment Hub offices in Berlin, Brussels, Dublin, London and Paris be?

When established, the Innovation and Investment Hubs' purpose was to provide a platform for collaborative activity to increase exports and attract investment to Scotland. The Hubs also cover broader economic opportunities, including:

- promoting Scotland's research, innovation, industrial, social and cultural strengths
- building diplomatic government-to-government relations
- pursuing cultural collaborations
- exploring collaborative research and innovation opportunities.³

The SFC view is that the hubs' core purpose will remain pertinent after Brexit. If anything, the focus of the business plans should become more active in facilitating and building bilateral relationships between governments and agencies. It will also be vital that the Hubs help to maintain existing relationships between Europe and Scotland.

We would also support a focus on the promotion of Scottish colleges and universities. Key aims would be the creation of linkages between Scottish universities and colleges and:

- European education institutions - to facilitate co-working on research and innovation projects;
- European businesses - to stimulate investment in our research and innovation; and
- European governments and agencies – to ensure continued alignment of our priorities and systems.

At a recent ministerial summit on Brexit and tertiary education, it was suggested that Scotland creates a role for a Science and Research 'Ambassador' with a specific remit to promote Scotland's high quality research and science in Europe. It is possible that this role could be connected to the hubs.

¹ <https://www.geant.org/>

² <https://operas.hypotheses.org/>

³ <https://www.gov.scot/policies/europe/innovation-and-investment-hubs/>

4. How can the Scottish Government Innovation and Investment Hub offices best support the Scottish Government's external affairs policy?

The Scottish education system has not traditionally been represented as a separate entity within the mainstream UK networks. Scottish institutions participate in these whilst also emphasising the distinctive nature and quality of the Scottish system through their individual recruitment campaigns and research activities. The soft influence that Scotland has developed and exercised through institutional international research activity and alumni is significant. For example, Global Challenges research alone involved over 300 Scottish projects in developing countries in AY 2017-18. Our view is that Scotland has achieved success using this approach and should therefore continue to promote Scotland using 'soft influence', while at the same time maximising its participation in national and/or UK Government-led campaigns.

5. How can the Scottish Government's Innovation and Investment Hub offices be evaluated effectively?

There is no one-size-fits-all approach to evaluation, particularly given the diversity of activities involved in international engagement, the different economic profiles of EU countries and variety of governance structures in place in different locations.

General measures of effectiveness might include:

- Annual visitor numbers to Scotland
- Import and export figures
- How many bilateral agreements were facilitated by the Hubs
- Analysis of the number of stakeholders with which the Hubs engage in EU countries
- The results of attitudinal surveys with businesses, educational leaders and European government organisations.

From a university and college perspective, the following could be measured as part of an overall evaluation:

- The number of research/teaching/innovation collaborations and linkages facilitated by the Hubs
- The number of EU students studying in Scotland post-Brexit
- The flow and exchange of academic and other staff between Scottish and European universities and colleges
- The success of universities and colleges in attracting inward investment in their research and innovation activities from EU based businesses and organisations.

It must be acknowledged that the efforts of individual universities and colleges will also influence most of the above results. It is therefore difficult to disaggregate and measure precisely the contribution that the Hubs will make.

6. How should the Innovation and Investment Hub offices most effectively engage with other Scottish organisations such as Scottish Development International and Visit Scotland?

Currently, engagement is primarily through the relevant teams within Scottish Government. SFC would welcome structured engagement with the Hubs on issues relating to Scottish education, research, innovation and science.

Engagement with the rest of the world

7. What principles should inform the Scottish Government's international engagement? For example, should economic priorities be the key priority or cultural / 'soft power' priorities?

Economic priorities are important. Soft power can lead to achieving economic priorities; for example, promoting cultural, political or social change on the global stage brings significant economic advantages, including attracting investment, tourists and international students.

Under question 1, we noted the EU's emphasis on 'softer' priorities under its plan for the future of Horizon funds. There is value in Scotland extending these principles beyond Europe as part of its international engagement strategy, in recognition of the way in which traditional economics are inter-linked with soft power priorities.

8. How should the Scottish Government prioritise its international engagement – for example, should the locations prioritised be based on a geography or policy focus?

We recognise that it is important to have engagement with neighbouring nations, but Scottish interests are worldwide. However, there are constraints to engaging globally, such as the risk of being 'spread too thin'. We suggest that it may be best to focus our engagement in key geographies, informed by an assessment of Scotland's plans for trade and investment. The role of the tertiary education sector - as a strong attractor of investment in research and innovation - should also be recognised as part of this assessment. Therefore, the countries with strong educational and research links to Scotland should also be considered as priority countries for engagement.

9. What should be the key aims of the Scottish Government's international offices in Beijing, Ottawa, Toronto and Washington DC?

The key aims should be to encourage investment, collaboration and tourism. In addition, we would support a focus on the promotion of Scottish colleges and universities.

10. Currently, the Scottish Government has international engagement strategies with Canada, China, India, Pakistan and the USA. Do these strategies and their geographic focus remain appropriate post-Brexit?

The above countries remain priorities for the tertiary education system, in terms of research collaboration and student recruitment. If, however, the UK withdraws from the EU, we will need a more conscious and active engagement strategy with EU countries. The strategy should continue to feature countries where student recruitment and science collaboration

are particular areas of interest. Scottish institutions currently have the greatest number of links with Germany, France, Italy, Netherlands and Belgium. Therefore, engagement with these countries should be a priority.

In addition, the current priority countries mainly comprise mature and highly competitive markets. Scotland should respond flexibly to significant new opportunities in emerging markets, including trade and research collaboration. As part of responding flexibly, the Scottish Government's engagement strategies will require ongoing review to ensure continued relevance. Since the range of potential opportunities outweighs the available resources, Scottish Government will need to regularly review the list of priority countries, be realistic about our engagement and the expected impact of any initiatives.

11. How can the Scottish Government's international engagement be evaluated effectively?

See response to Question 5 – these measures could also be applied to international engagement.

12. How should the Scottish Government's international offices most effectively engage with other Scottish organisations such as Scottish Development International and Visit Scotland?

Currently, engagement is through the relevant teams within Scottish Government. SFC would welcome structured engagement with SG's international offices on issues relating to Scottish education, research, innovation and science.