

CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE**EXTERNAL AFFAIRS INQUIRY****SUBMISSION FROM DR DANIEL KENEALY¹****Key points**

- The trend towards greater complexity in international affairs, enabled by improvements in communications and technology, has created new opportunity structures for sub-national governments.
- Given the current uncertainties created by Scotland's two major constitutional questions – independence and Brexit – the external affairs approach of the Scottish Government (SG) is appropriately calibrated.
- The SG approach blends conventional and long-established forms of sub-national activity, principally economic and cultural, with more emergent forms of political and policy-oriented activities. Both ought to be maintained.
- Although improvements have been made since the Committee's last broad inquiry into this topic, questions remain about the degree to which SG and agencies such as SDI and Visit Scotland work optimally together.
- Further probing of how SG approaches its external relations strategically, how success and failure is evaluated internally – and how the new Hubs will be evaluated – is required.

Section I: Context for Scotland's external affairs

1. Since devolution, the Scottish Executive – and subsequently SG – has practiced external relations. The critical juncture was not the arrival of an SNP government in 2007. Rather, it was the debate that took place during 2013 and 2014 about the possibility of an independent Scotland's foreign policy. Those debates involved considerable thought about what 'role' Scotland could and should play on the international stage, energising policy development within SG as the world's leading experts on small state foreign policy descended on Scotland, sharing ideas and best practices.² Although Scotland voted to remain in the UK in September 2014, the last few years have seen a more confident development of that role, albeit within the confines of the UK.
2. The external relations of sub-national governments might be divided into two broad categories. On the one hand are long-established activities such as trade, export, and investment promotion, as well as the promotion of culture and heritage. On the other hand are activities that more closely resemble conventional 'foreign policy' or 'diplomacy', such as taking positions on international political issues or seeking to form international partnerships to advance a policy agenda. In the context of Scotland this latter type of activity would include speeches by the First Minister at the United Nations about Scotland's human rights agenda, signing joint climate

change commitments with U.S. states, and SG activity in the area of peace-building/conflict resolution.³

3. Although SG external relations have long blended both types of activity, the latter type have grown in prominence over recent years. In part this is a reflection of current political realities. A sub-national government that seeks independence will, unsurprisingly, see external relations as a nascent foreign policy. Brexit represents the other major contextual factor for the present and future development of SG external relations. SG faces the challenge of having to design and implement an external affairs policy with a view to multiple possible future scenarios, ranging from a continuation of the status quo (if Brexit were not to happen and Scotland remains in the UK) to two major changes (Brexit followed by Scottish independence).
4. Brexit poses the most immediate challenge, for two principal reasons. First, the potential economic consequences of a hard(er) form of Brexit could trigger resource constraints within the Scottish budget and, as a result, less resources available to maintain the current external affairs posture.⁴ Second, if the UK ceases to be a Member State of the EU, Scotland's status in Brussels will change. SG presence in Brussels is well established: its networks are amongst the highest quality of any sub-national government.⁵ Whilst these networks will not disappear overnight, the relationships will inevitably become looser. Additional resources may be required to maintain international networks that currently receive support from EU funds.
5. Assuming Brexit happens, a brewing issue on the horizon is the UK's future trading relationships. Given the characteristics of Intergovernmental Relations (IGR) in the UK it is hard to be optimistic about the scope for sub-national government involvement in those negotiations. Working in tandem with the Welsh Government, the Scottish Government should maintain as much pressure as possible on the UK Government to involve them in trade negotiations. There are international precedents for this and the Canadian model – via their C-Trade Committee – is one that might be usefully studied and replicated.⁶
6. This leads to the question of sub-national involvement in UK foreign policy more generally. Although the operational relationship between SG and the FCO is functional and cordial, the political relationship is less smooth. UK foreign policy largely operates in a Whitehall 'mindset' that does not create space for sub-national governments in its development or implementation. For the most part, one might say that is fair enough. There are few, if any, examples of conventional foreign policy (i.e., non-economic) being made in concert between a federal government and its constituent units. But this prompts two further points that must be kept in mind.
7. First, there is no reason why the FCO could not engage more proactively with SG in areas that the latter has a key interest in, but which are not core to the foreign policy outlook of the UK as a whole. One example might be the Arctic, where SG has cultivated strong relationships, has a clear geographical interest, and is developing an Arctic strategy.⁷ A change in the

organisational culture of Whitehall is a lot to hope for and incremental change may be the best on offer. The arrival of a SG Director of External Relations with high-level FCO experience may prove useful in this respect.

8. Second, it logically follows that the greater the gap between the national interest of a state (i.e. the UK) and a sub-state (i.e. Scotland), the greater the incentive for the latter to try and use soft power diplomatic strategies to articulate those distinctive interests. We see a similar phenomena at play currently in the U.S. where state Governors are increasingly taking steps, both symbolically and substantively, to distance themselves from the policy actions and the rhetoric of the federal government in Washington, D.C.⁸ UK foreign policy has been adrift since the Brexit referendum and confusion about its future orientation is commonly heard amongst policymakers and influencers in Washington, Brussels and elsewhere.⁹ SG is thus, to a great extent, trying to find ways to mitigate a mess not of its own making and to differentiate itself from a UK foreign policy it does not feel represents Scottish interests. An increase in soft power diplomacy is hardly surprising. It is cutting through, with a palpable sense of Scottish difference evident in European policy circles (less palpable, but still present in Washington, D.C.).
9. Given the current realities of UK and international politics, SG external relations are probably calibrated about right. Greater clarity would be welcome, however, on how SG sets priorities and develops strategies in this area and, crucially, how it plans to use its new Hubs to foster greater inter-agency and inter-governmental working. The impression is sometimes one of a government that reacts to external opportunities rather than proactively seeking and/or creating them, as well as a government that still has more to do in terms of creating ways of working that harness the talents not just of SG, but of various agencies and local authorities, some of whom have stepped up in the context of regional organisations, such as the Conference of Peripheral Maritime Regions¹⁰, that SG are less keen to engage with.

Section II: What principles should inform Scotland's external relations? What balance should be struck between economic priorities and cultural, or 'soft power', priorities? How should SG prioritise its engagement, should policy be prioritised on a geographical or policy focus? Are the current SG engagement strategies appropriate post-Brexit?

10. The external relations of a nation ought to reflect its internal values, its economic interests, and its policy priorities. The SG International Framework is relatively clear about the principles that inform its external policy: openness, competitiveness, engagement, multilateralism, etc., and there is a balance between using external policy as an opportunity to score economic successes and to promote values, norms and policies.¹¹ There are some who would argue that a devolved government should focus on economic and cultural activities and refrain from political and/or policy-based activities. All bureaucracies have a finite amount of time and

resources but, implemented well, a comprehensive set of external relations could be mutually reinforcing. Questions about the balance between economic growth and 'soft power' priorities – and between geographical or policy emphases – are difficult to answer precisely and may create a false impression of a zero sum dynamic.

11. That being said, there does seem to be a problem in the area of exports, identifiable – both in the SG missing its own target of increasing exports by 50% between 2010 and 2017 and in the Anholt-GfK Roper Nation Brands Index in which Scotland's weakest metric is 'exports'.¹² SG's new strategy offers some welcome funding and a new approach.¹³ However, and as SPICe has rightly pointed out, the targets remain quite high level and some of the output goals lack a clear rationale.¹⁴ Beyond that, the concept of 'the export value gap' as a driving metric is debatable and comparisons with 'countries of similar size' could create questionable geographical comparisons.¹⁵ Nevertheless, there are a number of actions committed to in the plan that would warrant a status update in the future. The Hubs may prove valuable in this regard (on which more below).
12. Beyond the economic dimension of external relations, any policy-oriented priorities ought to be limited, focused and properly resourced. The approach ought to be to select topics and go deep, rather than a 'mile-wide-inch-deep' approach. Scotland's strengths in climate change, international development, and peace-building/conflict resolution suggest three areas where SG external relations might be focused and prioritised. Scotland's geographical proximity to the Arctic might make that a further addition to the list. A question that remains unanswered is how, at the political level, SG identifies its priorities in the external relations space. The impression remains of a policy that is very broad-brush and suffers from a lack of explicit focus. This need not involve a form of 'Grand Strategy', but might involve a form of 'Emergent Strategy': a bottom-up approach to strategizing, with continuous learning at all levels of an organisation. In other words it might be that for SG, strategy ought to be more about *process* than *design*.¹⁶ It would be useful to hear more about how this works internally.
13. SG engagement strategies are coherent and sensible, driven by Scotland's key economic relationships and supplemented by strategies towards countries where Scotland has a specific connection or interest, e.g. Pakistan. The published strategies are not tremendously informative. It is unclear whether comprehensive country-based mapping exercises, or audits, have been undertaken to devise the strategies or to update and supplement them. A best practice lesson might be learned here from the Irish Foreign Ministry, who have recently undertaken such exercises with key partners.
14. In the context of Brexit, a mapping exercise of key European partnerships and how they might be maintained outside of existing EU policy networks would be beneficial, if it is not underway. Policymakers and influencers in Brussels will continue to regard Scotland as a partner in relevant policy areas, especially if policy divergence opens up between the UK and

Scotland after Brexit, with Scotland tacking closer to the EU policy regime than the UK one. Insofar as such policy divergence is a shared preference across Scotland, Wales, and/or Northern Ireland, the closer working of devolved governments *within* the UK may become more necessary.

Section III: What should the business plans for the SG Hubs focus on? How can the Hubs best support external relations? How can the Hubs most effectively engage with other organisations such as SDI and Visit Scotland? What should be the key aims of SG international offices?

15. SG documents obtained via FOI requests suggest that the Hubs are predominantly focused on creating and enhancing economic opportunities, such as promoting the research and innovation of Scottish companies and universities.¹⁷ However, it is clear that the Hubs – in Dublin, Brussels, Berlin and Paris – will differ in focus based on their geographical location. For example, the London Hub will raise SG presence in the capital and raise awareness of Scottish interests across Whitehall. The Hubs will also have a role in sustaining existing – and creating new – policy networks, tacking closer to more conventional diplomatic-style activity.
16. The Hubs ought to be evaluated on the extent to which they enable a step change in true partnership working between SG and various other agencies and third parties. Cabinet Secretary Hyslop said many years ago that she envisioned Scotland’s external policy working on a hub and spoke model, with SG as the hub.¹⁸ Indicators ought to be developed that would help those charged with scrutiny and oversight – such as the Committee – to evaluate whether this model is being properly developed and is working as effectively as it could. If you take the London Hub as an example, bringing together SDI’s office space with the SG hot desk arrangements at Dover House simply makes sense. But co-location is only a first, and a small, step towards effective joint working between SG, the Enterprise agencies, Visit Scotland, and other relevant actors.
17. This returns us to the questions posed earlier about how SG ministers and senior officials develop strategic priorities in the area of external relations. Greater partnership working between SG and agencies – in project teams with a focused and specific policy objective – could be a way forward. It is important to recognise the differential but complementary skills of the various entities. SG’s strength is in policy development, with SDI better placed to engage in implementing trade, export, and investment promotion. Various things could be attempted in this space, for example shared and joint learning and development opportunities and greater opportunities for short-term secondments.
18. Turning briefly to the International Offices, they are typically fairly small teams attached to FCO platforms in key national capitals – Washington, D.C., Beijing, and Ottawa (plus Toronto). Their role should be three-fold. First, they should work locally as a hub for all official/institutional Scottish representation in the country, from SDI to University international offices.

Second, they should serve an informational purpose, providing to the SG external relations team relevant and up-to-date policy information from the country. A third role might involve representing Scottish interests to the locally based FCO team.

Section IV: How can the Hubs, and SG international engagement more broadly, be evaluated effectively?

19. Some aspects of SG external affairs are more susceptible to measurement than others and it is important not to become overly reductionist and blunt. SG does use certain measures, for example the Anholt-GfK Roper Nation Brands Index is used to gauge how Scotland is perceived by international public opinion. The Global Connections Survey and official government data can be used to measure things such as exports and FDI. It may be that other measures are used internally within SG and it would be interesting to learn more about this.
20. However, measurement can become crude and feed into an overly rigid and stifling target culture that is all-too-common across the public sector. Such an approach can also confuse quantity with quality. So much external affairs activity is useful in an intrinsic way: done properly it can cultivate better policy understanding across SG and it can create opportunities for policy learning (from other places) and policy transfer (to other places). SG benefits from having in-house expertise on international affairs and a capacity to reflect on complex interconnected policy questions.
21. As regards Scotland's 'soft power', although the concept is by now well established in the academic literature, debate persists about how, or indeed if, it can be measured. The Institute for Government, working with Monocle magazine, attempted to develop a composite index for measuring soft power according to objective and subjective metrics.¹⁹ But if soft power remains about building relationships, establishing and/or connecting to networks, and developing a reputation in certain policy areas as a knowledgeable and thus essential partner, then more qualitative forms of evaluation may be appropriate. Careful process tracing of the impact of external affairs, and narrative-based case studies may be useful (on display in SG's Nordic Baltic policy statement for example²⁰).
22. Despite these caveats, in order for any evaluation to be successful it requires a clear statement, at the outset, of the goal/s being pursued. The fact that many benefits of external affairs may be intangible need not be an excuse for failing to be clear about goals.

Notes

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² See R. Beasley and J. Kaarbo, 'Casting for a sovereign role: Socialising an aspirant state in the Scottish independence referendum', *European Journal of International Relations*, 24(1), 2017, pp. 8-32.

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- ³ See, e.g., 'Nicola Sturgeon in the US: Joint climate change commitment with New Jersey', *Holyrood Magazine*, 6 February 2019; Scottish Government, 'UN climate change conference: Funding for global climate action', 4 December 2018; and 'Scotland to train female Syrian peacemakers in conflict resolution', *The Guardian*, 29 November 2015.
- ⁴ See the analysis in, e.g., UK Government, *EU exit: Long-term economic analysis*, Cm. 9742. London: HMSO, 2018.
- ⁵ This has been substantiated in countless research interviews undertaken by the author in Brussels.
- ⁶ Wales Centre for Public Policy, *Sub-national government involvement in international trade negotiations*, Cardiff, 2018.
- ⁷ Scotland's distinctive interests and knowledge in this area has been widely recognised. See, e.g., House of Commons Foreign Affairs Committee, *The Changing Arctic*, 12th Report of Session 2017-2019, 29 November 2018.
- ⁸ A. Burns, 'Going around Trump, governors embark on their own diplomatic missions', *The New York Times*, 15 July 2017.
- ⁹ Research interviews, Washington, D.C., August 2018 and April 2019; Brussels, July 2018.
- ¹⁰ See <https://cpmr.org>. Although at least one Scottish local authority does not see much value in membership, see N. Riddell, 'Shexit: Council decides to withdraw from CPMR', *Shetland News*, 28 June 2017.
- ¹¹ Scottish Government, *Scotland's international framework*. Edinburgh: Scottish Government, 2017.
- ¹² G. Liddell and A. Aiton, 'Trends in Scottish exports – what, where, and how much?', *SPICe Spotlight*, 31 January 2019; and Scottish Government, *Anholt-GfK Roper Nation Brands IndexSM: 2018 Report for Scotland*. Edinburgh: Scottish Government, 2019.
- ¹³ Scottish Government, *Scotland: A trading nation*. Edinburgh: Scottish Government, 2019.
- ¹⁴ A. Feeney-Seale, 'Scotland – A trading nation?', *SPICe Spotlight*, 10 May 2019.
- ¹⁵ B. Jamieson, 'Outlook for Scotland's exports', *The Scotsman*, 19 June 2019.
- ¹⁶ I.C. Popescu, 'Grand strategy vs. emergent strategy in the conduct of foreign policy', *Journal of Strategic Studies*, 41(3), 2018, pp. 438-60.
- ¹⁷ These can be found via the Scottish Government website's FOI search function under FOI reference FOI/17/02302.
- ¹⁸ In evidence to the European and External Relations Committee on 31 October 2013.
- ¹⁹ J. McClory, *The new persuaders III: A 2012 global ranking of soft power*. London: Institute for Government, 2012.
- ²⁰ Scottish Government, *Nordic Baltic policy statement*. Edinburgh: Scottish Government, 2017.