



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Thursday 3 December 2015

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE
18th Meeting 2015, Session 4

CONVENER

*Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

DEPUTY CONVENER

*Hanzala Malik (Glasgow) (Lab)

COMMITTEE MEMBERS

- *Roderick Campbell (North East Fife) (SNP)
- *Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
- Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)
- *Jamie McGrigor (Highlands and Islands) (Con)
- *Anne McTaggart (Glasgow) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Alison Cairns (Scottish Council for Voluntary Organisations)
- Garry Clark (Scottish Chambers of Commerce)
- Ross Dougal (Scottish Fishermen’s Federation)
- Derek Elder (Institution of Engineering and Technology)
- Owen Kelly (Scottish Financial Enterprise)
- Helen Martin (Scottish Trades Union Congress)
- Andrew McCornick (NFU Scotland)
- Andy Myles (Scottish Environment LINK)
- Serafin Pazos-Vidal (Convention of Scottish Local Authorities)
- Alastair Sim (Universities Scotland)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

European and External Relations Committee

Thursday 3 December 2015

[The Convener opened the meeting at 09:31]

European Union Reform and Referendum

The Convener (Christina McKelvie): Good morning and welcome to the European and External Relations Committee's 18th meeting in 2015. I make the usual request for electronic mobile devices to be switched off or in airplane mode, because they interfere with the sound system. We have apologies from our colleague Adam Ingram.

We move straight to agenda item 1 because, as we can see, we have a very full round table this morning. I thank you all for coming along. We have an important and detailed topic to discuss, and it is amazing to have such a varied group of interests represented around the table to help us with our deliberations.

I will ask everybody around the table to introduce themselves. We will focus on two main topics. Our time is limited, so we want to home in on those topics. The first is where you would welcome European Union reform and the second is what EU membership means for your organisations. That gives you a wee bit of time to think about the topics.

We will introduce ourselves around the table before we start with questions. I am the committee's convener.

Hanzala Malik (Glasgow) (Lab): I am the deputy convener of the committee.

Garry Clark (Scottish Chambers of Commerce): I am from the Scottish Chambers of Commerce.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I am the MSP for Kilmarnock and Irvine Valley.

Serafin Pazos-Vidal (Convention of Scottish Local Authorities): I am head of the Brussels office for the Convention of Scottish Local Authorities.

Roderick Campbell (North East Fife) (SNP): I am the MSP for North East Fife.

Andy Myles (Scottish Environment LINK): I am an advocacy officer with Scottish Environment LINK.

Alison Cairns (Scottish Council for Voluntary Organisations): I am head of the European unit of the Scottish Council for Voluntary Organisations.

Alastair Sim (Universities Scotland): I am director of Universities Scotland.

Derek Elder (Institution of Engineering and Technology): I am from the Institution of Engineering and Technology.

Andrew McCornick (NFU Scotland): I am from NFU Scotland.

Jamie McGrigor (Highlands and Islands) (Con): I am an MSP for the Highlands and Islands.

Ross Dougal (Scottish Fishermen's Federation): I am from the Scottish Fishermen's Federation.

Anne McTaggart (Glasgow) (Lab): Good morning, and welcome. I am an MSP for Glasgow.

Helen Martin (Scottish Trades Union Congress): I am an assistant secretary at the Scottish Trades Union Congress.

Owen Kelly (Scottish Financial Enterprise): I am the chief executive of Scottish Financial Enterprise. We are the representative body for Scotland's financial services industry.

The Convener: I thank all of you who provided us with written evidence, which is always helpful when we have limited time to discuss matters in committee meetings. We greatly appreciate that evidence.

I will begin the questioning. If you want reform in the European Union, where do you want to see it and how would it look? I am just throwing that one out there. I hope that the round-table discussion will work through me, but it is much more of a conversational situation. If you give me a wee nod or whatever to let me know that you want into the discussion, I will make sure that everybody gets in to have their say.

Andy Myles: I will launch in, for the sake of somebody starting. In the past few years, Scottish Environment LINK and the 36 organisations that are our members have had to look at constitutional reform at the Scottish level, and now we are doing so at the United Kingdom and European levels. Our central request for any form of government that we will have to live with is that it recognises that, rather than being just about people and economics, it is also about the space in which we live—the land, sea and air that we occupy. In the constitutional framework for any state, there

should be a fixed understanding that we share the space with other species—other forms of life—and that they require stewardship and protection.

We addressed that in relation to the white paper before the Scottish referendum last year, and we are addressing it in the run-up to the EU referendum. We are trying to ensure that whatever constitutional arrangements we have—be they written, unwritten or in treaty form—recognise that the constitution is not just about the people of X; it is about the people of a space that needs to be protected, looked after, stewarded and shared with all the other species.

Derek Elder: Scotland has a long history of engineering and manufacturing, which continues today, albeit perhaps differently from in the past. The European Union is not perfect—maybe that is one of the reasons why we are having this discussion—and reforms are needed to make it better.

I take Andy Myles's point about constitutional issues. They apply as much to what people do as to the environment in which they do it. The single market is vital to what Scottish engineering companies do—it is perhaps more vital to such companies than it is to others—because they are export oriented.

Skills shortages are mentioned frequently, and it would concern the engineering and manufacturing sector if we could not attract the brightest and best to our universities and to work in our companies. That applies wherever those people come from, which is not necessarily just in the EU. If we could not attract those people, that would affect Scotland's ability to perform well at a global level.

Andrew McCornick: I endorse a lot of what Derek Elder just said. We depend on our export markets. We have a common agricultural policy market and we need a common policy to get our products from Scotland tariff free across the whole of Europe. Europe has helped to deliver access to 50 other partner organisations, which we need.

We also need free access to the labour supply from Europe. We do a lot of seasonal work in our industry; the position in the hospitality trade is similar. If we were outwith Europe, that would have implications at both ends. We strongly believe that there are things that we need to consider and sort out.

The Convener: If there should be reform, how does NFU Scotland believe it should look?

Andrew McCornick: We want the Common Market to work properly, and two or three things are needed. We would like better access to the market and some simplification, and we could do with some of the greening stuff being delivered back on a sovereignty basis, whereby each

country gets control, instead of it being done from Europe. We hope that that would still fit in with what Andy Myles hopes for. We can achieve both things.

A lot of the stuff that is risk based would be better considered on the basis of hazard. For example, we have seen neonicotinoids brought in. We must have science behind things to make them work properly, and we need to use the science better.

I am sorry to go on, but I add that some policies could do with being amalgamated. If we can get the nitrate vulnerable zones and the water directives sorted out throughout Europe, that will make things easier and help to cut some of the bureaucracy that we are getting in this country. We need to get Europe to pull that together and make it into something simpler for us.

Jamie McGrigor: A lot of farmers in my region have complained to me this year that their subsidies are much less because the euro's value has fallen. In general terms, farmers are getting about 20 per cent less than they got last year. Is there any way to reform that?

Andrew McCornick: We do not have the pleasure of controlling currency exchange rates. The fall in value is to do with the way in which Europe is going. Countries such as Spain, Portugal and Greece have made the euro worth what it is. We would certainly appreciate a change in the currency value, but we do not control how the payment is delivered. That is part of the way we are.

Jamie McGrigor: It seems to be unfair that the amount of subsidies that are received is affected by a falling currency value. Consequently, our Scottish farmers are getting less to invest.

Andrew McCornick: I am sorry, but I do not agree with that. The exchange rate controls the value of the payment. We still get the same amount of money in euros. Pillar 1 determines that the money is paid to us in euros. It is the exchange rate that is causing the issue, not the currency; the issue is how the exchange rate is working and the difference in the value of the pound against the euro.

Jamie McGrigor: I take the point, but the fact remains that farmers are being disadvantaged.

Andrew McCornick: We are not the only sector that is being disadvantaged—I imagine that the engineering guys are suffering just as much. A lot of the people who have export-based businesses face the same disadvantages.

Jamie McGrigor: From the farming point of view, would you prefer to be in the euro rather than using the pound?

Andrew McCornick: No, because the payments would still be made in euros.

Jamie McGrigor: What are you saying then?

Andrew McCornick: I am saying that the exchange rate is the issue. The money that comes from Europe—the pillar 1 payments—is paid in euros. When it comes here, it is exchanged into pounds. The amount has been set in euros, so the value depends on the exchange rate. Over the past two years, we have taken a 13 per cent cut because of the pound's higher value against the euro. That is where the significant difference is.

The Convener: That was interesting.

Garry Clark: I agree with an awful lot of what has been said so far. In looking at the potential for EU reform, our members, which are businesses of all shapes and sizes, want government—of any tier—to provide a supportive environment in which businesses can grow and create employment and wealth.

We are very much picking up an undercurrent from our members about local decision making. When anything happens in the EU, it is too late to do anything about it by the time we have found out about it. A frustration builds alongside that. We want more transparency, more local decision-making focus and more emphasis on the role of national Governments throughout Europe, rather than centralised decision making in Europe. Any form of EU reform would need to look at that issue. That message has come through clearly from our members.

Derek Elder: Political decisions by chancellors and their equivalents affect exchange rates, as do world markets. It is beyond the competence of trade bodies and—I say this because engineering was mentioned—professional bodies to affect that. We can describe how the situation affects our constituents, but it is not in our professional competence to influence it—that is over to you as politicians.

Roderick Campbell: I will broaden out the discussion slightly by following on from some of Garry Clark's comments. The third head of David Cameron's reform agenda is sovereignty. He is calling for an enhanced role for national Parliaments

“by proposing a new arrangement where groups of national parliaments, acting together, can stop unwanted legislative proposals.”

He also has a desire to see

“the EU's commitments to subsidiarity”—

whatever that means—

“fully implemented.”

I would be grateful for panel members' views on those two aspects.

Ross Dougal: We are governed by the common fisheries policy, which has been reformed in the past two years. Great play was made of the move towards regionalisation. Unfortunately, because of the treaties, the EU has exclusive competence over the conservation of marine biological resources. Therefore, anything that can be done at member state level is advisory; ultimately, it is the EU that makes the decision, and all big decisions are made in Europe. Fishing in Scotland is pretty well devolved, apart from relations with Europe, on which the UK as the member state takes charge.

That is the problem that we seem to have. Groups of countries around the North Sea waters can work together to do things but, ultimately, the EU will make the decision.

09:45

The Convener: How would you see that being reformed?

Ross Dougal: That is a difficult question. This is one of those issues where a treaty change might be needed, because of the clause that I referred to. It is probably fair to say that, if a group of member states in a sea basin all agreed to take forward an idea, the EU would find it difficult to say no to that. However, that possibility still exists.

The Convener: That is an interesting angle.

I think that Serafin Pazos-Vidal might have something to say on subsidiarity, but he is not having a whole half hour.

Serafin Pazos-Vidal: I will be brief. The Convention of Scottish Local Authorities is a cross-party organisation that is made up of local authorities. We take a keen interest in this matter. We approach it from the point of view of wanting to determine what the role of local government is as one of the tiers of government in Europe. In reality, there are four tiers of government: the EU, the member states, the devolved Administrations and local government. The situation is pretty complex.

We have worked on that basis for many years. What we are looking for from the current discussions—not just the next summit but the discussions after that—is an improvement in some of the arrangements that exist at the European level and in the way in which decisions regarding the EU are made domestically. Local government does not have interests only at UK and Scottish levels; we are in close contact with our colleagues in the Benelux countries and Scandinavia, for example, and we are discussing matters with the Governments there. The issues are much wider than the UK referendum, but the UK referendum

discussions are providing an opportunity to consider them.

One improvement that needs to be made is that what subsidiarity means must be clarified. The treaties are contradictory. On the one hand, the idea is that decisions should as far as possible be made as close to the people as possible, but on the other hand, the idea is that the important issue is the scale and volume of decisions, which tends to result in decisions being taken at the EU level. That situation should be improved, and there are legal and practical ways in which to do so.

Powers should be clarified. In the treaties, the EU powers with a shared competence are very general. Because they are very general, all the decisions can be taken at the EU level. The rules are ambiguous and, sometimes, we are not having the right discussions about what the decision should be and where it should be taken.

In essence, we should focus on where the EU is providing added value as a transnational or international organisation in which people can pool resources and make partnerships. Equally, at the domestic level, there is a discussion to be had in Scotland and the UK, as well as other countries, about how we understand the European legislation, how we formulate negotiating positions and how we implement that. A number of countries have robust arrangements between the national and local levels and between the member state Parliaments and the devolved Parliaments in order to enhance scrutiny. There are opportunities to revisit such domestic arrangements in Scotland, as has been the case in other countries.

The Convener: Does Owen Kelly want to come in on that point?

Owen Kelly: Not on that point; I want to respond to your initial question about reform in general.

The financial services environment is shaped to a great extent by the European Union. Two big things in particular shape that environment. One is tax, which is predominantly a member state issue, and the other is regulation, which is increasingly EU-wide—that partly reflects the development and importance of the single market for financial services. I suppose that that is number 1 on our list of areas for reform.

There is a sort of nascent single market for financial services in the EU. The investment products that are created and sold in Scotland can be distributed throughout the EU—to pension funds in Spain and so on—but that is not the case in relation to lots of other things, such as insurance policies. The predominant reason for that is member state tax frameworks. More can be done on the single market.

The second area of reform that we think is important is what people tend to describe in a terribly vague way as better regulation. The Juncker Commission has taken quite interesting steps forward in that respect—for example, it has accepted that it is no longer a badge of honour to see how much legislation can be produced. In our area of financial services, the Commission is reviewing the cumulative impact of the many regulatory changes that have been made since the financial crisis.

The third area of reform is growth. As many people will know, a really big piece of work that is going on is the creation of a capital markets union, which is happening regardless of any debate that we might be having in the UK about reform. It is a big move that has the potential to open up capital markets across the EU and allow, for example, a small to medium-sized enterprise in Scotland to access funds from other parts of the EU much more easily. Exciting things could happen as a result of that capital market union.

The fourth area, which was mentioned in the Prime Minister's letter, is the need to tackle the relationship in the economic governance sphere between the eurozone and the non-eurozone countries. The UK is not, according to any foreseeable trajectory, going to join the euro, but we should keep it in mind that only the UK and Denmark have an opt-out. When the Prime Minister talks about the non-euro countries, the group is smaller than we might think, because other countries are committed to joining at some future date. That is a really important point.

Those are the main areas of reform from our point of view.

The Convener: Before I bring in Willie Coffey, I will take Alison Cairns and Helen Martin to ensure that everyone has had a chance to respond to the initial question.

Alison Cairns: On the question of reform, we would ask what role civil society has in Europe in directly representing EU citizens. Civil society is huge in Europe, with all member states having an extensive array of organisations that represent civil society at a European level. Moreover, civil society has many of the solutions to some of the critical questions that the EU needs to address from the refugee crisis right through to what our social policy on welfare is going to look like in the next 25 to 30 years.

Our question in respect of reform therefore is this: what is the current role that civil society plays and how can we improve it? Although there are many organised structures giving voice to civil society, huge improvements can still be made in the Commission's transparency through, for example, the creation of a commissioner for civil

society or an examination of operational issues and how participative democracy is operationalised in the Commission, the Parliaments and the other institutions. There are probably a number of pretty clear practical examples that we could give in that respect.

One way of providing structural dialogue is through the European Economic and Social Committee, and we would like that to have a bit more teeth and its connection with other political institutions to be strengthened to ensure that the various groups on the committee can hold the Commission and others more to account and allow civil society to have more participation through those structures.

Another question that is perhaps more relevant to us in Scotland is how regions are reflected in the EU. I spend a lot of time working with my colleagues in sister councils throughout Europe, and the fact is that the relationship that regions have is different. For a start, the membership is different. I am not advocating one thing or another, but I think that our membership needs to reflect regions better so that we have more direct access to and a more direct relationship with the EU.

I just want to make a tiny wee point that relates to Andrew McCornick's comments on the exchange rate. The rate has a big impact on third sector organisations. You have to set your costs at a certain point, and non-Governmental organisations quite often find that they get either less or more than they thought, because the exchange rate at the time is higher or lower. It is a situation that we have just had to live with for a very long time now.

Helen Martin: From the trade union point of view, we have two main areas of concern when it comes to reform in Europe. The first is simply to do with democracy. European institutions seem quite a long way from the people they serve and they are poorly understood.

There are very few opportunities to engage with the decision-making process. We see European citizens standing up and trying to engage on quite complex issues, such as the transatlantic trade and investment partnership, but the opportunities to do that are limited; the feedback from the Commission on what it is negotiating on behalf of the EU is limited and the reform that comes out of the pressure is limited. It is quite difficult for average citizens to involve themselves in European decision making and, if we were going to reinvigorate the union and have a different EU, it would need to be one that was much more accountable to the citizens of Europe.

Equally, the trade union movement recognises the benefits that have come from Europe over time and we recognise the benefit of the Common

Market and how that supports business. However, the question for us is how that is balanced against the provisions within social Europe. The original design of the union was a very good one and the social Europe emphasis was pretty strong, but in recent years we have seen that eroded. We have seen quite right-leaning decisions and, from our point of view, we want a reinvigoration of the social Europe elements of the EU.

Alastair Sim: In a sense, I do not want to say an awful lot about reform because I am conscious that the university sector is getting a lot of benefit—and I think that it is giving a lot of benefit to society—from the programmes that are already running.

European Commission funding through horizon 2020 and FP7—the seventh framework programme—is the third biggest source of project funding for research. Research is by its nature a cross-border enterprise. Around half of all the published research papers from Scotland are internationally co-authored, so having international structures as part of that complex ecosystem of research makes sense.

I am conscious also that we benefit from being able to help our students to be mobile through the EU and through the Erasmus programme. I think that we now have well over 2,000 students a year taking advantage of that to study across Europe. That mobility is also hugely important on the staff side. About 14 per cent of university academic staff are from the EU, and a lot are from countries outside the EU. The mobility of talent is hugely important.

On the reform side, there is one thing that I am aware of that is really hard to tackle. We are extraordinarily proud to welcome more than 13,000 students from the EU to Scottish universities. They add an enormous pedagogical richness and the people who have chosen to come, whether from Ireland, Germany, Greece—our three biggest markets—or wherever have the get up and go to have got up and gone, so they really add to our universities. However, because of the entitlements that EU and European Economic Area citizens have, the Scottish Government is paying the tuition costs of those welcome people. Back in 2011, the Scottish National Party manifesto flagged up that it wanted to address that issue but, to be honest, the free mobility of people for educational reasons as much as for any other reason is so hardwired into the EU that I do not think that it is an area that is readily reformable.

Willie Coffey: In many ways, the horse has already bolted in that the UK Government has established its four key priorities for EU reform. A couple of weeks ago, I got the chance to ask Mr Lidington whom he had consulted before the UK Government formed those four priorities. I am

keen to hear from the wide cross-section of organisations that are represented here whether any of them was consulted by the UK Government before it decided what the four priorities were and what they think about the priorities. It is great that we have all of you here, because we can certainly gather your views and articulate them. However, do you also intend to write to the UK Government about some of the points that you are making and to express your priorities on EU reform clearly to the UK Government? It is the UK Government that will be negotiating on your behalf, so I am curious about whether it engaged with you at all, what you think about that and what you might want to do about it.

10:00

Derek Elder: The short answer is yes. The Institution of Engineering and Technology is corresponding with the UK Government. However, the timing is not perfect for a referendum on staying in or leaving the EU—we do not know what the wording will be. Time is short and the amount of uncertainty between now and then will only increase. I am therefore giving a qualified yes: we will take the opportunity to probe the Government on its four priorities. As I say, there is a lot of uncertainty around.

The Convener: Were you consulted on what the four priorities should be?

Derek Elder: I will say a qualified yes to that because I am not the sole arbiter. If I have anything to do with it, it will be yes.

Andy Myles: The coalition Government at Westminster ran a review of competences in the EU and everyone was invited to participate in it. The environment movement certainly made its views felt. As with any consultation, there is a question about how much we are listened to when the priorities are set.

I would like to return to the question about sovereignty and subsidiarity, because we feel that it is vital to the whole discussion. Environmentalists generally believe that decisions taken as close as possible to the individual and local communities are likely to protect the environment better. The further away geographically that a decision is being taken, particularly on economic matters, the less likely the environment is to be the focus or a major element of that decision. If there is reform of the EU, we are strongly in favour of the entrenchment of the idea of subsidiarity. However, it has to be at all levels. It cannot just be at European level; it needs to be brought into international law. We are dealing with global problems such as climate change, which cannot be dealt with at the local level. We need international agreements on those

things, but we also need subsidiarity to preserve power and sovereign power not just in the hands of the nation states but in the hands of the individual and the local community.

Subsidiarity needs to be brought in as a principle at the UK level as well. There is a certain amount of questioning inside environmentalists' minds about the claim that one of the four items, subsidiarity and power being brought to national level, is hugely important when we see the Government being the cheerleader for TTIP at the same time. That will not be bringing power back to any local community or individual any time soon. Far from it; it is going to lead to an accumulation of power in corporate hands. Power is going to move in the opposite direction to subsidiarity under TTIP and there seems to be a contradiction in the position of the UK Government.

That also applies here in Scotland. Regardless of whether Scotland is independent, part of the UK, part of the EU or whatever, our view is that decision making here should be taken with subsidiarity. Decisions need to be moved back down to local councils and beyond, as in the Community Empowerment (Scotland) Act 2015. Decisions need to be taken down to the really local level so that people really consider their environment. Otherwise, we will end up with pollution, waste dumps, unintended consequences and a whole series of environmental consequences in the places where people live.

Serafin Pazos-Vidal: Briefly, on the same theme, we subscribe to many of the statements about subsidiarity and local empowerment. On the earlier question about the negotiation, although many of us contributed to the balance of competences review, I believe that COSLA contributed the most on that from local government across the UK.

There has been an element of negotiation at very senior level, but what might be agreed in the December summit will just be general terms of reference at most, which will then have to be spelled out in legislative and political terms, and possibly treaty reform. That is the opportunity that we and our partners are looking for to try to narrow down some of the broad principles that we hope will be agreed among leaders as a starting point in the next few weeks.

That will give an opportunity to clarify what should be done at EU level and to challenge the assumption that things are best done at that level, which is the current ethos in European institutions. Equally, there will be the opportunity here to see how we can best deal with Europe domestically. For instance, what could the Scottish Parliament's role be in enhancing the scrutiny mechanism? The House of Lords is piloting a system—called the green card—to make proposals to Europe, so

there is perhaps a role there for the devolved Parliaments in the same way as for federal Parliaments in other member states.

It is also important to know that it is very likely that any movement to subsidiarity would be based on the Dutch proposals on subsidiarity that were tabled a couple of years ago, which my opposite numbers in the Netherlands were very much involved in preparing. There will be an opportunity to be involved in the detail of that.

I remember that 10 years ago, prior to the current Lisbon treaty, COSLA and the Scottish Executive drafted a joint statement on EU reform and a European convention. Something similar could be done again in that perhaps the Scottish Parliament and the UK Parliament could agree a joint approach on what they would like in terms of EU reform and subsidiarity scrutiny, which I believe would open up new opportunities.

The Convener: Thank you. I am going to move on soon to the second part of our deliberations today, but before that I want to make sure that everybody has had their say on ideas for reform.

Andrew McCornick: I am going to try to tie a lot together. I have no awareness whatsoever of NFU Scotland being asked about some of the stuff that has been taken forward in the discussion about UK Government priorities. You can see that by the total lack of any mention of anything to do with agriculture. We would certainly have had something to say if we had been asked, but there is nothing about agriculture in the UK priorities, although a very significant part of the Scottish farmer's income is the money coming out of Europe. We need that money to keep the job supported.

I can see a good argument for getting to a better place on subsidiarity. Europe is trying to make regulations that fit both arid lands in Greece and the Paris basin for growing green. You will all have noticed the rain that we have had here since the summer. Europe is trying to make one regulation fit all. We find it a problem delivering in Scotland the likes of the three-crop rules that are designed for the Paris basin. We are keen to be green producers and want to bring everything together in that regard. However, 85 per cent of farmed areas in Scotland have less favoured area status. Subsidiarity would produce something a bit better than what we get from being tied to the kind of regions that I have mentioned. It would be better if Scotland could deliver what Scotland needs or if the United Kingdom could deliver what the United Kingdom needs. Subsidiarity is one of the things that could benefit us.

Owen Kelly: I want to respond on the question of discussions with the UK Government. As I said, our environment is predominantly shaped by UK

and EU frameworks, so we have frequent discussions with UK ministers, and EU reform is always part of the discussions. There is a contrast between our industry and the agriculture industry in that regard, because EU reform is just part of something that we discuss with the UK Government all the time.

Jamie McGrigor: I would like to know from our witnesses whether they think that what the Prime Minister wants in terms of EU reform goes far enough.

The Convener: Ah.

Andrew McCornick: I refer to my previous answer.

The Convener: Okay. Hanzala Malik has a question.

Hanzala Malik: Alastair Sim, you mentioned tuition fees, which I am very interested in, because our educational institutions depend a great deal on them. What are your concerns at present? What would you like to be done to protect our universities in that regard?

Alastair Sim: I would not want to frame it simply as an issue of concern. As I said at the beginning, the fact that we are able to attract students from across the EU is testament to the quality of what we are able to provide, and those students add huge richness to what we provide. I do not identify the issue first and foremost as a problem; however, I am conscious that the Scottish Government is picking up the tab. Teaching grant supports Scotland domiciled and EU students, and the number of EU students that we have obviously puts significant pressure on that.

I honestly do not know that there is a way round that—it is just one of the consequences of the freedom of movement that people in the EU have. In 2011, when the SNP manifesto talked about looking at whether there was a way of introducing a mechanism whereby EU students could make some form of financial contribution to the costs of going to university in the EU, we were supportive of that. A number of models have been looked at. For instance, in the Republic of Ireland, nominally, going to university is fee free, but students—whether they are from Ireland or the rest of the EU—pay an administration charge each year.

To be fair to the Scottish Government, it gave pretty substantial thought to and carried out due diligence on how something could be constructed that was compatible with the treaties and would enable a financial contribution to be sought from EU students. The pretty thorough answer that came back was that no way of enabling that to happen in relation to EU students or, indeed, students from the wider European Economic Area could be found because it would go so strongly

against the treaties. Therefore, I do not have a specific proposal for reform, because a lot of work has been done on it and an implementable solution was not arrived at.

Hanzala Malik: Given that there is now an opportunity to renegotiate in certain areas, should we be considering that area, too?

Alastair Sim: It may be worth further study but, as I said, I would not approach it with any great sense of optimism. Even if we were to cease to be a member of the EU but retained membership of the EEA, it would not get us out of the issue.

Hanzala Malik: Jamie McGrigor asked whether we are asking for enough as regards EU reform. Tuition fees could be another area that we could consider asking about.

Willie Coffey: I come back to the subject of my question. If you do not consult people about what their wishes and desires are, you get what we have: four priorities that are about restricting immigration, opting out of more EU integration and cutting red tape. That is really it—that is what is in David Cameron's basket of wishes. There is nothing in there about reform of the common agricultural policy, a fair price for Scotland's farmers for their milk or the fact that Scotland's allocation from pillar 1 and pillar 2 is the lowest in the EU. I am glad that Mr McCornick said what he said, because if the NFU had been asked what its priorities were, I am sure that it would have said that, and I would have hoped that those issues might have formed part of the submissions.

The only chance for you now, Mr McCornick, is to continue that dialogue directly with UK ministers to ensure that your voice is heard. I am sure that this committee will do that, but I encourage you to do the same.

Andrew McCornick: I have had meetings with the Secretary of State for Scotland, David Mundell, at which I have pressed some of those issues but, as you will have noticed, nothing on agriculture has appeared anywhere in the UK's demands.

We had an on-farm meeting with David Mundell, which allegedly gave us access straight to the Cabinet, but there is no mention of agriculture in the UK's demands. We would be pretty strong in making our case if we were given the opportunity. There is quite a lot that needs to be dealt with; you highlighted some of our bigger priorities. We would like some of those issues to be brought in as part of the Prime Minister's renegotiation, because the CAP accounts for almost 40 per cent of the budget in Europe. We are a very important part of what goes on in Europe, and we could do with being part of the renegotiation process, simply to get across the points of view that we need to get across, if nothing else.

I thank Willie Coffey for giving me the opportunity to come back in on that.

10:15

Helen Martin: I want to follow up on the original question and some of the points that have been made. We certainly had no opportunity to contribute to what the negotiation priorities should be and I am not aware that there was a formal consultation on that. The STUC and, I think, the Trades Union Congress, are extremely concerned about some of the areas that have been selected. For example, the focus on reducing benefits for migrant workers is, I think, just playing to a right-wing audience rather than trying to solve a problem in our economy. We are also concerned that in order to solve that problem, we will need to push down on the rights of our own young workers; that might be the only way of achieving the ends that the Prime Minister wants to achieve.

We are also hugely concerned about the focus in the negotiation priorities on the reduction of workers' rights. The STUC is clear that if there are significant changes to the system, to how social Europe functions and, in particular, to the UK's access to social Europe, that will put us in a difficult position with our members. It is not guaranteed that we would continue to support the European project on those terms.

The Convener: We need to move on to the next topic, but Mr Myles can come in quickly on this one.

Andy Myles: Very quickly, the question that is really being discussed here is whether the four proposed areas of reform go far enough. To be honest, our view, which I think represents the view of quite a lot of people, is that we did not ask for this debate or this referendum at all. The question is not whether the proposals go far enough; for many of us, there are priorities other than this type of constitutional change. In my own sector, we are dealing with the massive loss of biodiversity, climate change and a few issues that we feel are important. Debating any of these constitutional issues sometimes feels like shuffling the deckchairs. We would prefer our politicians not to be squabbling about the rules but to be tackling some of the genuine, serious, horrific issues that we have to face up to.

The Convener: Anne, do you want to move us on to possible implications of not being in Europe?

Anne McTaggart: Thanks, convener. I think that Helen Martin has just dealt with what I intended to ask about. She mentioned workers' rights. I wonder whether Alison Cairns can follow up on that. Will you say something on that?

Alison Cairns: On the rights of workers?

Anne McTaggart: On the extent to which membership of the EU has affected the rights of workers in Scotland.

Alison Cairns: Helen Martin probably has more experience specifically on the rights of workers, but I can say that our membership of the EU, with the legislation around employment, employment protection, equality and human rights, has been a fairly key driver of not only practices that protect, enhance and enshrine equality for lots of vulnerable groups who have been marginalised in the labour market but their participation in democracy and society. So, there are some very fundamental rights that we have taken for granted for a very long time that have been driven by the EU project in its entirety.

There are always some great initiatives in Europe. If one listens to a lot of the things that are discussed and debated at European Parliament level, one quite often hears some great innovative conversations. There is also a lot of wacky stuff, but that is what democracy is all about. So, some fantastically brilliant ideas are debated but, because of the clunky democratic deficits that sit around them, they lose some of their momentum as they make their way out to member states. However, it should not be forgotten that lots of employment rights and protections, such as paternity leave and equality of pay in maternity, were set by the European Union, not the UK.

The Convener: What would be the impact on your organisations if we found ourselves outside the EU?

Andrew McCornick: I feel that I keep cutting in on the discussion, but—as I said earlier—nearly 40 per cent of the European budget goes to CAP, so leaving the EU would have pretty serious implications for our industry. In 2014, £560 million in support payments for agriculture came into Scotland, and although the money is directed at agriculture, it delivers benefits a long way down the chain. Each pound that is spent through CAP is roughly equivalent to £4 going into the rural economy, because of the way in which it cascades down through the various businesses that in turn keep other businesses in the area going.

Absolutely nothing has been said about how, if we exited Europe, that money would be replaced. When times are good it gives us the opportunity to reinvest in our business and build it up to strength. When times are bad, it keeps us in business, which is the position that we are in now.

If there is talk of exit, we need to see what will be put in place. That brings me back to the point that we have never been consulted. I highlight that, because one of the consequences of leaving the EU could be land abandonment in the more remote, difficult and harder places, where it would

just not be worth it for people to continue. If that happens, we will lose communities. There are downstream effects from how the money is used. The implications of leaving the EU would be absolutely huge.

Andy Myles: The question of what would happen if we left the EU is a very difficult one from an environmental point of view. In many respects, one has to ask what would have happened if we had never joined. Some of the very beneficial European legislation, such as the birds directive and the habitats directive, and quite a few of the directives relating to pollution, might or might not have gone into UK or Scottish law. On the other hand, UK legislation might have been better. For instance, the birds and habitats directives follow largely from the Wildlife and Countryside Act 1981 that was passed at Westminster under a Conservative Government. It seems odd that we should prefer one piece of legislation to another, particularly given that if we left—as members have mentioned—we might well be a member of the EEA.

If we look at the countries of Europe that have best implemented European law, we find that the best performer is Norway, which is not a member of the EU. If we left, would it make a great deal of difference to the legal situation as regards environmental protection or to actual practice on the ground? It might, but it might not. Would it be better or worse for the environment? It might, or it might not.

It might allow us the opportunity to make a lot more sense of the impact of fishing and farming on the environment, and we might be able to sit down and work out a much better situation. We might, on the other hand, sit down and find ourselves in an environmental position that has become a lot worse. None of us has a crystal ball to enable us to see what will happen one way or the other. I come back to the point that, in many respects, the debate is a distraction from the real issues.

Owen Kelly: As others have hinted, it is a difficult question to answer, because we do not know what the terms of the relationship between the UK, if it votes to leave, and the EU would be. That is in the nature of such processes: you vote to leave and then, under the Lisbon treaty, you begin a two-year period during which you negotiate the terms of the relationship for the future. Getting all that done in a couple of years is pretty ambitious, but it may be achievable. It is difficult to know, and—as with last year's referendum—it is important to focus on what we can know rather than making assumptions about what might or might not be negotiated.

I will make a couple of quick observations. One is that, for an industry such as ours, it is currently very difficult to generalise about what companies

might or might not do in response to a vote to leave the EU. It will all depend on where their customers are. Some of our member companies have all of their customers outside the UK. Big issues for them would include how it might be to operate outside the EU while still trying to serve customers within the EU. We know that those who wish to provide, say, insurance in the large EU market would need to do something to ensure that they complied with EU regulatory requirements.

We have learned from our counterparts in Switzerland that, in our industry—and I suspect that others will be in the same boat—although some people might think that leaving the EU means that we can think less about it, the opposite is the case. Switzerland has to spend an awful lot of time tracking every single piece of EU legislation because it wants to be part of the single market. The idea that we can step away from the EU and that we will not have to worry about it so much is completely wrong.

This is a slightly obvious point, and I know that TTIP is a controversial example but, in general, if we believe that it is a good idea to have a trusted and respected world trade framework, being part of a very large trading bloc such as the EU makes us one of the big players; outside the EU, who knows?

Alastair Sim: I echo what previous speakers have said. It all depends on what the successor regime is, but there is an awful lot in what we currently get out of the European Union, and it would present a substantial risk if we lost that. I have talked about the free movement of talent, which is really important. We are internationally connected organisations. Universities only work by having the best talent within them.

I have also talked about research being a cross-border enterprise. Horizon 2020 structures and Marie Curie initiatives to help researchers to cross borders and develop their research careers, for instance, are all part of that cross-fertilisation of ideas that comes from being truly international. Likewise, as generators of intellectual property, being within the European Union provides us with the capacity to ensure that that intellectual property is protected across the whole EU when it is generated and patented.

Those are really important benefits, and it would present some difficulty if they had to be reconstructed in a successor regime. As outward-focused international institutions, we are really conscious of the value of being part of international structures.

Derek Elder: At the risk of joining the echo chamber, I emphasise the uncertainty and disruption that I think would result for the engineering and technology sector if the UK were

not in the EU. Some people have indirectly made cases for and against, and this is not to say that it would not be a good thing, but there would be uncertainty and disruption.

If it was outside the EU, would Scotland be as attractive a place to work as it is now? Labour mobility has been mentioned, which is very important to the engineering sector, including research and studying.

Also, would UK firms wish to stay in the UK if it were outside the EU? As has been mentioned, people cannot ignore the EU just because their countries are outside it. Switzerland and Norway have to take cognisance of European Union regulations.

As has also been mentioned, we would not be part of a global trading bloc.

TTIP has come up. What opportunity would the UK and, indeed, Scotland have to influence negotiations over such a global trading partnership?

Jamie McGrigor: As an MSP for the Highlands and Islands region, I would say that one of the best things about the EU has been the structural funding that we got when we had objective 1 status, which built a great many causeways and bridges and linked up a lot of things. That structural funding tends to go more to the emerging countries now, rather than to Scotland.

My question is more about the single market. I put this not just to the Scottish Chambers of Commerce—although I raise it with that organisation in particular, it is relevant to Scottish Financial Enterprise, the NFU and the Scottish Fishermen's Federation as well. How important is access to the single market?

10:30

Garry Clark: I was going to make a couple of points but they fit in very well with the question. Around the end of August, we did some research among businesses in our membership across Scotland on the referendum and its implications. Our findings are a few months old now, but almost three quarters of respondents said that they would be minded to vote to remain in the EU, while approximately 13 per cent said that they would be minded to vote to leave.

When we drilled down into the figures and looked at the potential benefits and threats from an exit from the EU, we found that a large number of businesses thought that they would not be affected either way, but, when the threats and benefits were identified, the threats substantially outweighed the perceived benefits. Principal among the benefits was trading, so businesses that export or import—approximately one third of

all the businesses that we surveyed—told us that they perceived that coming out of the EU would have negative impacts on their export or import strategy. About 40 per cent of businesses also told us that there would be threats to their overall growth strategy.

To come back on the some of the points that the university and engineering sectors have made, it was interesting that more than one in five businesses told us than an exit would mean a threat to their recruitment strategy. That tells us a great deal. When we speak to educational institutions within our membership, they tell us that they are very concerned about people's perception of the referendum on our future membership and what that could mean for the ability to attract students to what are world-class institutions in Scotland. Businesses draw hugely from that sector and we would like to draw more people, particularly from an international background, to provision by our educational institutions.

There is certainly a wide range of perceived threats, including, but not restricted to, threats to the single European market, to which we export almost £13 billion of goods and services each year. Given that the outcome is unknown, we ought to take those threats seriously.

The Convener: The Scottish Fishermen's Federation has had quite a difficult relationship with the EU over the years. Perhaps Ross Dougal can give us a different perspective.

Ross Dougal: I do not want to bring up ancient history, but I will. It is accepted that back in the 1970s the UK fishing industry was sold down the river in order for us to join the EU. If we come out of the EU, the theory is that, since most of the fishing resources are in Scottish or UK waters, we would get a bigger share of what is there.

However, we would then have to negotiate with all the other countries. The North Sea talks are going on at the moment and there are annual EU-Norway talks about straddling stocks in the North Sea. If we came out, those discussions would be tri-party discussions. We would have to renegotiate with all the other countries that fish in what are currently EU waters, which would become UK waters.

It would be disingenuous to think that any UK or Scottish Government would not continue to pay attention to the stock advice from the International Council for the Exploration of the Sea. The Governments would still listen to that advice, so we would not have a free-for-all; we would still be constrained. On top of that, many of the species that the Scottish fleet catches are exported to the eurozone, so there are implications there. A lot of big questions would have to be answered.

I would like to go back to the money that comes into farming and fishing. We will benefit under the new European maritime and fisheries fund scheme. The UK allocation will be in the region of €243 million, and Scotland will get about €107 million or €108 million out of that. Great play has been made, especially in Scotland, that that does not reflect the size of the Scottish fishing industry. As has already been said, those are convergence funds. It is not a case of how big an industry you have; it is a case of how poor a country you are. That is the basis on which the funding is allocated. The only negotiated bit of it is the split within the UK.

Is it too simplistic to say that, given that the UK is a net contributor to the EU, if we come out of the EU, all the funds that do not go to the EU can replace what goes to the farmers and the fishing industry? Alternatively, will the UK Treasury just Hoover them up?

Alison Cairns: The third sector in Scotland does not really know what all the implications of a vote to leave are. We are in the initial stages of conversations with people in the sector to raise awareness of the debate and to get people to think about the issue. We will launch that debate a bit more in earnest at our February gathering to get some broader conversations going about what all the implications are for everybody and to get people to think and to raise questions and issues that we may not have thought about so far.

For civil society, the European Union is much more than a peace project or a free trade area. Civil society has a fundamental desire for collaboration and there are benefits from closer collaboration with civil society across Europe. Our broad interests in social issues, containing market forces and stronger welfare policies make us politically and ideologically compatible. Consequently, we often agree on broad policy areas and we operate in similar institutional contexts throughout Europe. It is surprising how similar things are. We have a strong desire to collaborate and to understand and to try to come up with solutions to the issues faced by human beings—the people in our communities and society. The EU is a much greater entity than just a free trade area.

We already know about some of the implications of leaving the EU in relation to structural funding and other European funding. Less and less money has been coming to the third sector in Scotland through structural funds but there is no guarantee that if we left the EU, that money would come back to the third sector.

At a European level, we have quite a strong input into policy areas around employability, the environment, poverty, gender equality and human rights. We would have to address those areas

through the UK constitutional and institutional frameworks, and there is no guarantee that we would have the same participation, the same voice or the same influence. We certainly would not have the same collective collaboration and understanding.

Our problems are local but the solutions are global and we have to reach out. We need a constitutional or institutional environment that allows us to do that. For us, it is about people participating—and being able to participate—in the decisions that affect them. In many ways, people do that through organised structures at a community level—whether those are community groups or larger organisations—which we call civil society.

Without straying into questions about representation and representative democracies, I want to mention the example of a big platform called dementia Europe that involves all the dementia organisations across Europe. Dementia Europe works really hard at a European level to address issues around dementia and the services for people who are affected by the condition throughout the EU because it is a big global issue for us as a society. Dementia is just one area, but civil society is working collectively on that big policy area. The dementia Europe platform directly represents the interests of people who suffer across the whole spectrum of dementia, as well as those who work in the field, carers and families. Who better represents the interests of somebody who is suffering from dementia—that platform or the political structures and environment? For us, the issue is how civil society can participate in the democratic processes. The implications of our not being involved in that way will not be fully visible until we are not there.

Andrew McCornick: I want to come back in because Ross Dougal has got me excited.

Scotland's food and drink exports were worth £5.1 billion in 2014—that total has since been exceeded—and Europe accounts for 73 per cent of the UK's food and drink export market. Nothing has been mentioned anywhere about what would happen to the agricultural money and the equivalent fisheries money from Europe. The Department for Environment, Food and Rural Affairs has never shown a lot of enthusiasm, except with regard to market returns. If you look at where agriculture is this year, you will see that we are in a worse state than we have been in for a long time. We are in a mess and the market is not delivering.

I will give you some examples of the levels of payments, using last year's figures. The support payment in the beef industry was 42 per cent of the output, which is equivalent to 200 per cent of a beef farmer's income. In the sheep sector, support

is 34 per cent of the output and 240 per cent of the income. In dairy, support is 9 per cent of the output and 50 per cent of the income. The situation in dairy will be a far, far different story this year.

To come back to what I said about Lisbon, our submission notes that article 50 of the Lisbon treaty states that any member state withdrawing from the European Union

“shall not participate in the discussions of the European Council or Council or in decisions concerning it.”

I do not think that we would be allowed to even discuss how we exit. We would be thrown out, and decisions would be made without us. There would be no guarantees about what tariffs we would face when trading with the EU, which, as I said, accounts for 73 per cent of the UK's export market. There are also implications for other countries exporting to the UK and Scotland. We would lose the strength that we have gained through using Europe as a negotiating body. We would be a poorer and weaker negotiator, and that would result in other products coming in that would make our market even more difficult.

Serafin Pazos-Vidal: I am in the peculiar position that the purpose of my job is to put myself out of a job—that is, to arrive at a situation in which most EU decisions do not directly affect local government. The reality is a bit more nuanced, as has already been suggested. One issue concerns situations in which Scotland has higher standards than Europe. We have a contradiction in that regard. For example, yesterday, a new EU package on waste was tabled. However, with regard to waste targets, the Scottish legislation and programmes are more ambitious than the European ones. What happens in such situations is that we have to re-engineer the domestic standards so that they align closely with the EU standards—one thing is the target and the other concerns how to deliver the target.

Of course, if no EU law was applicable to councils, it would be easier to arrange to share services through local provisions in relation to tendering—that area is now very much restricted—or through the use of state aid. However, the reality is more nuanced. Next door to my office in Brussels are my Norwegian and Icelandic colleagues. Even though their countries are not part of the EU, they are there because a lot of the legislation that comes from Europe affects their local government. The best experts in procurement in Europe are my Norwegian colleagues: they are not part of the decision-making process, so they have to pay a lot of attention to what is going on. There was an excellent study on that, as there was on environmental impact assessments. Basically, unless we are in a situation in which there is no

relationship with the EU at all, local government will continue to be affected by the EU.

On EU funds, as has been highlighted at this committee and elsewhere, the added value of the structural funds and the other funds is that they have the benefit of multi-annual programming, so you know well beyond the scope of a comprehensive spending review what the spending will be. Even more important is the idea of priorities. A number of priorities are openly discussed at the EU level, which sets out the vision. In that respect, it is interesting that the latest Scottish economic strategy has been done in symbiosis with the EU 2020 strategy. In a way, it influenced the EU thinking at the same time as the EU thinking influenced domestic policy. That is an interesting symbiotic relationship.

As I said, it is most likely that local government will continue to be affected, and it will be difficult for us to influence that. However, before we get into any of that, we have to use the next few months to ensure that there is a proper, fundamental review of the decisions that are taken at a European level so that we can make an informed choice regarding what will impact on our sectors, which in COSLA's case is local government.

10:45

The Convener: That was another dimension. Do any of my colleagues around the table have any burning questions that they want to ask? Do the witnesses want to bring up aspects that we have not touched on yet?

Alison Cairns: It is not yet clear what the restrictions or prohibitions would be in relation to opportunities that the third sector has been involved in, given that we are part of the EU, if we were to become an EEA member or something else. Lots of opportunities have arisen over the past few years for the third sector to collaborate with Europe, through access to structural funding or direct European money through horizon 2020, Europe for citizens and other projects. Such projects all involve transnational funding, so they compel us to work in partnership across countries. They are fantastic opportunities for learning and sharing, and for exporting good practice in Scotland's third sector. We would like to see a lot more of that. We have quite a few third sector organisations that are involved in business relationships—trading, owning or sharing buildings, collaborating on jobs or on civil society recruitment websites and so on. We are not clear what the implications would be for any of that if we were not part of the EU.

Our concern is that the debate will be dominated by such issues as free trade and immigration and

that our sector will not address some questions until quite late in the day. Although we want to help them, organisations will be firefighting and not thinking enough about the debate. There continue to be lots of opportunities in the EU for our sector, but I am concerned about the debate on the EU in terms of the questions that are asked and the listening that goes on.

The Convener: Thanks. I have a question for Helen Martin. I come from a trade union background and I realise that the social union part of the EU has created the working time directive and workplace rights on, for example, non-discrimination, equal pay, maternity leave and pension entitlement for women. Those aspects are fundamental for good governance in a society. If workers are treated well, there is better productivity and businesses benefit—it is an ever-growing circle. What would the STUC's reaction be to a withdrawal from the EU and all its social union aspects? I ask that question against the background of what we have seen thus far in relation to those issues and the impact that the Trade Union Bill will have.

Helen Martin: Therein lies the crux of the matter. It is fair to say that at present we do not have a policy position on leaving the EU. We are in favour of the European Union but recognise that areas of it need reformed. A lot of what drives what we like about the European Union is around exactly the things that you have just mentioned. The working time directive is a good example of fantastic legislation that came from Europe. Until that legislation was passed, UK workers did not have a right to take time off. That is testament to how poor terms and conditions can be in this country without the drive from Europe for protection.

The difficulty comes when we start to analyse what is happening at the European level and the present direction of travel. For example, in Belgium, collective bargaining arrangements are being dismantled and the Lisbon treaty is being used as the catalyst for doing that. There have been poor judgments from the European Court of Justice that mean that European workers can enter and work in the UK and be paid lower rates than UK workers, which effectively undercuts collective bargaining arrangements. That is another example of how things can be driven down as well as pushed up by Europe.

The question then is: what is the offer for the UK going forward? We have to think about what we can negotiate with our own Government, but we also have to think about how our Government is enslaving us. Europe might continue to have quite good legislation, but if we do not get access to it in the UK, that does not necessarily benefit us very well. If, at the same time, we are facing the

privatisation of our public services because of different decisions that are made at the EU level, that can make the situation worse in some ways.

There is no easy answer, and that puts the STUC in quite a difficult position. We recognise all the things that business has said about how much the European Union benefits our economy, and obviously we have an interest in that as well, but we need our economy to work for people and we need people to be able to have an effect on the decisions that are made about their lives. If that procedure does not work, there is a serious question mark over whether the European Union can keep going in the longer term.

Andy Myles: The environment movement has discussed the question of Europe because we have to: it is on the political agenda. Like colleagues around the table, we have not fundamentally put our positions down on paper yet, but I can report two things that might be of interest.

Yesterday, I was in Birmingham discussing the European referendum, among other things, with colleagues from our sister LINK organisations in Belfast, Cardiff and London. It is likely that they will take the approach that Scottish Environment LINK developed during last year's referendum campaign, when we said, "This is the kind of Europe, Scotland and UK that we want to live in. How will your constitutional option best deliver our aspirations?" Therefore, we will challenge the in and out campaigns on the effect that they will have on our aspirations. The approach should be ready for spring or early summer next year.

Over the past seven years, I have represented Scottish Environment LINK fairly regularly in Brussels at the European Environmental Bureau, which is a kind of LINK for the whole of EU and non-EU Europe. It has been a brilliant experience to have shared with colleagues from across the continent the things that people have done in which they have succeeded or not succeeded, the things with which people have really made a difference to the environment and the things with which they have had real problems with industry, Government or whatever. I have drawn ideas back from Europe that have, I hope, made a difference in Scotland; and I have been able to take a lot of our Scottish experiences over and share them with colleagues across Europe. Those things are enormously helpful to civic society.

I echo a lot of what Alison Cairns and Helen Martin said about social Europe. If we left the EU, we would have to reconstruct ways of gaining the benefits of sharing experiences across the continent, one way or the other.

The Convener: Thank you. We have a few minutes for any other comments.

Derek Elder: I will make a closing statement, too. I hope that it is relevant to other people around the table.

It is important to say that the Institution of Engineering and Technology has no stated view on EU membership. Time will tell whether it reaches one. However, I cannot overemphasise the importance of labour mobility in the European Union. In the past couple of years, I have worked with Portuguese, Spanish, Greek and German engineers in Scotland. They are here for a reason. There are push and pull factors in that. My son works in Spain as an information technology engineer. Whether that would be possible with a different EU arrangement for the United Kingdom, I do not know.

The EU can seem overly bureaucratic; the European Parliament often seems not to be as powerful as the Commission; and the relationship with the Council of Ministers is complex. However, many of us would agree that the single market is a very good thing. There is no doubt that its approach to services, which affects me as a professional engineer, is underdeveloped.

EU reform is needed but leaving the EU is very different from reform.

The Convener: We are continuing with the inquiry. We have a number of round-table sessions over the next few weeks and, no doubt, will continue to consider the question up to the dissolution of the Parliament in March next year.

I thank the witnesses for the evidence that they gave this morning and for their written evidence. If, after they go away, they think that they should have said something or developed an argument, they should not hesitate to get back in touch with us to let us know their thoughts. If their organisations are getting involved in anything that they think we could contribute to or learn from, I ask them to let us know about that as well. We know that many seminars and discussion forums are bubbling up, so we would be keen to get some insight into those, too.

We have had a good, diverse discussion. It comes down to a few simple things that affect us all, and the witnesses managed to articulate those well.

We will have a brief suspension to allow the witnesses to leave their seats.

10:57

Meeting suspended.

11:00

On resuming—

“Brussels Bulletin”

The Convener: Welcome back. Item 2 is consideration of our “Brussels Bulletin”. Members have a copy in front of them. Are there any questions, queries or requests for clarification?

Roderick Campbell: The section on the state of the energy union refers to the UK country report. The comment on that is a wee bit ironic:

“In addition to doubts over the UK’s ability to deliver on renewables, the country report also notes modest UK support for Carbon Capture and Storage research programmes.”

Obviously, that has been overtaken by last week’s events, but I just wanted to flag up the issue.

I was also quite interested in the next section, on energy infrastructure, and the comment on the upgrade to the Scotland to Northern Ireland pipelines.

Anne McTaggart: I want to highlight the section on work-life balance, which is on page 9, in the chapter on employment, skills and education. The European Commission is carrying out a consultation. Are we able to promote that in any shape or form and encourage people to get involved, through Twitter, for example?

There is a chapter on equal opportunities on page 10. I just want to ensure that, as you would normally do, convener, you will make the Equal Opportunities Committee, as well as other committees, aware of what is in the bulletin.

The Convener: Excellent. We can look at options for raising awareness of the consultation. If there are specific topics in the “Brussels Bulletin” that we think should be brought to the attention of individual committees, we would do that, so I agree with the comments about the Equal Opportunities Committee.

Jamie McGrigor: On page 5, at the end of the chapter on economy, energy and enterprise, it says:

“In parallel to the TTIP negotiations, the European Commission will start work, together with other countries, on setting up a permanent International Investment Court.”

Presumably “other countries” means all the EU countries. It is terribly—

The Convener: We can check. If the work is in parallel to TTIP, the reference could be to countries outwith the EU. Maybe we should get more detail on that.

Jamie McGrigor: I would like to see a bit more detail on that, and on the point of the work. In

terms of detail, the bulletin is not what it used to be.

The Convener: We can get more detail on that topic. Does anyone else have any comments?

Willie Coffey: Do you remember some meetings ago the desperate reports that we had about the refugee crisis in Europe, convener? We asked to be kept informed on how that was progressing. We often lose sight of matters once they leave the committee. Is there any way we can get an update on the situation and what is happening in the Mediterranean in particular? There were quite a few desperate accounts from people around the table about the circumstances in which people had found themselves. Our hope was that the European Union would do more.

The Convener: The committee agreed to write to a number of Government levels about the issue. We have had a response from Humza Yousaf, the Minister for Europe and International Development at the Scottish Government, which was emailed out last week. I understand from the clerk that we now have all the other responses. We can add the matter as an agenda item for a follow-on meeting.

Willie Coffey: Great.

The Convener: We will bring the topic back to the forefront.

Roderick Campbell: I have one other matter to raise: migration. I have read quite a lot—mostly in the tabloid papers, it must be said—about EU discussions with Turkey. I note that there is a reference in the bulletin to a summit on 29 November. Can we ensure that the next bulletin clearly outlines what has been agreed between the EU and Turkey, so that we do not have to rely on some fairly hysterical stuff in the tabloids?

The Convener: I agree. I am very interested in what progress is made on the EU’s relationship with Turkey, so I am keen to hear about that, too.

There are no further comments from members. I am happy to make sure that the “Brussels Bulletin” goes to our other committees, specifically to raise the profile of the issues that we have highlighted. That includes the issues that Roderick Campbell raised as well as those raised on equal opportunities. The Education and Culture Committee should be made aware of the consultation on work-life balance, too. Are members happy with that approach?

Members indicated agreement.

The Convener: Thank you. That concludes today’s meeting. Our next meeting is in two weeks’ time, on 17 December. We will see you all then.

Meeting closed at 11:06.

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