



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Relations Committee

Thursday 22 June 2017

Session 5



The Scottish Parliament
Pàrlamaid na h-Alba

Thursday 22 June 2017

CONTENTS

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COMMITTEE OF THE REGIONS	1
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CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE
17th Meeting 2017, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Lewis Macdonald (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Jackson Carlaw (Eastwood) (Con)

*Mairi Evans (Angus North and Mearns) (SNP)

*Ross Greer (West Scotland) (Green)

*Richard Lochhead (Moray) (SNP)

*Stuart McMillan (Greenock and Inverclyde) (SNP)

*Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Ulrika Carlefall-Landergren (Committee of the Regions)

Olghierd Geblewicz (Committee of the Regions)

Rob Jonkman (Committee of the Regions)

Karl-Heinz Lambertz (Committee of the Regions)

Catiuscia Marini (Committee of the Regions)

Markku Markkula (Committee of the Regions)

Stanislaw Szwabski (Committee of the Regions)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Culture, Tourism, Europe and External Relations Committee

Thursday 22 June 2017

[The Convener opened the meeting at 10:01]

Committee of the Regions

The Convener (Joan McAlpine): Good morning and welcome to the 17th meeting in 2017 of the Culture, Tourism, Europe and External Relations Committee. I remind members and the public to turn off mobile phones. Any members who are using electronic devices to access committee papers during the meeting should ensure that they are switched to silent.

Our only item of business today is an evidence session with the Committee of the Regions' conference of presidents. I welcome the president, the first vice-president and members of the conference of presidents to Scotland and to the committee. We are delighted to have you here and we look forward to our discussions on the implications of Brexit for Scotland.

Before that, and before you make your formal statements, I invite everyone to introduce themselves. I will start. I am a member of the Scottish Parliament for South Scotland and the convener of the committee.

Lewis Macdonald (North East Scotland) (Lab): I am a Labour member for North East Scotland and the deputy convener of the committee.

Mairi Evans (Angus North and Mearns) (SNP): I am the Scottish National Party MSP for Angus North and Mearns, in the north-east of Scotland.

Richard Lochhead (Moray) (SNP): I am the MSP for Moray, which is whisky country.

Jackson Carlaw (Eastwood) (Con): I am the MSP for Eastwood, which is on the south side of Glasgow, in the west of Scotland, and the deputy leader of the Scottish Conservatives.

Tavish Scott (Shetland Islands) (LD): I represent the islands of Shetland, in the very far north. They are 200 miles to the north of Aberdeen, so they are on the periphery of the periphery of the periphery of Europe. I am a Liberal Democrat.

Catiuscia Marini (Committee of the Regions): I am the president of the Party of European Socialists group at the Committee of the Regions.

I am also the President of the region of Umbria, in the centre of Italy.

Karl-Heinz Lambertz (Committee of the Regions): I am the first vice-president of the Committee of the Regions. I am from the German-speaking minority in Belgium. I am a member of the Belgian senate and a member of the Parliament of the German-speaking Community. I was a minister and Prime Minister there for 24 years.

Markku Markkula (Committee of the Regions): I am the President of the Committee of the Regions. I have been here in the Scottish Parliament once before, and I have been to Edinburgh several times. I am the chair of the board of my city, Espoo, which is the second-largest city in Finland, but originally I come from the far north, so Scotland is close to my heart in that respect. I was born north of the Arctic circle and went to school there, in Lapland. We share much with Scotland.

Ulrika Carlefall-Landergren (Committee of the Regions): I am a member of the Committee of the Regions and the first vice-president of the Alliance of Liberals and Democrats for Europe group. I am a municipal commissioner at Kungsbacka, which is a city near Gothenburg, on the west coast of Sweden.

Olgierd Geblewicz (Committee of the Regions): I am a member of the Committee of the Regions and I represent the European People's Party group. I am from Poland. I could say that I am the president of one of the Polish regions on the Baltic sea, but in Poland we do not have presidents at a regional level. We call them marshals, so I am the Marshal of the Westpomeranian region. It is not a military position but an executive one—I am the chairman of a board. This is the first time that I have been here, and I am glad that I am here.

Stanislaw Szewalski (Committee of the Regions): I am the president of the European Alliance group in the Committee of the Regions. I am Polish. I am from the city of Gdynia, which is on the Baltic sea, on the eastern part of the Polish border with the Baltic. My colleague is from the western part. I am also a councillor in Gdynia.

Rob Jonkman (Committee of the Regions): Good morning. I am the president of the European Conservatives and Reformist group. I am an alderman in the city of Opsterland, in the northern part of the Netherlands. This is my first time in Edinburgh, but last night was not the first time that I have drunk whisky. *[Laughter.]* I must say that I love it.

Stuart McMillan (Greenock and Inverclyde) (SNP): Good morning. I am the SNP MSP for the Greenock and Inverclyde constituency.

Ross Greer (West Scotland) (Green): Good morning. I am a Green Party MSP for the West Scotland region.

The Convener: Thank you very much. There is no need for you to press any buttons; the microphones will work automatically.

Our visitors have come to Scotland at an important moment. Tomorrow is the one-year anniversary of the referendum in which the United Kingdom as a whole—but not Scotland—voted to leave the European Union. As they will be aware, 62 per cent of people in Scotland voted to remain in the EU. Furthermore, the process of withdrawing from the EU has now started. On Monday, the European Commission and the UK Government initiated the article 50 negotiations to leave the EU. Yesterday, the Queen's speech at Westminster set out the UK Government's programme for government and included proposals for a great repeal bill to ensure that EU legislation will continue to have effect in the UK. It also included proposals for other legislation to adapt to the UK's future outside the EU. Tonight, the UK's Prime Minister will inform the EU27 of her intentions as regards the negotiations on the withdrawal of the UK from the EU.

Despite it being almost a year since the referendum, there is still a lack of clarity on the future relationship that the UK will seek to have with the EU. The UK Government's white paper stated that the UK would

"forge a new strategic partnership with the EU, including a wide reaching, bold and ambitious free trade agreement"

and that it would

"seek a mutually beneficial new customs agreement with the EU."

However, we know that the EU27 consider that it is not possible to have full access to the single market without being a member of that single market. We therefore know that some sectors in Scotland will be affected by Brexit, although we do not know, at this stage, which ones will be hardest hit.

The committee has engaged extensively with stakeholders from key sectors in Scotland as well as with individuals who will be affected by withdrawal from the EU. We have published four reports of our own that cover a wide range of issues, including EU citizens' rights and the implications of Brexit for key sectors in Scotland, the intergovernmental structures in the UK for discussing the UK's approach to withdrawal and the respective positions of the Scottish Government and the UK Government. We have also commissioned three reports from experts on the long-term economic implications of Brexit, the impact of Brexit on the devolution settlement and

the potential for differentiating the UK's immigration policy to respond to Scotland's needs.

One of those pieces of research—by the Fraser of Allander institute, which is based at the University of Strathclyde—found that the implications of a hard Brexit for Scotland would be the loss of 80,000 jobs over 10 years and a reduction in the value of the annual salary by £2,000 by the end of those 10 years. Another of our reports said that the rights of EU citizens should be clarified at the earliest opportunity and outlined the value of EU migration to Scotland, whose demographic decline has been sharply reversed by EU migration. We argued that there should be a separate migration system for Scotland post-Brexit.

Our final report on the future of Scotland post-Brexit argued that there should be a bespoke solution for Scotland. As you may know, the Scottish Government has argued for a separate solution that would allow Scotland to remain in the single market even if the UK left the EU, to reflect the fact that 62 per cent of Scots voted to remain in the EU.

Our committee has heard significant concerns from some sectors. For example, will Scotland's universities be able to continue to participate in research programmes with other European universities? Will EU academics continue to seek to work in Scottish universities? Will the exponential growth of Scotland's food and drink sector, which is a very successful export sector, be sustainable post-Brexit? Will we still be able to welcome EU citizens to Scotland to make their homes here and contribute to our society and economy? Will the future relationship cover services, which are a hugely important part of Scotland's economy? Scotland's financial services sector must be able to operate freely within the EU. Will producers be able to export to the EU without the imposition of tariffs and non-tariff barriers?

The Scottish Parliament will also be affected as the huge job of adapting our domestic legislation to the EU withdrawal is undertaken. There is a political debate about the balance of powers between the Scottish Parliament and the Westminster Parliament in which the Scottish Government argues that the Brexit process is undermining the powers of the Parliament, although you will hear different views on that from colleagues round the table.

I hope that our discussions can explore many of those areas in more detail. I also hope that they can start a dialogue between us once the implications of Brexit for Scotland become clearer.

Mr Markkula, I invite you, in your role as the President of the Committee of the Regions, to set

out your views and give us an EU perspective on the UK's withdrawal from the EU.

Markku Markkula: Thank you for inviting us here and for organising the very effective one-day programme that we have. We will all get a lot out of it.

A year ago, when we heard the result of the referendum, we were really surprised and said, "We regret that decision, but we respect it." The result was what it was, and it is now time to look forward. Especially after your recent election, the process will be very complicated. We hope that it will be flexible and take especially into account what I see as the two most important levels.

The first of those is the citizen level, which includes those from other EU countries who now live and operate here in Scotland. That is a big number of people, with close to 200,000 EU citizens from other countries here in Scotland more permanently. They have been excellent ambassadors for countries around Europe and have helped us to get to know more about Scotland.

The other important level is the local and regional level at which we collaborate on business, education, culture, fishery policy and all those other elements in concrete terms. People have started to believe strongly in the European value added that comes from open and constantly improving collaboration. Now, we are afraid that, in one way or another, there will be big obstacles to that collaboration.

10:15

It does not help that, at the top political level, it is regularly said that the UK wants to be a European country in the future while we, in the rest of Europe, are renewing our practices, structures, policies and processes through the EU. We want the EU27—it could, we hope, be an EU28—to be more targeted on tackling societal challenges and to move much faster towards single markets, including the digital single market, with free trade based on agreed rules and regulations. That is what we want in the interests of our people and businesses. We need to tackle those issues more and more in the global sense, especially when we have reached major agreements on climate change such as the Paris agreement, elements of which were renewed in Marrakech and which will be further developed next November in the next phase of the climate change negotiations in Bonn and then in Krakow the following year.

Our cities, regions and citizens have major concerns. The activities and recent developments in the USA show that Europe needs to take much more responsibility for global development of

those issues than we thought we would have to. Above all, the crucial level of activity is regional and local—that is where the action is. We still need national Governments, the European Parliament and the European Council to negotiate and get certain agreements, but we need more action and activities to be undertaken by the people, with the people and for the people. That is important when we think about the aspects that we are discussing today.

We came here because we want to listen to your concerns and echo them in Brussels, along with your views and suggestions about the recently started Brexit negotiations. It is important to recall that Brexit will trigger many consequences for citizens and regional and local authorities both in the UK and in the other 27 EU countries. Some of the UK's territories have land or sea borders with EU member states, and the UK has bilateral agreements in concrete terms with various EU countries, which have heavy implications for issues such as security, migration, energy, fishery policy, the collaboration of young children at school and scientific research by universities. All those agreements are essential for our people.

In the past half century, in Scotland and in other regions, local economies have been built on the solid assumption of access to an internal European market. The risk of losing that security is a shared concern. European cohesion policy is a must in the future as well. A month ago, in our plenary session, we tackled the future prospects of Europe with the President of the European Parliament, Antonio Tajani; the vice-president of the European Commission, Jyrki Katainen; and Commissioner Günther Oettinger. It was a lively debate, but the conclusion was the same: we need cohesion policy and we need to build more on solidarity and collaboration.

The cities and regions are building stronger partnerships focused on their specific core interest areas so that we can build a critical mass of knowledge and implementation that is based on the strengths and interests of different parts of Europe. We want Scotland, as well as cities and regions in the rest of the UK, to be part of that in one way or another, but it will take the next two years or more—who knows how long?—for us to progress that.

The Committee of the Regions has 350 members and another 350 alternate members who come from all parts of Europe. We have key mayors as well as regional presidents and councillors. What has happened in a year? The process is much more bottom-up now. The European commissioners are firmly asking us to take action and to showcase the positive side of what is happening—how our cities and regions are

tackling the grand societal challenges and how they are building the future. I stress that growth needs to be sustainable, as sustainable growth can create new jobs, which is our key priority.

We have analysed and will continue to analyse the effect of Brexit on the different policies. The fact that the EU will have to fill the estimated annual €10 billion to €17 billion gap caused by Brexit will have an enormous impact on our renewal of EU structures and the financial framework. We are working on that from our side.

I hope that we can convince you that we see the Brexit process as renewing the European Union positively. We want to build on our strengths and our joint European collaboration, but taking the different elements into account. We would like to hear your concerns about what the EU should be, how it should operate and how we should develop that further on.

We have received an offer of co-operation from the chief negotiator of the European Commission, Michel Barnier, and we have already met him several times. He has contributed at our plenary sessions and, in addressing our members, he has confirmed his interest by listening to the views of regional and local authorities all the way through the process. Any time that you wish, you will be able to address, inform or consult us and, through us, the chief negotiator and the particular European regions that are politically involved in the secession process. It is important that we take the different aspects of your and your citizens' interests into account.

Your official meetings here are also important, and your role in linking culture to European activities is crucial. Next year will be the European year of cultural heritage. We will look backwards, but we will also use historical and new scientific knowledge to build the future of Europe. We want to be much stronger in taking global aspects into account.

The Convener: Thank you very much, President Markkula. I invite the deputy convener of the committee, Lewis Macdonald, to make a few remarks.

Lewis Macdonald: It is a pleasure to follow President Markkula. As deputy convener of the committee, I will add a little to what the convener said about the work of the committee thus far.

The next stage for our committee is to scrutinise the negotiations that will happen as part of the article 50 process. As you are all aware, the article 50 negotiations have just begun. In the first instance, they will focus principally on three areas: the financial settlement; the position vis-à-vis the Republic of Ireland and Northern Ireland; and the critical issue of the rights of European Union citizens who are resident in the UK and of UK

citizens who are resident elsewhere in the EU. We will seek to scrutinise all those aspects and other things that happen in the initial article 50 negotiations.

We have just launched a call for evidence in which we ask stakeholders in Scotland and further afield to give us their input, their concerns and their priorities. We also encourage them to engage with us and follow the article 50 process as it goes forward.

As a committee of the Scottish Parliament, our primary responsibility is to scrutinise the work of the Scottish Government. We know that the Scottish Government's engagement with the UK Government in seeking to influence the negotiations will be critical for us and for many stakeholders in Scotland. We will continue to seek evidence from Scottish Government ministers and UK Government ministers who are involved in the negotiations. We will also take evidence from other stakeholders and from MEPs and others in Brussels, and we intend to visit Brussels in September as part of our work in compiling our report on the article 50 negotiations.

We have discussed how the different committees of the Scottish Parliament will deal with the different aspects of the Brexit process. As the convener mentioned, the repeal bill that will be introduced in the UK Parliament will have substantial implications for Scotland. It will touch on many policy areas that are devolved to the Scottish Parliament, including agriculture, fisheries, the environment and home affairs, and on the Parliament's fundamental constitution, because section 28 of the Scotland Act 1998—our founding document—says that all Scottish Parliament legislation must comply with European Union legislation. That fundamental aspect of our constitution will be immediately affected by the Brexit process.

Many aspects will fall under the Finance and Constitution Committee's remit. Our committee will have a particular focus on the negotiation process. When the article 50 negotiation process has been completed, we anticipate having a scrutiny role in relation to the negotiations on the creation of a long-term framework for the relationship between the UK and the EU. There are a number of strands that the committee will keep a close watching brief on. We have spent much of our time over the past 12 months on Brexit, and we anticipate spending a good deal of our time in the next 12 months on the next stage of Brexit.

I will move on to offer a rather more political perspective, because I know that members of the Committee of the Regions are keen to hear the political perspectives of the different parties in Scotland. I will offer my perspective as a member of the Scottish Labour Party and as an alternate

member of the Committee of the Regions—and, through that, as a member of the Party of European Socialists—and I know that my colleagues will do the same from their perspectives.

The general election that we have just had in the UK has very significant implications for the whole Brexit process. My party is very disappointed that the UK Government—which is now a minority Government—does not appear to have changed its strategic objectives or its tactical approach to the negotiations. Of course, that might not be a permanent feature—its approach might change in the coming weeks. In my view, questions such as the UK's continued membership of the customs union should be firmly back on the table as a focus of our approach.

There are many benefits of the single market and the customs union that the present Conservative Government appears to have walked away from and turned its back on. We take a different view—we believe that those benefits are very important to our people and our economy, and that we should seek to preserve them.

The principal and, I think, first question for the negotiations is the status of EU citizens in this country and of British citizens elsewhere in the EU. We certainly believe that the British Government should be much more proactive in putting forward a positive proposition in order to resolve that question quickly and in a way that allows as much continued access and as many continued rights as possible for those EU citizens who are here, and for British citizens elsewhere.

10:30

From a Labour perspective, it is important to say that there is a case for the devolved Administrations being engaged with the process. The Welsh Government and the Scottish Government have made that case. We see a real political difficulty with the current Scottish Government's approach in relation to its insistence on having a proposition for a referendum on independence on the table at the same time. We believe that the case for engagement by the devolved Administrations would be much stronger with a commitment to maintain the future benefits for the whole of the UK and to negotiate as part of a UK approach. However, the most important thing is not so much the cast as the tune. We would like to hear a much more positive tune being played on behalf of the whole United Kingdom in relations and negotiations with the European Union in the next few months.

The Convener: I welcome the First Vice-President of the Committee of the Regions, Mr Lambertz, to contribute to our discussions.

Karl-Heinz Lambertz: Thank you very much, convener and dear colleagues. I, too, express my gratitude and satisfaction on being able to exchange our points of view with members of the Scottish Parliament. In that way, we can directly try to explore how we can work together in a very difficult and complex situation.

Even if nothing is perfect in the European Union and we need many changes, I continue to believe strongly—even passionately—in the idea of a united European Union, as do many people in Scotland and the rest of the United Kingdom. With the referendum result and how people have voted after it, we now have to find the best possible solution. That is why we all became politicians.

We fully support the requests that have been made at various stages for all the devolved Governments and, indeed, all of local government to be as involved as possible in the negotiations. We do not know yet how Brexit will work in detail, but we know that it will affect many things in the daily lives of our citizens where they live—in villages, towns, cities and regions. The way in which Scotland will be governed will not escape, and there will be an impact on many regions across the European Union.

We have already mentioned the rights of citizens, regional development, fisheries and agriculture. I add to those things the environment and climate change and the many other political challenges in security, law enforcement and immigration, for example. Those are challenges in which physical borders do not and should not matter. Whatever agreement is reached between the United Kingdom and the European Union in the end, political decisions on the ground will be affected by decisions that have been taken elsewhere. That is why we need to exchange information. We need to start both to build structures with which we can ensure co-operation in the future and to explore issues and the means through which that can be realised.

I noted with great interest that the committee has launched a call for evidence on the implications of article 50 for Scotland. We would be very interested to follow in detail the results of that with the committee.

The Committee of the Regions will continue to explore what Brexit really means, policy by policy, and how it might affect individual regions.

Dear colleagues, let us try to make the best of a difficult situation together. Thank you for your attention.

The Convener: Thank you very much. Would our other guests like to ask any questions to open up the discussion?

Rob Jonkman: Yes, please. I have two questions.

First, I read that Scotland's purpose is to stay in the single market. Are there any indications that that is really a possibility? You mentioned that you have been discussing Brexit for a year. Is there a possibility that Scotland will be able to stay in the single market, or is it too soon to say anything about that?

Secondly, what main messages do you want to pass on to the EU about the areas where you want there to be continued co-operation after the UK exits the EU?

The Convener: Your first question relates to the Scottish Government's position. The Scottish Government published an extensive paper just before Christmas arguing that the UK should stay in the single market, failing which there should be a differentiated solution for Scotland; it pointed to differentiated and political solutions within the European Union in that regard.

We have heard that, if the UK Government had accepted that position and allowed Scotland to present that case, the EU would have given us a fair hearing and been open to discussions about it. The Scottish Government continues to argue for a four-nation approach to Brexit. So far, it is unclear how the UK Government will respond to that following the general election. Before the general election, the devolved territories were critical of how they were being treated in the intergovernmental relations process.

As I said in my opening statement, it is quite unclear what the UK Government hopes to achieve in the negotiations. Given the UK Government's position, we are obviously in an unstable period. The committee gathers from Scottish businesses that access to the single market and the free movement of people are vital to our economy. Further, our university sector is keen to be able to continue with the collaborative projects with European countries that have benefited the sector in Scotland as a whole.

Jackson Carlaw: I represent the Conservative Party here. We are the largest of the Opposition parties in Scotland and, in whatever guise you care to consider it, the Government of the United Kingdom, which is charged with taking forward the negotiations that are under way.

President Markkula began by saying that he was surprised by the result of the referendum. I voted to remain, so his surprise was nothing compared with mine. Indeed, when this committee met after last year's Scottish election to plan our work programme for the year ahead, Europe was not the largest of the topics that we thought that we would be considering on our agenda. In fact,

Europe has been almost all that we have had time to talk about.

We have had a year of engaging with the unknown. That has been one of the most frustrating aspects. We have heard everyone's fears and concerns. Some of those are founded; some of the realities are frightening enough without the broader contextual arguments that surround them.

I will not be pejorative of the politics from the Conservative Party's view. Obviously, we do not share the Scottish Government's analysis of how we proceed. Ultimately, the vote that I did not support but which we accepted will lead to our leaving the European Union. What do we want from that? It is clear that we want control of our borders and our laws, and we want to maintain the broadest possible trade that we can. In that regard, our Treasury, and others, are starting to articulate where we might want to end up in any discussion. I find some of the arguments compelling.

From my point of view, given the demographics of Scotland as a country with a rapidly ageing population, it is important that our future workforce is capable of sustaining our public services and ensuring that we have an entrepreneurial dynamic to our economy, which will allow us to prosper as a nation. Where people feature in Brexit is of fundamental importance. We want to maintain the broadest economic activity across the widest possible territory, and clearly we recognise the important and fundamental relationship that we have economically with the rest of the European Union.

People have to come at the top of all this. I understand that today the Prime Minister is making a policy statement to the European heads of Government in relation to the status of European nationals here and of British nationals across Europe. We want to understand and resolve that issue as quickly as possible, and everybody seems to believe that a tremendous amount of good will underpins that desire.

We want to co-operate on education. So many young people voted differently in this referendum. My children were furious with their grandmother; they voted differently from her. Their view is that she will be dead and they will still be here, and they feel that the challenges that are presented to them are quite considerable. We look to the future for them across the whole of Europe, with regard to the way in which they can engage with and participate in an arrangement that they thought was established, but which has now been called into question.

We want to do a lot on the development of medical technology. We understand that. There is

a lot of dependency in terms of our security, with regard to not just the immediate terrorist threats that nations have been facing without fear or favour, but the wider geopolitical defence arrangements in which we all have a common interest and bond.

Fundamentally, there is the issue of the economic relationship that exists between us. All the discussions in which I have participated have had a slightly formal aspect to them, and behind that is a desperate desire for some sort of pragmatic arrangement. I respect what was said about the 27 members who will remain and want to ensure the integrity and strength of the European Union, but nonetheless there is desire for an outcome that ensures that although Britain is no longer a formal member of the European Union, the European partnership in which Britain has played a part is allowed to continue.

Without denigrating anybody else's perspective, I intend to remain an optimist, with my glass half full and not half empty. I do not underestimate the challenges. I do not underestimate the many sleepless nights that we may have when progressing what seems to be interminably complicated legislation to give effect to anything that is ultimately agreed, but I hope and believe that the good will that exists—among the people on the Committee of the Regions, including those who represent us—will be allowed to triumph ultimately in whatever outcome we arrive at.

The Convener: Thank you, Jackson. I believe that Tavish Scott wants to come in.

Tavish Scott: I want to give a slightly different perspective, as a Liberal Democrat. I do not like what has happened. Last year, the United Kingdom voted overall to leave the European Union, but Scotland did not, nor did Northern Ireland, nor—importantly—did parts of England, including London. People might get the perspective that it was just Scotland, but it is important to remember that large chunks of England, particularly London, voted to remain in the European Union.

Look at the London financial centre. As Jackson Carlaw rightly said, in Brussels today people are contemplating how to take two main financial mechanisms out of London and locate them somewhere else in Europe, so there will be an impact. As the convener might have mentioned, representatives from the city of London have highlighted that and the damage that it will do to London.

What happened a week ago in the United Kingdom general election is really important. The straight politics of that are really important. A year ago, no one voted to leave the single market, no one voted to be poorer and no one voted to be

worse off. They voted for lots of different reasons, but they did not vote for those things. Theresa May went into the United Kingdom general election saying, "Vote for me for a hard Brexit and a big majority of Conservatives who will impose on the United Kingdom a hard solution on immigration and all the other things." She lost. She did not win the argument—she absolutely lost the argument, and we are now in a different place.

On the question of the single market, the convener is quite right. The convener was much more delicate than I will be: this thing is right up in the air. Two days ago, the Chancellor of the Exchequer, our main economic minister, made a speech in which in all but name he said that the single market matters to the United Kingdom. That is because the whole of United Kingdom business is telling him that the single market matters. It is all up in the air. I would not take anything that Theresa May says in Brussels as anything other than her latest position, which will last five minutes. She may not be the Prime Minister next week. For those of you who remember British politics, it is like John Major's last days. It looks so weak down in London.

10:45

The context of where we are on Europe—as the United Kingdom, never mind Scotland—is utterly open. It will depend on how long the Conservative Government holds itself together and how long Theresa May stays as Prime Minister, or how long the Conservatives leave her there, because that is now the issue. She is the weakest Prime Minister that we have had since John Major lost his overall majority.

What will happen in the future will be very different from where we would have been had the Tories won an overall majority of anything over 50, which is what they expected to win. In that sense, I have some hope for the future, because I know that Theresa May and the Tories have no mandate to impose a hard Brexit on us. Therefore, the Scottish Parliament and, importantly, the Welsh Assembly and the Northern Ireland Assembly, when it gets back into legislative existence, will have responsibilities given what may flow out of Westminster, as the convener said. Even with that, however, we do not know what will flow out of Westminster, so it is all up in the air.

When the President of France made a speech—or certainly met journalists from across Europe—yesterday, he said two things that, to me, are important. The first was that the door will always be open until it is closed. That is self-evident, but it is important. Secondly, he said that he respected why lots of Brits had voted to leave the European Union.

I represent Shetland. The reason why the vote to leave was as high as it was in Shetland—although we still voted to remain in the EU—was the common fisheries policy. We need to remember, and I think that you all reflected this, that some things that the European Union does and is awful about reforming just do not work. That is the problem that big structures have, and in my part of the world the common fisheries policy is an example of that. It has been wrong for 30 years. Why the heck has it not been changed?

If the European Union is going to be in the future the kind of institution and group of nations that I want it to be, it has to recognise, as Macron did yesterday in Paris, what is wrong as well as what it gets right.

Thank you for coming.

The Convener: Thank you, Tavish. All our members have indicated a desire to speak. I know that you want to hear as many views as possible, so I will bring in our members in the order in which they indicated that they want to speak. Mairi Evans is first.

Mairi Evans: I agree with a lot of what Tavish Scott has just said. I would probably not say that often, but I respect a lot of it.

The particular issue that matters to me and the people in my area is migration. That will be a key issue. I live in a rural area, and agriculture is important across the north-east. Fishing is also important, and Tavish Scott identified the problems with the common fisheries policy. A lot of EU nationals are employed in the fish processing sector and the soft fruit industry but, beyond that, tourism and our health and social care services are largely dependent on the migrant workforce, and that will be vital going forward.

We will see an immigration bill being introduced—we got hints of that in the Queen's speech—but we do not know what immigration policy will look like. That is absolutely vital to our economy here, and we have to get it right. The devolved nations must have a say in and input to any discussions and negotiations that take place.

We are a separate country in our own right. I feel that, in Europe and in different European organisations, we are sometimes seen more as a region than as a country in and of ourselves. That has to be borne in mind. We have different issues, different interests and different needs, and we need different policies from those for the rest of the UK in specific areas.

Funding is another vital area. All sorts of European funds and programmes are important to Scotland. LEADER is an important example for rural communities. How will that funding work post-Brexit? A lot of the issues were lost in the

discussions leading up to the referendum, and it was only once the vote had taken place that people started to realise the extent to which we are involved in and dependent on EU funds and the impact that those funds have had.

I remember a study from the European Commission a few years ago that went to different countries across Europe and asked members of the public whether they were aware of EU-funded projects in their area. Poland had the highest rate, with about 75 per cent of people being aware of EU-funded projects in their area, and the UK had the lowest. People were not aware of that funding. We did not talk about it.

Again, we are where we are, but that is an important point to remember, especially with regard to the common agricultural policy, how the payment process will work, what will happen to our farmers and how all of that will be teased out over the coming while. For me, those are the most important issues.

As I said, Scotland has to have a seat at the negotiating table. We need to be represented there.

Richard Lochhead: I am the Scottish National Party member for Moray, in the north of Scotland, which is, as I indicated earlier, the home of Scotch whisky, in that 50 per cent, by volume, of Scotch whisky comes from Speyside—Macallan, Glenfiddich and other famous brands are based there. Yesterday, the Scotch whisky sector issued a statement saying that continuity and stability from day 1 of Brexit are extremely important to it. Clearly, it is looking for a good agreement between the UK and the EU.

Scotland is a country, not a region. Some 62 per cent of Scots voted to remain and, although Tavish Scott is quite right to point out that other parts of the UK also voted to remain, we have a national Parliament and other national institutions, so we are not a region but a country. That means that the debate in Scotland is different from the debate in London, and it is why the Scottish Government has said that, once the terms of Brexit become clear, there should be the option of Scotland having a voice on what our future will be. That is why the issue of an independence referendum has been a feature of the Brexit debate in Scotland over the past year or so.

Clearly, Scotland is looking for a bespoke arrangement, and the compromise that the Scottish Government has asked for from the UK Government involves that being taken into account. If we had a bespoke arrangement, the independence referendum would not be necessary because, if the UK Government were negotiating with the Scottish Government to make that happen

as part of the UK's negotiating position, that would help the Scottish economy and Scotland greatly.

The two key areas are access to the single market and immigration. Clearly, immigration dictates the UK's policy on Brexit far more than it does the Scottish policy on Brexit. That is because the Conservative Party and the UK Government are very sensitive to the public opinion and internal party politics on immigration in England, and perhaps the economy is not their predominant consideration. However, in Scotland, we are extremely concerned about the future of our economy, central to which is immigration, especially given our ageing population, which Jackson Carlaw mentioned.

Scotland is keen on having a bespoke arrangement because of our national interests, which concern access to and membership of the single market and the devolution to Scotland of powers over immigration policy.

As President Markkula said in his opening remarks, Europe is not perfect. The common fisheries policy has failed Scotland, and I would argue that, to a large extent, the common agricultural policy has failed Scotland. I have met very few farmers who voted to remain in the EU, and I have met next to no fishermen who voted to remain in the EU. Despite the on-going debate over the importance of the single market to seafood—two thirds of Scottish seafood goes to Europe—and to agriculture, because the issues around tariffs, equal standards and market opportunities are important, those policies have been a bad advert for the European Union in Scotland. Therefore, whatever happens, those two policies will continue to be very unpopular in Scotland unless something radical is done. However, that is a debate for the future.

Stuart McMillan: In his opening remarks, Vice-President Lambert spoke of the input from parliaments and local government into the process. Some colleagues have touched upon the issue of immigration and access to the single market. The first point that I would make is that everyone wants to have some type of positive outcome from any discussions that take place—I do not think that anyone wants anything but that.

However, if we take it down to the next level and look at the detail of what may or may not happen, one of my greatest fears is the possibility of a power grab. When powers leave the European Union and come back to these islands, there is the possibility, particularly in fisheries and agriculture, that those powers will remain at Westminster and not come to the Scottish Parliament. As Richard Lochhead said, that would have an adverse effect on the Scottish economy—it would be extremely detrimental to our economic prospects.

The great repeal bill was highlighted yesterday in the Queen's speech. Lewis Macdonald spoke about the competences of the Scottish Parliament, and section 28 of the Scotland Act 1998 that created this Parliament. The UK Government needs to clarify the role that this Parliament will play in the repeal bill process.

Another issue is discussions internally in the UK between Governments and Administrations on what input each will have into the process. There is the joint ministerial committee, there have been discussions in this committee, and representatives of the UK Government have spoken to the committee about aspects of what has taken place so far. It is clear that the JMC process has not been perfect, and I am concerned that the UK Government might, once again, decide not to listen fully to Scotland's concerns and those of the other devolved legislatures. Obviously, my primary concern is about Scotland, and that suggestions, ideas and proposals will be rejected outright by the UK Government.

I return to the issue of the confusion and lack of clarity. Shortly after the UK election, the Secretary of State for Scotland, Mr Mundell—clearly delighted to have so many more new colleagues from his party—talked about Conservative MPs representing non-independence-supporting members of the public. A couple of days ago, former MEP Ian Duncan, who has now been ennobled, stated that Scotland should have a seat at the table in the Brexit negotiations. Those two positions taken by senior representatives of the UK Government are confusing.

Ultimately, we are in an absolute mess and there is a constitutional crisis in the UK. It is apparent that there is the opportunity for a power grab for Westminster. At the same time, because of the minority Government in the UK, there is an opportunity for Scotland and the other devolved Administrations to get a better deal. That is if the UK Government is prepared to listen, but I have my doubts.

11:00

Ross Greer: I agree with almost all of what my colleagues have said, so I will not repeat it. Like every other grouping, the Greens have criticisms of the European Union, although they are slightly different from some of the ones that you have heard about already. For example, we have criticisms of the common fisheries policy, but they are from a different perspective. The Scottish Greens' position is that Scotland still has not given its consent to leaving the European Union. Not only did we reject that in the referendum last year, when we voted overwhelmingly to remain in the European Union, but, at the general election this month, Scotland rejected the current party of

Government, which went into the election with proposals for its hard Brexit. Scotland's consent still has not been given to leaving the EU.

As members have said, the current UK Government's position on a hard Brexit and leaving the single market and customs union might not hold, but the past year has been deeply unsatisfactory for us. The Scottish and Welsh Governments have consistently been ignored and their concerns have not been listened to. There have been a number of notable examples of that. The Scottish Government's Minister for UK Negotiations on Scotland's Place in Europe has highlighted his frustration at finding out when article 50 was to be activated by watching BBC news, because he had not been informed by the UK Government. We have had positive words from the UK Government about the involvement in the process of the Scottish and Welsh Governments—and the Northern Ireland Executive when it reconvenes—but that has not been borne out in reality.

We believe that the UK has set itself on a course to leaving the European Union and that the people of Scotland should have an opportunity to decide whether they want to continue on that course. The other option is to become an independent country with aspirations for Scottish European Union membership in its own right. We are frustrated that, despite the Parliament having voted for a referendum on Scotland's independence, the UK Government has blocked such a referendum. Constitutionally, it has the right to do that. The power lies with it and we need temporary devolution of that power to hold such a referendum, but the UK Government's position is that Scotland should not have that choice or power of self-determination at this point.

Given that, and given our current position as part of a United Kingdom heading towards Brexit, like colleagues across almost every other party, we see leaving the single market as absolutely disastrous and very much driven by ideology. As colleagues have highlighted, there is an ideological obsession with immigration and ending freedom of movement in particular. Obviously, Greens do not look at the issue only from an economic point of view. Our belief in the single market is not just about the economic benefit that it brings; it is about our belief in freedom of movement in principle. Our belief in continuing to remain part of the European project is about the collective efforts to fight climate change, regulate the financial industry and promote peace and the development of democracy. We still believe in all of those things and we want to be part of those European efforts.

However, we are in a very challenging situation. The UK Government has now begun negotiations

but simply has no idea of what it is doing. On day 1 of the negotiations, the UK Government's Secretary of State for Exiting the European Union, who is our lead negotiator, conceded on the major points that he had been making over the past 18 months—during the referendum campaign when he advocated leaving, and in his year as a minister. As I said, the UK Government negotiations are fuelled by ideology, and that ideology is falling apart when it faces reality. Reality is hitting home very hard. To the rest of Europe, the UK Government looks weak and as if it does not have a clear understanding of what it is doing—that is certainly the view of my colleagues in the rest of Europe who I have spoken to. The UK Government looks completely outclassed by the negotiators sitting on the other side of the table.

That reflects very poorly on all of us here, but it also presents us with significant risks, which go across Scotland's economy and society and across the United Kingdom. Acute particular issues have been recognised. For example, in Northern Ireland, there is almost a perfect storm that could damage a lot of what has been built in recent years and decades. Certainly, I have heard a huge amount of concern from my colleagues there. Because there is no Northern Ireland Assembly at the moment, they struggle to advocate on behalf of the people they represent. The complicating factor that has been added to that situation in the past few weeks is that the only two parties to have elected members of the UK Parliament from Northern Ireland are the Democratic Unionist Party, which is currently negotiating with the Conservatives to give them a working majority, and Sinn Féin, members of which do not take their seats. So only one party from Northern Ireland, which represents only one community there, is currently active in elected politics, and it is negotiating with the UK Government.

Our colleagues there have huge concerns about, for example, what the impact of leaving the customs union would be on the border between the Republic of Ireland and Northern Ireland, but they are unable to give effective voice to that, because at the moment there is no Northern Ireland Assembly to enable them to take part in meetings like this one. It is an extremely challenging situation that we struggle to see a way out of, other than a damage limitation exercise.

The Convener: Thank you very much, Ross.

Now that all our committee members have had the opportunity to put their views, perhaps some COR members would like to ask questions.

Ulrika Carlefall-Landergren: It has been very interesting to listen to members of the committee and to hear about the key issues. When people

see the results of the negotiation in two years' time, is it possible that there will be a new referendum? Obviously, leaving the EU would have a huge impact on Scotland. Do you think it is possible that there will be another referendum?

The Convener: That is what the First Minister has outlined. Last year, we had elections to the Scottish Parliament—

Ulrika Carlefall-Landergren: I am sorry—I was asking about the possibility of a new referendum in the whole of the UK.

The Convener: Tavish Scott might wish to say something about that, because that is his party's policy position. The Scottish Government has said that it thinks that Scotland should have a choice, and that that should be provided through a referendum on independence.

Because the situation is so fluid and the UK Government is so unstable, it is quite difficult to predict what will happen. Writing in *The Irish Times*, Fintan O'Toole said that Mrs May got her comeuppance in the general election because she presented a 52 per cent vote to leave as the overwhelming will of the people for a hard Brexit, which it clearly was not. The people of the UK made that clear in the general election result.

Would other members of the committee like to respond?

Lewis Macdonald: We probably all want to have a brief word on that issue. The experience that is reflected across Scotland and the UK is that referendums have been deeply divisive and have been conducted in such a way that people have been presented with information that is partial and sometimes plainly misleading.

What is most important is to change the direction of the negotiation so that we get an outcome around which people can unite, rather than one that is simply another opportunity for division.

Jackson Carlaw: I would say that the Conservative Party did not win the election with regard to its objective of securing a larger majority of seats, but it did win an additional 2.5 million votes. Joan McAlpine's party, the Scottish National Party, lost half a million votes here in Scotland alone—one third of the vote it previously had. It is very clear that the Prime Minister did not secure her objectives, but it is by no means the case that other parties triumphed. There are 318 Conservative MPs, whereas there are 12 MPs who represent Tavish Scott's party. There is a balance to all these arguments.

My overwhelming view is that people in this country are very fed up, because elections are meant to resolve things. We had a referendum on independence in 2014 and we are still talking

about it. We had a general election in 2015, in which the Government got a small majority. It then sought to get a bigger one and ended up without one, so the 2017 election has resolved nothing. We had a referendum on EU membership in 2016, the outcome of which was that we would leave, but we are unclear about what any of that means. Many people tell me that they keep voting because they think that that will solve the problem, but they find that all that happens is that they end up facing another vote, because nobody knows what the previous vote meant or represented.

My own sense is that there is no appetite for another early vote on anything. Whether that is tenable, I do not know—events will dictate it—but I do not think there is any popular will for it. It may come about at some point. However, it is very unlikely that there will be another vote on Scottish independence in the lifetime of this session of the Scottish Parliament.

Tavish Scott: I did not predict that Donald Trump would become President of the United States, nor did I predict that the UK would vote to leave the EU. Frankly, the game of political guessing as to what might happen is fraught at the moment. I rather agree with Jackson Carlaw's point: the country is absolutely fed up.

However, the flip side of that argument is that we now have a Government that does not quite know what it is going to do. Jackson Carlaw is quite right about the numbers, as regards who we all represent, and who went up and who went down, which are factually accurate. The irony of the outcome of the UK general election is that there is more likelihood of whatever the Brexit deal is being put to the people. I can certainly see a scenario in which the Tories stagger on, get through it and are then internally riven by contradictions over the outcome. It will be not hard enough for some and too hard for the Ken Clarkes of this world. The Tories were the ones who gave us Brexit in the first place, and it is all about them in that sense. Therefore, their cop-out will be to put it to the people. While I may have made the case for it before the general election, I did not think there was any chance of a second referendum on leaving the EU happening. Now, rather ironically, there is a chance that it might happen.

Ross Greer: I will make my point very briefly. There is a sound democratic argument for having a second referendum. We can compare our two referendums. In 2014, the Scottish Government did not just propose that Scotland become an independent country; it produced a white paper—a book—on what independence would look like. We might have profound criticisms of that, but there was a specific offer on the table. I was someone who voted for independence but disagreed with a

lot of what was in the white paper; however, the white paper was there, and people could still scrutinise it.

The referendum in 2016 had no such prospectus. Many people on the leave side were explicitly saying, “Of course we will not leave the single market. Of course we will not leave the customs union.” Others were saying absolutely the opposite, so there was no clarity on what people were voting for. There is a sound democratic argument that, at the end of the process, once we know what Brexit is—not just the vague concept of leaving the EU, but what it specifically means—that should be put to the people.

Like Tavish Scott, before the general election I thought that a second referendum was almost certainly not going to happen. It is now marginally more likely, although still unlikely. For us in Scotland, though, a second referendum would not necessarily solve all the issues. We could have another referendum with exactly the same result of Scotland voting to remain in but the UK as a whole approving the final deal and voting for Brexit. For those of us who do not consider that to be democratically adequate, it does not resolve our issues. Overall, it is still unlikely that we will have a referendum on the Brexit deal, but there was almost no chance of it before and—as our visitors might have noticed—our politics is rather fluid and unstable.

Richard Lochhead: In the 2014 referendum on independence, one of the key arguments in the debate was that, if people voted against Scottish independence, that was a guarantee that Scotland would remain in Europe. The Conservative Party and the no campaign made that argument, but the premise on which people voted in 2014 turned out not to be the case.

With regard to the national interests of Scotland and the views that it has expressed, we need Europe to reach out to Scotland. We need all our visitors and their colleagues in their respective countries and Parliaments to do that, because we have reached out to Europe and we are an outward-looking country. Our continuing to be in the single market and the free movement of people are very important national interests for Scotland. Clearly, we are part of the UK—which complicates matters from Scotland’s point of view—but, given the history of Europe since the second world war, in which the continent has often adapted to a changing political environment and public opinion, our plea is that we need Europe’s support in 2017 to recognise those changing factors and what is best for solidarity and countries working together.

11:15

Stuart McMillan: Ulrika Carlefall-Landergren’s question is interesting. It took me back to the Harold Wilson quote,

“A week is a long time in politics.”

If that is the case, the next 18 months will be an eternity. Nobody can predict what will happen in the next 18 months. Tavish Scott’s point about Donald Trump and the like was accurate—anything can happen. I do not think that the population has the will to have another referendum but—to go back to the lack of clarity in the arguments for coming out of the European Union—things might change when information comes out about what is on the table.

I go back to Richard Lochhead’s point about Europe. A deal has to be ratified by the EU member states as well as within the United Kingdom in the process. The European Union member states have a very important role to play in giving their thoughts and commentary on the deal that is offered to the UK and the EU 27.

The Convener: To go back to the democratic point in the question, an issue that has not been raised—apart from by Jackson Carlaw in his opening comments—is the role of young people. Many young people did not vote in the European Union referendum, and they woke up the next morning horrified at the result. The committee had a very useful session specifically for young people to give them a voice.

One of the things that young people are most concerned about is their rights as EU citizens. They had always taken for granted that they were EU citizens and that they could travel freely, study, work and set up businesses in the EU. They feel that their citizens’ rights have been taken away from them.

The big drive to register young people at the UK level in the last election was interesting. Many more young people voted in the UK general election than voted in the referendum. It is reasonable to say that many of them voted because they were galvanised by the leader of the Labour Party, Jeremy Corbyn, although they possibly did not know that the Labour Party’s position was to leave the single market and the customs union, which is exactly what they do not want to do. It seems to me that, if that continues and more young people across the UK want to participate in the democratic process, there will be pressure to have another vote. However, that is just my personal opinion.

Lewis Macdonald: I should quickly add that it is not the Labour Party’s policy to leave the customs union and that we are certainly looking to maintain

as many of the benefits of the single market as possible.

The Convener: We all got a bit confused about that.

Lewis Macdonald: It can be seen that that discussion will be on-going. A change of UK Government would allow clarity immediately.

The Convener: I am not sure about that.

Are there any more questions? You might want a little break before you attend First Minister's question time.

Markku Markkula: Let me add one important aspect. We need a lot more facts and figures. We know that the EU is well prepared for the Brexit process, but we would like to get a bit more from you on exports from Scotland—not necessarily now, but in the coming weeks and months. Scotland's exports are most likely mainly to England, but the rest of the EU is a big market for its industries and export activities. Also, students in your schools have dreamed that they will visit other EU countries and study in them. Erasmus has been a real success, and we want to extend such activities much more. How is that seen at the moment?

I have worked with the university level. I was here 15 years ago when we benchmarked the Finnish national innovation system against your system. I visited Heriot-Watt University and other universities several times to discuss how we could increase our collaboration. A quarter of the research staff in your universities are from abroad. That is a strong interest.

It would be nice to solve all the issues one by one and separately, but that is not the reality of Brexit.

The Committee of the Regions has a strong interest in tackling migration and other such issues but, above all, in ensuring sustainable growth. We need the different funding instruments to operate in synergy. The EU has, therefore, established strategic investment where most of the money comes from the private sector. However, the public sector is doing a lot of hard work to capitalise and to enable that new development.

We have, and we will have, the cohesion funding that targets capacity building, knowledge and sustainable development. That is in synergy with the strategic investments and private funding.

A major concern of ours is to spend time on those measures that create progress and increase the wellbeing for the citizens, but Brexit is taking a lot of time everywhere. It is most likely that such issues are of more concern to you.

We are working on the basis that Brexit as an opportunity for the rest of the EU to renew certain

activities. Perhaps one third of the points in the messages coming from the UK about how it wants to change and what its reasons are for leaving are on things that we want to change, so we will make changes. In the future, the EU will be more positive and target orientated towards a stronger global role not only for the businesses but for the people—students and everyone else.

We want to continue to develop our knowledge in those areas with you. Our concern is to get more of the concrete issues, facts and figures included in our work in order to take forward our renewal process, but that would help you, too.

Whether we have a hard Brexit, we have a soft Brexit or we return to what was in place originally, I am dreaming about a better, stronger Europe, where the people get much more out of it. Many of our key decision makers are working for that positive future. Let us see what the final outcome of the whole Brexit process will be.

The Convener: Thank you very much, Mr President. Your closing remarks summarise much of the work that this committee has done over the past year. It is fair to say that, as other members have said, many people did not understand the European Union and what it delivered for them in this country when they voted last year. Some of our work has uncovered what the European Union does for Scotland and how vital it is in many areas and the challenges that Brexit presents. It may well be helpful to the conference of presidents if we sent you our four reports, including a summary of each, so that you can continue your work on the implications of the UK referendum for the European Union as a whole.

I thank our guests for a valuable and interesting discussion. I understand that they will now attend First Minister's questions, after which we will have the opportunity to continue more informal discussions over lunch. I very much look forward to that.

Meeting closed at 11:24.

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