

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 30 October 2007

Session 3

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

6th Meeting 2007, Session 3

CONVENER

*Malcolm Chisholm (Edinburgh North and Leith) (Lab)

DEPUTY CONVENER

*Alex Neil (Central Scotland) (SNP)

COMMITTEE MEMBERS

*Ted Brocklebank (Mid Scotland and Fife) (Con)
*Alasdair Morgan (South of Scotland) (SNP)
*Irene Oldfather (Cunninghame South) (Lab)
*John Park (Mid Scotland and Fife) (Lab)
*Gil Paterson (West of Scotland) (SNP)
*Iain Smith (North East Fife) (LD)

COMMITTEE SUBSTITUTES

Jackie Baillie (Dumbarton) (Lab)
Keith Brown (Ochil) (SNP)
Jackson Carlaw (West of Scotland) (Con)
Jeremy Purvis (Tweddale, Etrick and Lauderdale) (LD)

*attended

THE FOLLOWING ALSO ATTENDED:

Margo MacDonald (Lothians) (Ind)

THE FOLLOWING GAVE EVIDENCE:

Linda Fabiani (Minister for Europe, External Affairs and Culture)
Daniel Kleinberg (Scottish Government Europe External Affairs and Culture Directorate)

CLERK TO THE COMMITTEE

Dr Jim Johnston

ASSISTANT CLERKS

Emma Berry
Lucy Scharbert

LOCATION

Committee Room 6

Scottish Parliament

European and External Relations Committee

Tuesday 30 October 2007

[THE CONVENER opened the meeting at 10:02]

Decision on Taking Business in Private

The Convener (Malcolm Chisholm): Welcome to the sixth meeting in session 3 of the European and External Relations Committee.

Under agenda item 1, we must decide whether to take items 6 and 7 in private. Both items relate to draft remits—item 6 concerns the inquiry into the transposition of European Union directives and item 7 concerns the inquiry into international development. Do we agree to take items 6 and 7 in private?

Members indicated agreement.

Scottish Government's External Affairs Policies

10:02

The Convener: Under agenda item 2, we will take evidence from the Minister for Europe, External Affairs and Culture on the Scottish Government's external affairs policy. Members will note that the minister has previously appeared to present the Government's EU priorities and, therefore, we should limit our questions to the external affairs aspects of her remit.

I welcome Linda Fabiani to the committee, as well as the officials who are accompanying her: Daniel Kleinberg is the head of international strategy and co-ordination, and Lisa Bird is the head of international development. I invite the minister to make an opening statement. It has been suggested that 10 minutes would be the maximum time for that.

The Minister for Europe, External Affairs and Culture (Linda Fabiani): I shall speak quickly, convener.

I am pleased to attend this meeting to outline the Government's approach to its international activities. When we entered government, we said that we would take time to consider our international work. The Scottish Government has changed and with it have changed many of the basic features of the political landscape in which we all operate. Although Scotland remains a good and steady friend to our partners around the world, we are taking time to review how our international activities fit with our wider strategic objectives.

I would like to talk about three things. First, I will set out our thinking on what the Government wants from the broad sweep of our international activities, then I will talk about how we have moved forward in some of the specific areas of work. I will finish by outlining our next steps.

In our general approach, there is much that we will carry over from the work of the previous Government because, after all, we all agree that a good quality of life and a strong, fair and inclusive national identity are important if Scotland is to prosper in a global marketplace. We need to tell people about our strengths and we will work with partners across the public and private sectors to ensure that we position Scotland as a great place in which to live, learn, work, do business and invest. We will take steps to attract to Scotland the brightest and best talent, to support Scottish businesses overseas and to promote and invest in our tourism industry. We will work with the Scottish diaspora to make the most of Scotland's reputation worldwide. We remain committed to international development and we recognise

Scotland's long-standing and historic role in international engagement.

If the points of similarity in our approach and aims are apparent, the first point of departure is also obvious. We are clear that Scotland could better develop its own voice and make a distinctive contribution by achieving independence. The committee knows that we think that Scotland would be better represented by having its own stronger voice in Europe. Just as we think that self-reliance is important in a European context, so we think that, in our general international work, Scotland can only benefit from the confidence that a responsible, independent mindset brings.

That is why we look to our near neighbours, such as Norway, Finland, Iceland, Ireland and Denmark. The performance of the arc of prosperity shows what independent small economies can achieve on the global stage when they take responsibility for their own affairs. Having a strong, competitive economy generates the wealth that allows a country to improve its performance across all the policy areas that we identify in the Government's five strategic objectives.

I want to talk about one other way in which our approach will be new. The Scottish Government regards its relations with Westminster as extremely important. Our aim, at all times, is for constructive and effective dialogue. We have a range of policy priorities that we recognise might have a direct impact on the actions of the United Kingdom Government, but we are not about picking a daily fight with London, as the media sometimes claims. It is vital, though, that our voice is heard. Sometimes that will mean standing up strongly for Scotland's interests and challenging London fairly hard on some issues. We make no apology for that. One of the key strands of the progress that we make will be to re-establish formal mechanisms for inter-Government engagement. We continue to press the UK Government to reinstate the joint ministerial committee.

We are in the early stages of developing our UK relations strategy, which will help me to keep an overarching view as portfolio ministers take forward business across the range of priorities that impact on other Governments.

Our manifesto made a specific commitment to strengthening the concordats to ensure the best outcomes for Scotland and I am considering the best way in which to achieve that. We have continued to work within the existing framework of the memorandum of understanding on concordats. However, over time we will want to examine the concordats to ensure that they are right for Scotland. We are putting serious effort into building relations with Wales and Northern Ireland.

I have outlined our approach to international work, which is different from that of the previous Government. We have taken the time to reflect on what we need from international work, but we have also acted; I will give the committee an overview of our recent activity.

The committee knows that we lost no time in setting out how the Government will approach EU issues. We have already had the opportunity to discuss our key political objectives, as well as the top EU priorities that we have identified. We have also taken forward work to refresh the China strategy, because everyone recognises the importance of relationships with China. Last month, Jim Mather and I took part in a consultation group in which senior figures who are active in business, education, culture and science all helped us to think about how we approach relations with the Chinese and what we could do better.

Perhaps the key message that I took from that meeting was the need for Government to work closely with stakeholders to identify the key points of leverage. The big challenge is to identify how the work of government can help to move business along or to open doors to high-level scientific, educational or cultural exchange. That is crucial. Listening to people at the meeting, I did not hear anyone clamouring for new documents and glossy booklets; it is the strategic behaviour that is important. The challenge to us all is to find fora in which we can identify where our real strengths lie across government, business and civic society and to work together to find ways in which we can carve out space in an ever-more competitive global market. I hope that the opening of the Confucius Institute for Scotland will provide us with that focus. Last week, that relationship brought the director of Hanban to the Scotland-China education network conference, at which the First Minister spoke. That led to the development of new work to bring Chinese support for language learning into Scottish classrooms. Of course, our first secretary for Scottish affairs in Beijing continues to work hard, alongside Scottish Development International, to maximise opportunities out there.

I turn to North America. Earlier this month, the First Minister visited New York and the Minister for Enterprise, Energy and Tourism visited Canada. They both met a range of exciting potential investors, and indeed existing investors. The First Minister's visit also included a number of appearances on influential New York-based business media. As the committee knows, the First Minister intended to make a statement to the Parliament last week about his visit to the United States. Because the Government attaches importance to its international engagement, the First Minister's office has arranged to make that

intended statement available in the Scottish Parliament information centre today.

The visits were primarily about promoting Scotland's economic growth, but they were also opportunities to explain the changes that have taken place since May. The First Minister's statement makes it clear that the Government attaches importance to its relations with the United States. The US continues to be our biggest export and tourism market and there is potential for increased growth in the coming years. To achieve that growth, we need to ensure that we maximise our efforts in North America. That is why I announce today that the successor to Michael Kellett, who is currently our first secretary in Washington DC, will be Robin Naysmith. He will take up the post of Scottish Government counsellor for North America. His role will be to build on the work of previous first secretaries by co-ordinating the business of Scottish Government agencies in the US and Canada and promoting a team Scotland approach so that, when customers engage with us, they see Scotland and not a collection of different agencies. That will also allow us to make better use in the US of the resources that the Government has at its disposal.

I talked earlier about the need to attract people to the country so that we have the population that we need to grow the economy and create a wealthier, fairer Scotland. We will develop the existing fresh talent policy to do just that.

In my final couple of minutes, I turn to international development and, within that, Malawi, which is of great interest to the committee. The Scottish Government is committed to international development and Scotland's role as a responsible nation, building on our long history of engagement with the developing world. We continue to honour the commitments in the co-operation agreement with Malawi. The special relationship with Malawi is embraced throughout Scotland. However, we do not want to duplicate the work of others. Rather, we want to complement it. Our contribution is to build capacity within Malawi and to respond to the needs that the Malawian people identify.

The international development policy has been in place for more than two years and much has happened since its introduction. That is why, in August, I announced a review of the policy and published on the Scottish Government's website a short paper that invites people's views on how best to take forward our involvement. As the committee knows, I announced our commitment to increase the international development fund to £9 million in the lifetime of this Parliament, within the context of the policy review and the outcomes of the comprehensive spending review. That includes a specific budget for Malawi.

The review is aimed not at the detail of our policy on Malawi, but rather at the wider principles of the international development policy. There will, of course, be implications for funding mechanisms in relation to Malawi. Meanwhile, I and my officials will continue to work closely with our colleagues in Malawi to develop greater focus and identify future priorities as existing projects come to an end.

The previous Administration decided not to run a full funding round in the current financial year. I understand that that was due to the election. On taking up office, I decided to have a review of wider policy to inform the spending of the increased budget. That leaves us some flexibility in this year's budget and we have considered how best to identify priorities that are in line with existing policy commitments. We decided to focus the funding primarily on existing policy commitments in Malawi, and those initiatives will be announced in due course. In addition, I announced that further funding has been allocated to the Scottish fair trade forum at its launch on Saturday past.

I read with interest the *Official Report* of the session that the committee held with non-governmental organisations regarding international development. I am concerned by some of the assertions that were made, particularly the suggestion that I was pressured into making a statement on the ring-fenced budget of a minimum of £3 million per annum for Malawi. That is not the case. I will be happy to elaborate on my concern if the committee wishes to return to the matter during the question session.

10:15

Finally, I turn to what the Scottish Government will do next. I said that I am keen to keep working—both in the Government and throughout wider Scottish society—to develop our sense of what we could and should do to build our international activities. I want to keep working to identify areas in which there is scope for collaboration. A central part of that will be work with our partners to develop and communicate the Scottish identity overseas. I will publish a document early next year that sets out our thinking on how we will position Scotland internationally. The document will cover how we can communicate an understanding of contemporary Scotland to attract the inward investors, businesspeople, skilled workers and tourists who will be crucial to our future economic success. Discussions are continuing and progress cannot be immediate, but it will allow us to publish and then deliver an ambitious international strategy for Scotland that is informed by more detailed policy plans for our key areas of work.

The Convener: Thank you. You certainly covered a lot of ground, and I am sure that members have lots of questions to ask you.

I will set the ball rolling. I think that your first statement was that you are taking time to review the international strategy. How do you intend to carry out that review? Will you consult external stakeholders?

Linda Fabiani: The work is continuing. I said that we are refreshing the China strategy. That is an example of the way in which I want to work with all the stakeholders who are involved. I want to pick up on the knowledge that they have from the work that they do, so that, when we publish our strategy, we know that we have listened to the people who matter and the people who know.

The Convener: You made two strong points about what you wish to happen with regard to independence and relations with London, but those two issues are not part of the international strategy as it was originally constructed. In what significant ways do you differ from the strategy, which was published in 2004?

Linda Fabiani: There are quite a lot of documents, including different co-operation agreements and strategies. As I said in my introduction, good work has been done on which we can build, but we think that we can focus more and do things better. We are examining what is already there and building upon it.

Again, I use the China strategy as an example. That is the second most recent of the relevant documents that were published by the previous Administration. It is a good document. When we had a meeting of all the players who are involved, nobody wanted to throw it out and start again. That would be wasteful. However, we need to examine the strategy and ask what is really good, what is not working quite so well, and how we should move forward. The people from the various sectors know what they are doing. They have been doing this stuff for a long time. The Government has to be strategic and recognise where it should step in for maximum benefit. That involves our taking advice from those who have been working internationally for a long time.

Alex Neil (Central Scotland) (SNP): I thank Linda Fabiani for her comprehensive statement. I have questions on a couple of matters, the first of which is the joint ministerial committees that involve London and the devolved Administrations in the UK. We know that your Government, the Northern Ireland Government and the Welsh Government are all keen to make the committees work. In effect, the committees became defunct during the first eight years of devolution. Is Gordon Brown deliberately trying to sabotage the relationship between London and the devolved

Administrations? I take it that London has been the problem in the attempts to get the joint ministerial committees up and running.

I am not trying to lead the minister in any way. [Laughter.]

Linda Fabiani: I would never suspect you of trying to lead a minister, Alex.

The answer to that question has to come from the Prime Minister and his office. The First Minister has written to say that we would like a plenary session of the joint ministerial committees. Only the joint ministerial committee on Europe has met in the past few years; the other committees have not met and there has not been a plenary session.

We have written to ask for a plenary session of the joint ministerial committees. I am pretty certain that I raised the issue at the first JMCE that I went to, but we have not yet had an answer. The committee knows that we have been building relationships with members from the north of Ireland and the Welsh Assembly, and we held successful meetings prior to each of the JMCEs that I attended. I believe that the devolved Administrations take the view that we need to talk about the issues and about re-establishing the joint ministerial committees.

The concordats that stem from the Scotland Act 1998 are constantly under review, and we have said that we will strengthen them where necessary. The time is probably right for that, but the structure needs to be in place. We are asking the UK Government to implement the existing structure, which has not been used in practice; that would be the sensible way to move forward.

Alex Neil: The UK Government has not responded to the devolved Administrations' request to re-establish the joint ministerial committees, despite the fact that there has been a public commitment in principle to do that. Has it given any indication of a timeframe within which it will respond, or its reasons for not responding?

Linda Fabiani: As far as I am aware, there has been no response. Daniel Kleinberg, who has checked the position more recently than I have, agrees with that.

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