EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 13 May 2008

Session 3

£5.00

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by RR Donnelley.

CONTENTS

Tuesday 13 May 2008

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

10th Meeting 2008, 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)
Patricia Ferguson (Glasgow Maryhill) (Lab)
*Alasdair Morgan (South of Scotland) (SNP)
Irene Oldfather (Cunninghame South) (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 (Tweeddale, Ettrick and Lauderdale) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Kadie Armstrong (International Development Education Association of Scotland)
Maureen Brough (Working Together for Change)
George Finlayson (Scotland Malawi Business Group)
Karen Grant (Scottish Education and Action for Development)
John McAllion (Scottish Fair Trade Forum)
Betsy Reed (Scottish Fair Trade Forum)

CLERK TO THE COMMITTEE

Dr Jim Johnston

ASSISTANT CLERKS

Ian Cox
Lucy Scharbert

LOCATION

Committee Room 1

Scottish Parliament

European and External Relations Committee

Tuesday 13 May 2008

[THE CONVENER *opened the meeting at 10:00*]

Decision on Taking Business in Private

The Convener (Malcolm Chisholm): Welcome to the 10th meeting this year of the European and External Relations Committee. We have received apologies from Alex Neil and Irene Oldfather. I welcome Keith Brown, who attends in his capacity as Alex Neil's substitute. We will deal later with item 1 on the agenda.

Under item 2 on the agenda, we must decide whether to take item 7 in private. It concerns the draft annual report. Are members content to deal with it in private?

Members *indicated agreement.*

International Development Inquiry

10:01

The Convener: Our substantive item of business today is continuation of our inquiry into international development—this is our sixth evidence session. On our first panel of witnesses this morning are three distinguished people from important organisations in that field: Kadie Armstrong is from the International Development Education Association of Scotland; Maureen Brough is from Working Together for Change; and Karen Grant is from Scottish Education and Action for Development. I invite our witnesses to make brief opening statements.

Kadie Armstrong (International Development Education Association of Scotland): I will go first, since IDEAS is a network organisation, and the other members of this panel represent organisations that are members of IDEAS. We have about 40 or so members working in Scotland to support learning around global issues and development education. Our members work across the formal and informal education sectors, but my job involves supporting members who work with schools and teachers.

I want to say a little bit about what development education is and what it can be, before I pass over to Maureen Brough, who will talk about her work and how it relates to IDEAS.

Development education can take many forms but is, at its heart, participatory, inclusive and learner centred. It will always start from what a group knows, where it is coming from, what its background is and so on. Ultimately, it will involve exploring and investigating interconnectedness and people's relations with others in their community and around the world, and with the planet and the environment. It supports investigation of the root causes of injustice and inequalities and development of an understanding of people's social environments and the global environment. Through its methodologies and approaches, it supports active learning, which involves dialogue and active investigation into the communities a group knows. By working with the people that the group meets as a result of its activities, the members of that group build the skills that they need to enable them to act for positive change. That is at the heart of development education. People sitting in a lecture and hearing about development issues is not really what we think of when we talk about development education.

One of the significant aspects of development education is that the learning and teaching

approaches are as important as the content. We hold that you cannot teach people to respect human rights or to value democracy, but you can give them experiences in which they learn what democracy and participation are, which might lead to them respect and value them. Experiential learning is what is important.

I know that the committee has heard from others about the importance of raising awareness—IDEAS and our members absolutely back that up. In addition to what our written evidence says and what you have heard, I want to make the point that awareness raising and development awareness are different from development education. Development education builds on awareness raising, but there is a difference between knowing about something and understanding it: there is a difference, for example, between knowing that there is a global food crisis and understanding what that crisis means for people, what its causes are and so on. Knowing about something does not necessarily equate to understanding it.

I give the make poverty history campaign, which everyone here knows about, as an illustration. That campaign has been extraordinarily effective in raising awareness. A report from the public perceptions of poverty research programme, which relates to the work of the Department for International Development, on the awareness-raising results of the make poverty history campaign stated that it

"achieved near-total public awareness, although few people understood what it was or knew anything about the issues it was campaigning on."

However, it also stated that

"MPH and related activity in 2005 had minimal impact on public perceptions of global poverty, and by 2006 the small positive changes were beginning to slip back again."

When we are talking about awareness raising and development education, we need to bear it in mind that we must do something deeper than simply raise awareness.

Development education should be an integral part of any international development policy. If we do not take seriously the necessity of engaging people not only here but in communities and places in which we might make interventions or have projects, we will not respect people's agency as citizens of countries. People need to be informed and engaged, and they want to be engaged—that has emerged in many of our experiences with communities and groups.

I have gone on long enough. I will let Maureen Brough explain a little about her work and how it relates to what I have talked about.

Maureen Brough (Working Together for Change): Working Together for Change is a small training organisation based in Glasgow that has been in existence since the early 1990s. We work with community and faith groups to help them to work more effectively together for justice.

We have two international links, one of which we have had for some time, while the other is more recent. I want to talk about those links in order to give members examples of what people can get out of the experience of such links in respect of learning in the informal sector.

Since 2000, we have had a link with Nicaragua, which initially came about through a personal contact with my predecessor in Working Together for Change. Over the past few years, we have given two-pronged support for education in an organisation there that supports mothers who have children with special needs. One way has been through supporting the special needs education of the children; the other has been through empowering the women by giving them opportunities in respect of parenting skills training and confidence building. We have also supported the creation of employment. We have provided support through accessing various grants, through fundraising and through donations from our organisation.

We have maintained the link between our supporters in Scotland and people in Nicaragua in a way that has definitely been a development education experience. People are aware not only of the poverty that affects people in Nicaragua and the influences that have come to bear there, but of how that poverty connects with us. The current food supplies crisis in central America, for example, has been a great opportunity for development education in the area, in which we participate.

An important aspect of development education is that, as Kadie Armstrong said, people engage in a way that not only raises awareness, but helps them to realise that they are an important and integral part of such situations.

More recently, we have also formed links with a series of community groups in Soweto in South Africa, which arose out of a contact that was made at the Civicus assembly in 2006. As a result, we received partial funding from the DFID to take a group of women from my organisation and community groups in Paisley to Soweto last September to run workshops for community and faith groups on the millennium development goals. Two aspects of that work are pertinent to the committee's inquiry. We undertook a period of preparation with the women in Paisley, most of whom had no experience of training, had not been abroad and had little understanding of links between us and other countries or issues such as human rights and justice. The workshops that we ran to prepare to go to Soweto were important

because they helped to raise awareness and educate the women who were going there as trainers.

Since we came back, we have accessed a further two years' funding from the DFID to take the programme on the millennium development goals to other community groups in Scotland. We are in the process of doing that. We quickly realised that the issues in the millennium development goals—poverty, health, environment and education—are key issues that affect people who are in poverty anywhere, including Scotland. The approach of engaging people in considering their communities has been successful in Paisley, Soweto or Glasgow. Wherever we have run workshops, people have been enabled, through the structure of the millennium goals, to consider issues in their communities and connect them with overseas issues. As a result, people feel more informed and aware and are encouraged and enabled to work together to take action in their communities.

As a result of the workshops that we ran in Soweto on the millennium development goals, the community groups for which we ran the courses formed a new organisation to pass on the training to other groups in the area. That is a good example of passing on not only information, but the participative approaches, skills, attitudes and values that are endemic in development education.

Karen Grant (Scottish Education and Action for Development): Scottish Education and Action for Development has 30 years of experience of working with communities in Scotland and in developing countries to help to build their capacity to tackle the social and environmental injustices that they face. Some members will be familiar with the SEAD's work. We have done a lot of work on direct skills exchanges between community activists from Scotland and developing countries, which help to build credible community-based movements to tackle injustices. Our current work on development education in Scotland is mostly with adults in the community sector—we do not work in the formal education sector.

At present, our main project is called switch on to climate change—the global community challenge, which is funded by DFID's development awareness fund. The project is a useful case study of how funding for international development can be used successfully through community-based development education.

10:15

We work with Scottish communities through the switch on to climate change campaign to build up understanding of the impact of climate change on development issues, of the experiences that communities around the world face as a direct and indirect result of climate change and, importantly, of the action that they can take to tackle the problem. We use a participatory approach, which is based on popular education. It is a solutions-based system whereby communities learn from each other about how to tackle the problems that they face.

We examine the root causes of climate change—acknowledging that we in Scotland have a share in the disproportionate historical emissions that have created the problem—and the serious implications of some of the so-called solutions, such as the massive expansion in biofuel and the impact of carbon-trading schemes on people around the world, which include land grabs, environmental degradation and food shortages. Many of the so-called solutions are now widely discredited, but they are nevertheless being rolled out on a huge scale in the developing world.

We welcome the opportunity to contribute to the committee's inquiry, and we support the IDEAS network in asking for a commitment, under the committee's approach to international development, to progressive development education at community level as well as at formal education level. We also recommend that, together with other aspects of Scottish life, Scotland's international development should use a long-term visionary approach to building a society here and around the world that is equipped to tackle the causes and effects of climate change.

The Convener: I thank you for your helpful introductory comments. We have also received a written submission from the International Development Education Association of Scotland, which includes four very useful questions that you wish us to ask about the Scottish Government's international development policy. We may come on to some of those questions in a minute.

As it happens, the Scottish Government's international development policy has been published during the past week. I do not know whether any of you have seen it—you will obviously not be able to comment on it if you have not. To what extent does the policy address your concerns, referring in particular to awareness raising and people's understanding of international development issues?

Kadie Armstrong: I was glad to see the international framework and that so much work had gone into considering the philosophy behind Scotland's international development work. The aims and objectives of international development policy have now been set out.

However, from an education and awareness-raising point of view, there is not a lot in the

international development policy to be positive about. One of the objectives is:

"To recognise and build upon Scotland's links with the Indian subcontinent by working together with communities in Scotland to support development, and in turn help support an inclusive society in Scotland."

That could be interpreted in many ways. There might be educational opportunities in that objective but, from the point of view of education, learning and engaging the public here and overseas, the framework does not have learning, understanding and mutual solidarity at its core, which is what many organisations want.

There are references to engaging communities overseas and so on, but it is easy simply to talk about the importance of public engagement without outlining how it is going to happen. Many organisations feel that real involvement and engagement with communities and genuinely taking into account what they need require the methodologies and inclusive dialogue that we in development education support.

In its new international development policy, the Government's first key value and principle is that

"The needs and priorities of developing countries are paramount."

The paragraph continues:

"Inevitably Scotland will learn and benefit from the experience of working in partnership with developing countries",

Although that is a wonderful sentiment, it will have to be followed up. Moreover, I do not think that it is necessarily inevitable that

"Scotland will learn and benefit from"

these experiences. None of this will happen by chance: space, time and effort need to be given to learning from, and engaging with, communities.

Maureen Brough: I agree. There are many participative education models. The most widely known is training for transformation, which encourages people to look at their own experiences. It is concerned with the process of people learning and taking action together. In fact, most methods, such as the world-wise course, are loosely based on that model. Unless, as Kadie Armstrong has made clear, time and resources are invested in community engagement and in the process of learning about development education, international education—or whatever it is called—ideas will not go as far as they might. All the organisations that are involved in IDEAS are trying to develop processes in that respect.

Karen Grant: Not only communities, but people in Parliament or in Government must engage in active learning if we are to create change. There must be a cultural shift in our thinking about development, because the fact is that grass-roots needs must be the force of change.

Gil Paterson (West of Scotland) (SNP): Is there any perception of stereotyping in the north-south school links? Although I am very encouraged by the number of Scottish schools that are linking with schools in other countries, particularly in Malawi, I would be alarmed if it turned out that children in both countries simply did not understand the situation. How can we overcome that problem?

Kadie Armstrong: Anyone who is interested in the subject should read some of the documents that are out there. For example, Oxfam has produced a fantastic resource for schools that are thinking of making a north-south link. We—and, indeed, the global school partnerships programme—always encourage schools to have an initial period of reflection on why they want to make such a link. There might be many motivating factors, such as charitable reasons. The desire to become involved and help people is often the obvious response to learning about problems in such countries. Of course, that is a virtue.

However, we must remember that schools are learning environments. For young people, everything that happens in the school environment, and the values that underpin those activities, will roll out into their experience and will influence their values and understanding. If fundraising and charitable activities and links are pursued without reflection and learning about the context in which the links exist, we risk—as Gil Paterson mentioned—reinforcing some stereotypes and prejudices.

That extends, in a broad sense, to community links and institutional links. Most members of IDEAS would say that such links often take place against a background of historical colonialism, economic inequalities and, sometimes, prejudice and injustice. That is a factual description, and if we do not acknowledge it and accept the legacies of some of those relations, true partnership might not be possible. We encourage schools—teachers and pupils—to reflect on such things before they enter relationships. I hope that that answers the question.

Gil Paterson: One of the drivers from a schools perspective, particularly with regard to children, is an issue that you have raised: they see people elsewhere in need. We probably call it charity, but the issue is about how to maximise that. The resource in relation to the charitable element is not the children, but the parents. That is coupled with the fact that, in Scottish terms, the amount of money that we have deployed to assist people in need is peanuts, to be frank. We need to consider how to grow that and maximise it, in comparison to what other nations give. I have heard what you

have said, and the committee wants to respond to and address the issue. Should the Scottish Government engage with schools, perhaps through a pamphlet? Is there anything you can help us with directly?

Kadie Armstrong: The previous Government encouraged a certain amount of linkage and support between schools in Scotland and schools in Malawi. There are now a huge number of links, and many teachers are interested. I would only encourage any sort of intervention by the Government on this matter if it was done on the back of a lot of consultation of schools that already have links, and with non-governmental organisations that support links and so on.

Because schools are learning environments, it is important that the links are not approached without preconceptions being challenged. Development education is about understanding the root causes of barriers and inequalities—to which people respond by wanting to raise funds and so on—so there are other activities and ways of showing solidarity and supporting people in Malawi. It might be just as valid an action for young people in schools and their parents, having learned about the problems that people are experiencing, to campaign on issues such as access to, and the privatisation of, water in Malawi. It is important to open up all the possibilities and, through that, to encourage understanding of the structural root causes of the problems there and how our lives in Scotland relate to those global structures and mechanisms.

10:30

Iain Smith (North East Fife) (LD): I will follow up the points that Gil Paterson raised. During the inquiry, we have heard evidence about the general value of schools being involved and the fact that, sometimes, schools can do that in the wrong way. Without necessarily naming names, can you give us some examples of good and bad practice? How can we ensure that best practice is developed across Scotland?

Karen Grant: Good practice relates to the points that Kadie Armstrong made about challenging and not perpetuating the mindsets that created some of the global inequalities that we are talking about, and ensuring that schools-based development education is founded on a justice-based perspective of global issues.

Maureen Brough: I am not really qualified to say much about schools, but adults—parents and others—are always involved in schools, and that provides an opportunity for development education that also involves adults, looks at the linkages, is aware of the root causes and asks what will be helpful. Is it helpful to run a coffee morning to send money, or might something deeper be done, possibly in tandem with and not necessarily excluding the finding of other ways of engaging with the issues?

Kadie Armstrong: I agree. Good practice in a school partnership means not imposing a Scottish education agenda on the partnership. It involves real partnership working and lots of talking before anything at all happens. There needs to be lots of learning on both sides, and that includes teachers as well as students.

Partnership agreements should be drawn up so that it is very clear who is getting what from the relationship, and what the mechanisms are for communication and working out problems. From an educational point of view, the partnership work should, in the first place, be about curriculum links and learning. The two institutions will always have in common the fact that they are there for young people and their learning, and it makes sense to base the partnership around that.

Material inequalities and other practical matters can get in the way of that, but they should be dealt with in partnership. The global schools partnership scheme and others recommend that any fundraising is done in tandem and that in-kind support for the link is as recognised as material and financial support. People might be materially poor, but they are not necessarily culturally poor or poor in knowledge and experience. That should be recognised in a true partnership.

At a practical level, if there is going to be a real partnership of learning, it makes sense for the schools to draw on the learning of the other side of the partnership, and to embed learning about that country and those people, and about life in Scotland and the partner country, throughout the curriculum. That can be done, although it should be said that it is not easy.

Iain Smith: My second question is slightly more general. Should development education be part of the international development strategy, or should it be part of education policy?

Maureen Brough: Is there any chance that it could be part of both? Development education is quite key, although people might come at the issue from slightly different angles. Personally, I feel that any international strategy should include a strong development education focus. Otherwise, the strategy might build up information without having any depth.

Karen Grant: I support that.

Kadie Armstrong: I agree. Development education should also be part of a sustainable development strategy, as all those things are linked. Development education is partly about encouraging joined-up thinking from people, but it

is quite difficult to do that without joined-up Government. If there is any way of ensuring cross-fertilisation, coherence and compatibility of policies, we should take it.

Karen Grant: The danger is that international development is pigeonholed as something that happens to other people rather than considered as an issue that relates to every aspect of our lives. International development is a good example of an issue whose root causes we will tackle only by thinking about the issue in the context of every aspect of our society.

Maureen Brough: Scottish Government support is needed for the development education that is delivered not just by large organisations, but by youth groups—there are successful models of such work with youth groups in the informal sector—community groups and women's groups, as well as by the formal sector.

Iain Smith: Is there a potential danger that no one will take ownership of a cross-departmental policy because no single person or part of Government has responsibility for driving it forward and being accountable for its delivery?

Karen Grant: It is one of those things—it is about the culture of decision making. You know better than I do about the issue of ownership of the policy, but incorporating a sound perspective on global social and environmental issues into different aspects of decision making is surely a deep and well-founded way of approaching such decisions.

Ted Brocklebank (Mid Scotland and Fife) (Con): I understand the concerns that have been raised about aspects of development education and, I suppose, the written submission's implied criticism of some of the models that have been used so far in the Scottish Parliament's dealings with developing parts of the world. However, the submission does not really compare like with like when it describes deprivation and poverty by referring to places such as Soweto and Paisley. Places such as Paisley at least have structures on which we can build that would allow us to concentrate on development education. In a country such as Malawi—which some of us have visited and which is one of the world's 10 poorest countries—many areas have no structures at all. Can we really talk about development education when many of the planks of basic education are simply not in place? In many places, the schools do not have jotters and pencils. It is a little difficult to talk about development education when we are still wrestling with the problem of educating thousands and thousands of kids, many of whom will never see any secondary education and never have a jotter. I am slightly concerned that we may be talking about different levels of deprivation and poverty, which perhaps need to be dealt with in different ways.

Maureen Brough: Obviously, there are different levels of poverty. You are right to highlight the importance of providing people with the basic tools of education at primary level. However, we should start with what the community defines as important. Jotters and pencils are probably important, but there may be other things that those communities would define as important for education, for instance the relative take-up of education between boys and girls. The communities themselves need an opportunity to reflect on that and to make decisions. That is part of the development education process. The millennium development goals structure is very much about helping people to consider their situation. You are right, but there are other aspects to consider.

Karen Grant: I can see why, with a relatively modest international development budget, you are concerned about how to spend the money most efficiently, but the question of development education or direct aid to help immediate need is not a one-or-the-other decision. On the one hand, you have some sort of firefighting role, but on the other hand you need to take a long-term perspective on how you build civil society's capacity to create long-term positive changes. Those are not the same problems that the committee will face in 10 years' time.

You talked about comparing poverty in Scotland with poverty in Malawi, or the experience of a community here with the experience of communities in other countries. We have found in our work and in case studies by other organisations that in relatively different cultures and societies, while there are some different needs, there is an enormous number of shared needs, shared scope for a sense of self-determination and potential to make change.

A good example of a small project—not a SEAD project—that punched above its weight was one that linked the community in Grangemouth, next to the refinery, with communities in Brazil who live within a huge eucalyptus plantation that is part of a carbon credit scheme. Those two communities, which in some ways face very different realities—they are at opposite ends of the oil production and carbon sequestration chain, and have different environmental and social realities—began sending video letters to each other. The mutual solidarity, inspiration and understanding that was effected, not just for the people who were directly involved but for the rest of the community, which saw the video letters and the products of that exchange, sowed the seeds of different perspectives that will feed into those communities' decision making for

years to come. Those are the positive benefits that can come from such links.

Ted Brocklebank: We are basically saying the same thing. However, you used terms such as social justice and consultation. While those are hugely valuable—and of course they must happen—there are communities in Malawi that have no water. Before you begin worrying about social justice and consultation, you have got to fix the wells and get the basics in. It is perhaps therefore a bit superficial to say that those communities should be discussing development education, when there is so much lacking at a basic level in certain of those places.

10:45

Maureen Brough: Even for something as simple as a well, who decides where the well will go? Who will benefit from it? Who will pay for it? Who will maintain it? Such issues are very much to do with social justice and consultation and we cannot get away with ignoring those principles.

Ted Brocklebank: But you would not want people in the village to die of thirst while you made up your minds.

Maureen Brough: No, but people might well die of thirst a month down the road if the work was not done properly.

Alasdair Morgan (South of Scotland) (SNP): I think that Kadie Armstrong said that development education should be an integral part of development programmes. What proportion of a programme's resources should go to education as opposed to more conventional aid?

Kadie Armstrong: I am a little reluctant to give definite figures or suggest that spending a certain proportion means that we are getting it right and everything is fine. At European level people talk about 3 per cent of international development funds, which is probably enough to enable worthwhile work to take place. However, it is more important to consider the quality of work that will be funded or supported.

In many ways, it is as valuable—if not more valuable—to acknowledge that learning, public engagement and community empowerment are part of the foundations of policy, which brings me back to my disappointment with the Government's framework. Although the framework clearly sets out values and principles that underlie international development policy, it does not necessarily acknowledge the importance of building civil society and the ability of communities—here and overseas—to participate in development.

Alasdair Morgan: In the submission from IDEAS, you say, quoting from another source, with which you clearly agree, that an objective of development education is that teachers and students should recognise

"that for any development to be sustainable it must benefit people in an equitable way".

What type of development is not sustainable under that criterion? What should we educate people to think should be excluded as unsuitable? The Scotland Malawi business group talks about economic growth, which is notoriously a bit uneven. Are you prepared to accept a degree of unevenness?

Kadie Armstrong: There are many types of development. We can talk about economic development, social development and personal development. If there is to be intervention or partnership working of any kind, one of the first discussions must be about the type of development that is envisaged. I will not propound a particular point of view on that, because we want to encourage dialogue about the type of development that might take place and about what is sustainable.

I will give a simple example. If a village needs water, it is not sustainable to install a well or other facility that the community is unable to maintain. Sustainable development is about social as well as environmental sustainability. I think that members of IDEAS would agree that societies that have huge levels of economic inequality are in some ways unstable and are less sustainable than are societies that acknowledge inequality, support the most needy and have a strong sense of cohesion. I hope that I have addressed your question.

Keith Brown (Ochil) (SNP): Maureen Brough mentioned that passing on skills was an important achievement of her organisation's community-based activity. Do you know or have an estimate of how well such skills are used? Does the context allow them to be used? Do you have a way to check whether they are exploited when people return to their original countries?

Maureen Brough: I will start with the Scottish context. In the courses that we are running on the millennium development goals, we develop simple skills such as listening to one another, sharing ideas, recording and taking seriously what people say and action planning.

The same applies to the course that we ran in South Africa last year. Obviously, following that up is more problematic for us. We are still in touch with groups there and we try to support them as much as we can, but I acknowledge that that is much more difficult from a distance. Some people in groups there had relevant skills and felt encouraged by the skills that we used and which

we encouraged people to use. They felt more confident and empowered to use those skills.

For the groups with which we work in Scotland, our current round of workshops includes training for trainers, so we have the chance to focus on particular skills.

The Convener: Your evidence has been enormously useful. I have two general points to make. What Kadie Armstrong said about the make poverty history campaign—that there was enormous public awareness, but not much public understanding—was striking. That is a headline message that we have taken from the session, which will be useful for our report. The big question that all the witnesses have answered to an extent for the past 50 minutes is how we further the central aim of achieving public understanding rather than awareness. What recommendations could we make on that?

A striking feature of the evidence from Maureen Brough and Karen Grant is the connection through working with communities here in Scotland in partnership with communities in developing countries. I am familiar with and sympathetic to that, but it would be useful to make explicit what is going on. Is the sense that the issues and challenges are similar, although the scale is different, as Ted Brocklebank highlighted? Alternatively, is the objective to raise consciousness of international development issues in Scottish communities? I do not know whether you see what I am getting at, but it would be useful for Karen Grant or Maureen Brough to comment on that.

Does Kadie Armstrong want to pick up our big question of how to progress public understanding, which includes our understanding?

Kadie Armstrong: Absolutely. The question is very difficult. The document from IDEAS that was initially included with papers for the inquiry related to the inquiry's initial remit, and our subsequent submission pertains more closely to the questions that the inquiry has posed and sets out more specific recommendations. The work by the Government on sustainable development needs to link with international development, especially in learning and education. Issues such as climate change and community involvement in planning relate to development here, so there are international development lessons to be learned.

The Government has an action plan for the first five years—until 2010—of the United Nations Educational, Scientific and Cultural Organization's decade of education for sustainable development. The current action plan misses an opportunity, because it does not contain much about social and global issues, for example. That could be addressed at policy level.

A lot of work is being done to integrate global issues, development education and international development into the new curriculum. That is fantastic, but again there has to be support for learning among teachers and staff in schools. That work might fall to the Education, Lifelong Learning and Culture Committee and to civil servants and ministers in the directorates that cover education, but we will have to encourage cross-committee, cross-parliamentary and cross-Government work. Sustainable development, international development and development education are about joining up consequences and joining up the institutions with people's experiences. We have to consider how people can make a difference, and to encourage that kind of work.

Maureen Brough: I can understand how it would be an issue for the Scottish Government if there were a scatter-gun approach, with lots of little organisations all doing their own linking on development education, but we are all members of IDEAS and, as such, we are sometimes able to work in concert. For example, over the past couple of years we have run a series of conferences for community educators under the banner of action and ideas. That model, which was funded by DFID, enabled members of IDEAS who work in the community sector and the informal sector to come together with a common purpose of getting across to community educators and community learning and development workers something about the kind of methodologies that we use—such as participative ideas and other ideas that they could then use in their groups, organisations and departments. It was a good model. Using our own principles of co-operation, we can on occasion work together to promote policies—if we have adequate funding.

Karen Grant: I wanted to come back to the question of how to build understanding. Both the DFID and the Department for Environment, Food and Rural Affairs have produced reports on how difficult it is for Governments to communicate with the general public in such a way as to change behaviour. Much more success is achieved when community-based groups are supported to work with communities. That can lead to understanding that goes beyond plain awareness, and to actions that have an impact.

The convener made a point about whether we were considering the similarities between the issues that different communities face—for example, between the housing problems that are faced by communities here and the housing problems that are faced by communities in developing countries—or whether we were trying to build understanding of international development. We must do both. We are talking about different parts of Scottish society, and we have to do both in order to create a sense of

global connectedness that can lead to positive change.

The Convener: It is a few seconds before 11 o'clock and I am afraid that I shall have to call this evidence session to a halt. I thank you all very much indeed for your contributions, which were extremely useful. I am sure that committee members have learned a lot; what you have said will contribute towards our conclusions. Thank you for coming.

10:59

Meeting suspended.

11:04

On resuming—

The Convener: I welcome our second panel of witnesses: Betsy Reed and John McAllion from the Scottish Fair Trade Forum; and George Finlayson from the Scotland Malawi business group. We look forward to taking evidence from you. John McAllion will make the first opening statement.

John McAllion (Scottish Fair Trade Forum): Perhaps I should say right at the beginning that the Scottish Fair Trade Forum is a relatively new organisation on the scene—it has just been established as a company limited by guarantee. We are still in the process of registering as a charity and hope to have completed that process by the end of August.

We already have a board, which was elected at our first general meeting in Glasgow, in February. It includes representatives of the NGO sector, trade unions, fair trade businesses, fair trade activists and the education sector—IDEAS, which has just given evidence, is represented on it. One board member works with local authorities, although we are still working to set up a formal relationship with the Scottish local authorities.

It is important to say that, although we are directly funded by the Scottish Government, we are entirely independent of it. We see our role as being to represent the views of, and to act as a national voice for, fair trade activists up and down the country. Our immediate goal is, of course, to work towards meeting the criteria that were agreed between the Scottish Parliament and the National Assembly for Wales, which will enable Scotland to establish itself as a fair trade nation.

In the longer term, a more important goal for us is to ensure that the process of becoming a fair trade nation is more than just a tick-box exercise. We want fair trade and ethical principles to permeate everything that the Scottish Government and the Scottish nation do. As one of our supporters put it to us, we want fairness to become part of our national psyche and to define how we do business and how we conduct ourselves, both at home in Scotland and in all our relationships with other countries.

I know that it is part of the committee's remit to report on how value can be added to the international development work that is already being done in Scotland. We respectfully suggest that by making Scotland one of the world's first fair trade nations and by ensuring that its claim to be a fair trade nation is not just about a name but defines who we are and what we do, we can add a great deal of value to Scotland's international development effort.

I will give an example of how value could be added. Reference has been made to the smallness of the Scottish Parliament's international development budget—I think that it is £6 million, rising to £9 million in the final year of the parliamentary session. The Scottish public sector spends £8 billion a year in buying goods and services. The attachment of fair trade and ethical criteria to the contracts that are involved in the buying of those goods and services would make a massive impact, not only on how Scots think about themselves but on many poor producers all over the world who might be able to get into that chain.

We have been extremely disappointed that the cross-party group in the Scottish Parliament on a fair trade nation has not been formed again in the third session of Parliament. We are anxious to work closely not just with the Government but with the Parliament as a whole. We hope that that cross-party group will be reinstituted in the very near future so that we can work with it on the project to make Scotland a fair trade nation.

The Convener: I invite George Finlayson to make an opening statement.

George Finlayson (Scotland Malawi Business Group): I am grateful for the opportunity to contribute to the committee's inquiry. I apologise for the absence of Bill Hughes, the chairman of the Scotland Malawi business group, whose business commitments have taken him off to an annual general meeting in Manchester today—how appropriate. [*Laughter.*] As a former chairman of CBI Scotland and holder of other senior appointments, Bill Hughes is the group's expert on the Scottish business scene. Essentially, my role is to cover the Malawi end, as I was the British high commissioner there for three and a half years.

I invite you to ask questions about my written evidence, which touched on a few of the issues that, as I have witnessed here, you have had to address. However, for my opening remarks, I will

highlight only one issue: the role of business in development.

You will recall that not all witnesses at earlier evidence-taking sessions agreed that support for business should be a part of our Government's aid programme. Some NGOs in particular thought that that would be bad largely because they felt that business was not poverty focused. My view is exactly the opposite. Indeed, I agree entirely with the evidence that you received from the academic witnesses, who took the more positive and, it seems to me, almost universally accepted line that, to eliminate poverty, we need to have sustainable economic growth that is run by the private sector. That is the position that the major multilateral and bilateral aid donors—in particular, DFID—have held unanimously for a long while. I have before me and am happy to leave with you the definitive pamphlet on the subject. It recognises the experience of the Asian tigers and China and India, all of which have achieved dramatic reductions in poverty because of their enterprise projects. There is no doubt that their economic success depends to a large degree on the continuing success of their private sectors.

That is why I suggested in my written submission that the question that the committee should pose is not whether but how the international development fund should be used to promote business activity. The Malawian Government is certainly interested in knowing the answer to that question, so much so that it recently asked the Scottish Government to refocus its Malawi programme to allow more resources to be committed to the sustainable economic development strand of the agreed action plan. The Malawians appreciate what our Government is already doing on that, mainly through support for microfinance, youth business, macadamia nuts, the trade policy working group in Malawi and the trade exhibition that took place in Glasgow last November. Of course, the support that the Government gives to the Scottish Fair Trade Forum also indirectly benefits Malawi.

The Malawians are also grateful for the significant personal contribution that Sir Tom Hunter is making. His support is valued not only because it relieves a lot of the pressure on their health, education and agriculture budgets but because it sets an example that they hope other private foundations and businesses in Scotland will follow. In particular, the Malawians are keen for companies, working either on their own or in partnership with other private donors or the Scottish Government, to offer grant aid or concessional aid for the creation and expansion of small and medium-sized enterprises. That is a very high priority for them. They have recognised for many years that the unavailability of credit is a major problem, particularly for activity at the grass roots, so they would like much more of it.

However, whether it is realistic to expect the Malawians' ambitions to be achieved is another matter altogether. With few exceptions, there is little evidence that corporate Scotland in general is interested in participating in a national initiative. Some individual companies are doing their bit, of course, but probably not on the scale that is desirable. That is the background to the suggestion in my written submission that an effort needs to be made to bring together all the various elements of Scottish business in order to gauge the level and nature of its interest in contributing to international development, both generally and in the particular context of what our Government's aid strategy should be.

11:15

The Convener: Thank you. Some of our questions will be directed to John McAllion and Betsy Reed or to George Finlayson, but you might want to cross over to the others' topics.

I will start with a preliminary question for John McAllion and Betsy Reed. You mentioned that you were funded by the Scottish Government; to what extent is what the Government says about fair trade in the new international development policy a departure from or a restatement of the existing position? More fundamentally, one of your key messages is that you want fair trade and ethical principles to permeate everything that the Scottish Government does. That was a feature of the recent parliamentary debate about fair trade and I mentioned it myself. Some people have raised possible objections to that approach, in regard to European law or whatever. Do you have comments on that and are there any good examples of public authorities beginning to go down that route?

Betsy Reed (Scottish Fair Trade Forum): Specifically in relation to public procurement and European directives, a Dutch local authority recently decided to include ethical and fair trade criteria in its procurement strategy. The authority was challenged by a large, non-fair-trade coffee company in Europe, but it won the case and there is no plan to challenge that decision. As a result, the Dutch national Government has decided to include ethical and fair trade procurement criteria in all its contracts by 2010. There is definitely scope to explore that further.

Interpretation has been fairly conservative in Scotland for various reasons. We have been speaking to Scottish Government procurement officials about inclusion of ethical and fair trade criteria for several months. It is just a matter of continuing to challenge ideas and highlighting

areas in which ideas have been challenged and we have won.

John McAllion: Two of the organisations that helped to bring the Scottish Fair Trade Forum into existence were the Scottish trade justice movement and CORE Scotland—the corporate responsibility coalition. During the time of the previous Executive, we submitted a large document about the problems of European law because the Scottish Executive was looking at issuing new guidance to all public sector bodies in Scotland. That guidance never emerged. However, there is a strong case for including fair trade and ethical criteria in contracts issued through the public sector and I know that the Government is still considering the matter. The problem is the advice coming from civil servants and the United Kingdom Government—the UK is, of course, the EU member state—because their interpretation is currently dominant. However, the document that we submitted gave many examples from throughout the rest of Europe of ethical and fair trade procurement, including in the European Commission, which has put out to tender contracts that specify the supply of fairly traded goods.

One of the important questions to emphasise about the £8 billion that is spent every year by the Scottish public sector is whether anyone has ever carried out an ethical audit of where the national health service procures its goods. I have never come across such an audit or been aware of anyone finding out where we source the cotton for uniforms, for example.

If we are going to call ourselves a fair trade nation, which I hope we will in the near future, we should at least ask such questions and look at the supply chains for the public sector. We should find out what the reality is; only then will we be able to build a strategy for changing it by applying fair trade and ethical criteria to public sector contracts wherever possible. That will impact on the private sector, as a large part of the money is spent on private sector suppliers. If we specify to the private sector that we want fairly traded products, it will produce fairly traded products, but we have to establish the demand first.

We were quite pleased with the references that we saw to the Scottish Fair Trade Forum in the new international development policy.

The Convener: I have a question for George Finlayson about his comment that people in Malawi are asking for more of the resources to go towards the economic development side. We are obviously keen to hear views from people in Malawi, but to which body or individuals were you referring?

George Finlayson: As you know, a joint commission between Scotland and Malawi meets about every six months to discuss such issues; recently, the meetings have essentially been at official level. There has been quite a bit of satisfaction at the Malawian end that, in health and education, we have got it about right in the areas that we are working in. On governance, which is the first strand of the action plan, there is a lot of uncertainty for what I regard as essentially political reasons at the Malawian end. However, the Malawians recognise that not enough has been done on the sustainable economic development strand of the action plan. They had probably asked for a move in that direction before Linda Fabiani went out there in February, but they put the point to her formally when she was out there, and she mentioned it publicly at a reception in Blantyre that I had arranged to allow her to meet the business community. The fact that the Malawians want a refocusing to favour sustainable economic development is definitely on the table.

Iain Smith: It strikes me that one of the weaknesses of international development policy has been our tendency to think of it as providing support and assistance to a country. We support fair trade and buy fair trade goods, but we do not seem to support the development of businesses in third world countries so that they can become more sustainable in the long term. How can we be smarter and spend our relatively small Scottish budget and the UK and European budgets in ways that encourage sustainable development of new companies? For example, if a school is trying to help a partner school in Malawi by sending jotters and pencils, would it not be better to find a way in which it could encourage the procurement of jotters and pencils from an indigenous business in Malawi? I presume that that would have a greater economic impact than sending out a crate of jotters and pencils.

George Finlayson: Your question touches on fair trade to a degree, but it touches more directly on local production capacity and suchlike. You have raised a wide range of questions. I make the general point that, although all the major aid donors pay lip service to helping the private sector, they tend to put their money into what they refer to as the enabling environment. They train people to be entrepreneurs, but when an entrepreneur is walking out of the door of the training course with a certificate and turns round and says, “But where will I get the money to run my business?” the response is, “That is not up to us. We do not want to get involved in distorting your economy.” That is why even DFID is very sensitive about putting money directly into the private sector. Another issue is that to do so would be politically controversial in the UK.

The major aid donors all want to back the private sector, but very few are prepared to put money directly into it. We are prepared to do so because,

fortunately, the Scottish Government has taken a contrary view and backs microfinance, whereby money goes directly to poor people and, through Youth Business Malawi, to young people who are arguably less poor but who are certainly very vulnerable and who can add to economic growth.

The big problem in Malawi is that productive capacity is very limited. I strongly believe that we should not send jotters, pens, pencils or anything of that sort from the UK. We should send money to allow Malawian businesspeople to develop a proper market in such goods. Those items are there, as Malawi brings in lots of them from South Africa and neighbouring developing countries. In respect of such items, we should definitely send money. Indeed, we should not send to Malawi on any scale anything that is produced locally. That also applies to other countries. We should not undermine local development. However, we must be careful not to be too emphatic about that. There is no point in our putting money into Malawi to buy equipment that has been imported from outside the country with massive duties paid on it. That would be an inefficient way of spending our money. We must not do things blindly. Instead, we must do things case by case.

John McAllion: I am not speaking from the Scottish Fair Trade Forum's experience, because it is new on the scene, but a principle that came across strongly when I worked for Oxfam is that not all private sector activity is pro-poor. Oxfam did many investigations of the sportswear industry in south-east Asia and Latin America and found that workers were denied the right to join trade unions and were persecuted and physically attacked to make production more profitable for factory owners. We do not endorse everything that the private sector does.

An economic activity is pro-poor if it helps poor people to work their way out of poverty. That important principle lies at the heart of the fair trade idea. The social premium that is paid in addition to the fair price is under the local producers' control. They decide how the money will be spent, what it will be spent on, how it will be timed, and so on. It is under their control and not that of the people who buy fair trade products, the Fairtrade Foundation or any other fair trade organisation. The aim is to empower poor people to work their way out of poverty. As Iain Smith said, that approach is best practice in international development and it is widely applied in the international development sector.

Iain Smith: Scotland hopes to develop a lead in renewable energy technology, particularly in microgeneration but, in doing so, it could perhaps help developing countries. Is there scope for businesses in Malawi and elsewhere to develop their own microgeneration industries with initial technological support from Scotland?

George Finlayson: Malawi and most African countries are a long way from being able to engage in such activities, but that does not mean that we cannot make a start. Scottish and Southern Energy has an interesting project that involves a big van that can use wind energy or solar power. It has massive batteries inside. It is a mobile facility that can be taken into villages or parked near clinics and linked to operations and other activities in the health sector. I do not know what has happened with that experiment, but the idea was to license the technology to a Malawian partner that would develop the product and perhaps even export it to neighbouring countries.

However, we have to realise that Malawi has a low industrial base. It does not even have a canning or bottling plant that we would recognise as such. That is partly because demand is limited. There is no effective demand for many products in Malawi. If people want products, there are no resources. If there are no resources, people will not establish companies to manufacture them.

It is only in recent years that the private sector has been given its head in Malawi. The new Government that came in in 2004 has been able to get the economy in order and reduce inflation and debt by introducing fiscal discipline, which did not exist before, and by honouring its commitments to the International Monetary Fund and others. The reduction in debt is a benefit because it allows an extra £110 million a year to go into the budget. Only now is Malawi creating an environment in which the private sector can blossom. The country no longer has interest rates of 40 or 50 per cent for anyone who borrows from the banks.

When I was in Malawi, a number of British-owned companies—rather big boys in southern Africa—found that they could make more money by investing in Treasury bills than by investing in productive plant, so that is where all the working capital went. If they wanted to meet the financial objectives set by their head office, it was far easier to put the money into Treasury bills. However, those bills were used principally to underwrite Government debt. Domestic debt in Malawi was as big an issue as its external debt. Indeed, in many ways domestic debt was more of a problem because it sucked up all the available liquidity.

That has all changed. We are now moving into an era in which private enterprise will perhaps be given an opportunity to expand. However, Malawi is still some way from going into the high-tech areas that it would like to move into and which you think would be desirable.

11:30

Gil Paterson: I have a question for John McAllion about carbon trading, which a friend raised with me. Given that fair trade products tend to be from far-flung territories, is carbon trading becoming an issue that has to be addressed? The person who raised the issue with me is a long-standing, 100 per cent supporter of fair trade—he supported it long before I even knew what the term meant. He is gathering evidence that people who purchase fair trade products are beginning to ponder the question, "What is this really costing?" If that is an issue, how do we address it? Are you hearing similar concerns?

John McAllion: It is certainly an issue that is being addressed. The Fairtrade Foundation has produced quite a few papers on it to argue the case that we should not go completely against fair trade simply because it involves international trade. For example, given the energy that is used in growing flowers in greenhouses in Holland, it is more damaging to import flowers from Holland than it is to fly them in from Kenya. The picture is not as black and white as some people would suggest. Many products that are fairly traded cannot be produced in Europe anyway, so if people want to have access to those goods, they have to be imported. Many fair trade products are already carried by ship, rather than plane. There is a problem, but there are answers to it.

One of the biggest arguments against going against such trade is that we now live in an interconnected world. We have locked many developing countries into an international trading system on which they now depend for their existence. If we were suddenly to pull the plug on that and say that we were no longer going to trade with them, that would create devastating poverty. Such a move would be counterproductive in the long term for the stability of the whole system.

We have to ensure that developing countries get the chance to develop. I am all in favour of technology transfer, as long as the technology is genuinely transferred from the developed world to the developing world. However, technology transfer often comes with a patent, which means that all the profits go to the big, rich company in the developed world, which keeps a monopoly on the product and does not use local labour, suppliers or materials but just sees the developing country as a place where it can maximise its profits. That should not be happening. We should not be involved in any way in supporting such a system.

Gil Paterson: George Finlayson and Betsy Reed can pick up my next question, which is in a similar vein. I take the point about leaving benefits in the host country.

Given that I am a businessman, I am always seeking ways to make a few quid. If, in the process, I could help somebody, that would be a good move. One of the things that we are good at in Scotland is processing. I understand that there is a lack of processing in Malawi. Might your organisation be interested in engaging with processors in Scotland to see whether they would want to pick up some of the slack in Malawi and other parts of sub-Saharan Africa? They could ship their expertise there and leave it in place, which would benefit the processors, Scotland and the host country. That is perhaps not so much a question as a statement.

Betsy Reed: Mathew Algie is a large coffee roaster in the west of Scotland that supplies 75 per cent of the catering industry in Scotland. About 75 per cent of the coffee that it processes is fair trade coffee. That is one example of that happening in reality. However, our organisation wants to strike a balance that will allow us to support processing and production in local areas. For instance, a Ghanaian cocoa producer has started to process its goods in Ghana, which adds to that industry. At the moment, most fair trade chocolate is produced in Europe, so there is definitely scope for developing that in Scotland, using the expertise here. However, with regard to helping to support business in the developing world, it would be better to first try to support processing in the country of origin before we talk about bringing that work to Scotland.

John McAllion: Fair trade chocolate is fairly traded in as much as the cocoa beans that are used to make the chocolate are fairly traded. The chocolate itself is manufactured in Europe because, if developing countries such as Ghana produced their own chocolate, they would be hit with massive duties when they tried to export it to Europe, because the European Union does not want its chocolate industry to be challenged by chocolate industries all over the developing world. That is a big problem at the European level, and we have to be conscious of that.

You are right to say that, in the longer term, we must enable people to do their own thing and become part of a global market. At the moment, the odds are heavily stacked against developing countries.

George Finlayson: The Malawians would love processors from outside the country to develop businesses in Malawi. One of the most appalling things in Malawi is that, despite the fact that they produce massive quantities of tomatoes, for example, all of its tomato ketchup is imported from South Africa and elsewhere. Similarly, virtually all the fruit juices that you see on the shelves in Malawi come from outside the country as well.

Under its growing sustainable businesses programme, the United Nations development programme is working with the Malawian Government to identify projects that external investors can put money into. There are many—actually, "many" is an exaggeration; perhaps I should say a number of—projects, mainly in agricultural product processing, that foreign investors could get involved with. They have to be careful, however, because they might have to target the domestic market initially as the export market is highly competitive in that sort of area and the costs of much of the agriculturally processed foods that you get in Malawi are high. There is no simple solution, or it would have been done a long time ago.

Gil Paterson: You talk about engaging with Scottish business. There are few businesses in Scotland that you could call big—in fact, a big business in Scotland is actually a small business. Is the problem to do with the lack of understanding on the part of Scottish business that small companies can make an impact? Do companies think that, because of their size, the horizon is too far away and it is not their job to engage in that way? Is there a lack of confidence or a lack of vision? The people with whom I discuss business commonly have the attitude that they would like to help but do not know how to engage. Is that the problem?

George Finlayson: Yes, that is a major problem. That is why the Scotland Malawi business group was created. Bill Hughes and I were concerned that the Scottish business community was not being mobilised to work in Malawi in the same way that people in the health and education sectors were. We thought that we would have a go at getting business engaged.

You said that Scottish businesses are not big, but the Royal Bank of Scotland is a massive business. The Bank of Scotland is also a big international business and there are a few others. It is interesting, however, that those companies' corporate social responsibility schemes tend to be limited in scope and, to some degree, self-interested. They rarely work overseas and, when they do, it tends to be in those markets in which they have an interest. If they are after business in the middle east or in South Africa, they may get involved in projects there; however, it is not easy to get them interested in international development in general. Your point is a good one—we need to explain to them what opportunities exist and what impact they could have if they only took it seriously.

The other point that you make, about small companies, is even more accurate. There was a good example of that last week. Linda Fabiani went up to St Andrews to launch a vocational education programme and a businessman from Dundee was there. He is in an information technology start-up that has been in business for four years and is helping street kids to develop vocational skills at a club in Blantyre. The businessman asked Linda Fabiani, "What else can we do in Malawi? We are helping children to develop vocational skills, but is there something else that we can do, as a business, to help out there?" She suggested that he get in touch with me and I had a chat with him.

It is clear that such businesses could play a small but important niche role in the work that we are doing in youth business development. Some 600 companies applied to us for loans within two weeks of our starting the project. We have narrowed those down to 46 companies and we will probably narrow those down again to 15 companies. Of the 46 companies, 12 or 14 are IT start-ups. If Scottish businesses are already going out to Malawi to help with the company project, as they call it, they could also be useful in helping the small start-ups to understand the business a bit better. Many companies have approached us about that, but we do not have a structure such as the Scottish Fair Trade Forum has to bring our companies together.

The Scotland Malawi business group would like to do something of that sort, but it is not easy. Hitherto, we have not wanted to be a membership organisation; therefore, we must find a structure—through, say, the Scotland Malawi Partnership, the Network of International Development Organisations in Scotland and existing structures—in which we can bring people together. Specifically, we can help them on business because we have excellent contacts in Malawi. It is important that whoever works in Malawi does so through partnerships and does not try to do it on their own or to reinvent the wheel.

Alasdair Morgan: You are talking about having a forum for business, but I wonder whether we need to go a bit further than that. That would tend to get on board the people who are already showing an interest. Do you think that the Government needs to evangelise a bit more among businesses? I am thinking of almost the corporate equivalent of the development education that was talked about in the first evidence session today. Do you think that we need to educate our businesses a bit more about what they can do?

George Finlayson: Emphatically, yes. That is why I have suggested the creation of a forum. A little more thought has been put into it than my written submission suggests. I have prepared a paper on the proposal, which I have shown to Scottish Government officials.

I do not know how many of you remember the conference on Malawi that was held here in 2005.

I was the director of that conference—I was with the Scotland Malawi Partnership—and I had the most awful difficulty in getting any businesspeople at the Scottish end involved in it. However, the problem was not ours alone at that time. Part of the problem was the fact that we did not have good contacts; however, the Scottish Executive was not good, either, at getting Scottish businesses to come along to such a big forum. That was particularly embarrassing for me because I had lined up several top-notch Malawian businessmen to come over here and I had to stand them down at the last minute.

A year later, in the margins of the joint commission meeting, we had a briefing for Scottish business—it was partly the launch of the Scotland Malawi business group—at which we discussed microfinance, among other activities. Alasdair Morgan is right to suggest that the people who came to that briefing were those who were already on board—we were preaching to the converted. I believe strongly that, although the Scotland Malawi business group can pick away through our direct approaches to individual businesses, something more coherent needs to be done to bring the Scottish business community together and educate it.

We must also learn from that community. For example, Sir Tom Hunter has had valid and valuable experiences, the benefits of which he can pass on to other business people. Many companies believe that they have a corporate social responsibility obligation and it is important that we plug into that. They view that obligation in different ways, but many are dying to get brownie points for including the issue in their annual reports. Many companies are keen on employer-supported volunteering, so we may find ultimately that it is easier to get Scottish companies' employees on career development attachments than it is to get cash from the companies.

11:45

The Convener: John McAllion referred to the tariffs on chocolate. Scotland probably cannot directly influence trade, which is a big issue, but it is a key area and we must understand the issues. Can you comment specifically on economic partnership agreements, which you were involved with in your previous job? I am sure that the Scottish Fair Trade Forum also has an interest in EPAs, which were referred to in the Parliament debate on fair trade. It would be helpful if you could comment on what we could usefully contribute to the understanding of and debate on EPAs.

John McAllion: I did a lot of work on EPAs when I worked with Oxfam. The rich, developed countries and the powerful blocs—the European Union, the United States of America, Canada, Australia and so on—are trying to impose on countries across the developing world a kind of template for trading relationships. In essence, they say that poor countries will get access to our markets for their primary products and so on, but in exchange they must open up their markets to our business. That means that the big banks, insurance companies, telecommunications companies and all the big multinational companies in the rich, developed world get access to the new markets and can go in and dominate.

EPAs are technical agreements and it is difficult to raise public awareness of them—that relates to Alasdair Morgan's earlier point. If we are to call ourselves a fair trade nation, the Scottish Government must evangelise on issues such as trade justice and fairness. We cannot be a fair trade nation if the powerful business sector in Scotland stands aside from the issue and has nothing to do with it. We must engage with the sector and get it on board. Businesses must understand what Scotland becoming a fair trade nation means and that how they conduct business will be looked at. They must ensure that corporate social responsibility is not just a fig leaf behind which they pretend to take their responsibilities seriously: they must walk the walk as well as talk the talk. They must ensure that, when they engage in business with the rest of the world, it is conducted in a fair and just way.

The Scottish Government and Parliament have a key role in continually proselytising about the need to alter the way in which the systems that run the world operate, especially the trading system. If Scotland becomes one of the world's first fair trade nations, the Scottish Government will be in a good position to fulfil that useful role.

The Convener: George, do you have an interest in EPAs?

George Finlayson: I do. John McAllion and I attended a meeting in, I think, this room at which the issue was discussed and John gave a presentation. I concur with his view. However, I am not sure about the proselytising; I hope that John means that that should be done in Scotland. We must be careful about proselytising in the developing countries.

John McAllion: I mean that we should proselytise to the Scottish business sector.

George Finlayson: We should do something of that sort. However, when we get into the detail, we must be careful not to suggest that it is always the EU and others that are at fault. One of Malawi's major problems is that it has only a small voice in the Southern African Development Community. That is so for the same reason that it has major economic problems: Malawi has capacity

problems and is terribly short of trained civil servants with the self-confidence to allow them to engage in negotiations. I mention that because Malawi and other SADC countries lose out to South Africa because of it. When Malawi negotiates an EPA, its problem is not just with the European Union, but with South Africa. South Africa's agenda and priorities are certainly not the same as Malawi's, so when Malawi is obliged to negotiate with the European Union as part of a regional group, it is immediately at a disadvantage. If anybody is going to proselytise, we should ensure that they proselytise also in South Africa and not only in the European Union.

The Convener: We have asked about fair trade. Are there any comments on the international development policy document more generally? To what extent is international development policy mainstreamed in all Government departments and what should the situation be? John McAllion and Betsy Reed have answered that to an extent in relation to procurement, but should international development policy be mainstreamed more generally? Does the new policy have positive features?

John McAllion: It is positive. A young woman who joined the Scottish Fair Trade Forum came up with the idea that being fair should be a defining characteristic of being Scottish and that means in everything that we do. I did not hear all the evidence from the IDEAS network, but how we teach about the rest of the world in Scottish schools is critical to creating a population in Scotland that understands the world and how it is divided up. Development education is absolutely integral to our being a fair trade nation—it should be what our schools are about. Many of our schools are called eco schools, but how are they supplied? Wales is likely to become a fair trade nation this year—we think that in June it will announce that it is the world's first fair trade nation. It is already organising to ensure that every banana that is issued in schools is a fair trade one. Have we done that? I do not know. In everything that we do, we must have at the forefront of our minds how our action impacts on other people and whether it is just or fair.

An advantage to being one of the first nations in the world to go for fair trade nation status is that we will set the bar. Wales and Scotland will not be the last fair trade nations—others will follow where we go. It is therefore important that Scotland and Wales set the bar at a sufficiently high level so that being a fair trade nation means something, rather than just that we have ticked off a certain number of local authorities and all the cities as fair trade and then forgotten about it. We should think all the time about how trade affects everything, including the education system and how the health service is run and supplied. Everything that we do must be looked at from the perspective of whether we have a just and fair relationship with suppliers in the rest of the world.

I do not suggest that we can throw a switch and the £8 billion in the Scottish public sector procurement budget will suddenly become fair trade. Of course it will not, because that depends on issues such as capacity in suppliers. However, let us begin to find out about the situation by carrying out an ethical audit. It should be an essential requirement of calling ourselves a fair trade nation that we consider how the public sector sources its goods and whether it is taking advantage of workers who are denied the right to join a trade union or are not paid a fair wage. We should first find out where we are and then build a strategy about where we want to be.

It is important that we do that. I do not want to give names, but some councils tick the boxes and then forget all about fair trade until the following year when they resubmit their application to renew their fair trade status. I do not want Scotland to be like that as a fair trade nation. We should think about the issue all the time and it should mean something. If we do that, fair trade can become a critical tool in beginning to eradicate poverty throughout the world. We should remember that the biggest supporters of fair trade anywhere are producers in developing countries. In any activity in any fair trade fortnight, producers from all over the world will be there, singing the praises of fair trade and asking that it be extended.

Betsy Reed: To add to what John McAllion said, I have three comments that came to mind about what the Scottish Parliament and the Scottish Government can do. In Wales, the sustainability theme is considered in every decision. That is a big idea to try to incorporate. Along with that, the Scottish Parliament and Government need to remain part of the fair trade nation campaign and to realise that it is a process rather than an end point. We have a set of criteria that are entirely achievable and we will become a fair trade nation. However, the Parliament and the Government must help to make that official and keep the issue in the public eye, so that we keep defining what it means and what we can do next. We also need to continue to pay attention to what might be changing at European or UK level, and to make sure that those changes are regularly reviewed in the Scottish Parliament and Scottish Government—we keep hitting the issue of procurement. We will need the committee's friendship throughout the process. You have done a great job thus far, but we need that to continue.

Alasdair Morgan: I have a general question, but I will hang it on the peg of the Scottish Fair Trade Forum's submission, which says that

"There are, however, many other networks and initiatives",

and goes on to mention what some of them are doing in the area of fair trade. Of course, that is just about fair trade but, throughout our inquiry, we have come into contact with a host of organisations and networks that have given us a lot of diverse opinions. Are there not just too many organisations and networks for them all to be able to achieve effective delivery of what they are after? The administration that would seem to be involved and the amount of contact that Governments or Parliaments have to make to ensure that all views are taken into account seem to be a bit over the top. What do you think?

John McAllion: I am certainly not going to attack the different networks, most of which are on the Scottish Fair Trade Forum board. The international development community in Scotland is very small. Although there are many different organisations—CORE Scotland, GCAP Scotland, trade justice movement Scotland—they are all made up of the same people and if you go to meetings you will see the same faces wearing different hats.

The idea behind GCAP Scotland might have been to bring everyone together. It has not quite taken off so far, but there might be some value in bringing it all under one big umbrella, such as make poverty history. There were all sorts of rows about whether that should have been continued or broken up, and GCAP Scotland was an attempt to keep it going. I have been at meetings of the trade justice movement Scotland and GCAP Scotland and the same people were at both.

George Finlayson: That is the sort of gossip that you get every time that people from the international development movement get together. It is generally recognised that structures are duplicated, but of course everyone argues that theirs is the organisation that really counts, so it should not be cut back.

It is more worrying that the duplication that we see in Scotland is now happening at the Malawi end. The civil society organisations easily represent the fastest-growing industry in Malawi. All the bright young graduates no longer aspire to join the civil service but to get an NGO job with a four-wheel-drive vehicle and a salary that no one else could possibly contemplate in the Malawian context. That is difficult because all the organisations have an overhead.

However, it might be too late to do all that much about the situation because so many jobs depend upon the civil society organisations. When I was in Malawi a couple of years ago to look at the gender movement, there were 11 separate organisations, each of which had a director, and they were all essentially doing the same thing. However, to suggest that they should combine was anathema; they would not consider it because gender issues were not at the forefront—their jobs were much more important. That is a very important factor in a developing country and we must take it into account. It makes it terribly difficult to identify the best people to co-operate with in developing countries.

The Convener: We are moving towards concluding. The Scottish Fair Trade Forum comments recommend

"reinstatement of a Steering Group of NGOs, MSPs and other international development actors".

Would you like to comment further on that? The committee might be looking at that issue in terms of overseeing the development and implementation of the policy.

John McAllion: Setting up the campaign for fair trade nation status was very much Parliament based. The then First Minister made an announcement in conjunction with the First Minister of the National Assembly for Wales. It did not come out of the blue; the then First Minister wanted Scotland to have a legacy from make poverty history. However, there was a general feeling among the fair trade activists in Scotland that they had been cut out of the process. That is what gave birth to the idea of the Scottish Fair Trade Forum. Those activists were ignored, despite working on the subject for 20 to 25 years. All of a sudden, Scotland was becoming a fair trade nation without anyone having asked them what they thought.

12:00

This relatively new Parliament should bring everybody on board when it is putting together its international development policy. I do not know how you do that, but you should bring people on board and let them have their say. Otherwise, they will feel bitterness and resentment about having been cut out from the policy. It is simply a matter of being inclusive. That is the only way to achieve something that will last.

The Scottish Fair Trade Forum came out of a meeting in Perth that was called at the beginning of last year, around January 2007. All the activists came along and grumbled about the fact that nobody had asked them about the fair trade nation project. They wanted to be brought on board—that is where the idea of the forum came from. It was to give them a voice, so that they could have an input into Scotland becoming a fair trade nation.

The Convener: Thank you very much for coming to the Parliament and for the extremely useful contributions that you have all made.

European Maritime Strategy

12:01

The Convener: Item 4 is a paper about the European maritime strategy. Basically, it involves correspondence from the Scottish Government in response to a letter from me to the Minister for Europe, External Affairs and Culture. There is quite a lot there—not just the letters, but a detailed annex.

The recommendations are:

"to monitor the Scottish Government's delivery of its EU priority on the Maritime Policy"

and

"To copy the Minister's response to the Environment and Rural Affairs Committee."

Are members content to agree to the recommendations?

Members *indicated agreement*.

Lisbon Treaty Inquiry

12:02

The Convener: The fifth item is an approach paper from the clerk for the committee's proposed inquiry on the impact of the Lisbon treaty. It is an important paper for our future work. I invite comments on the substance of the paper before we consider its recommendation.

Iain Smith: It is a valuable paper that highlights the key issues that we need to examine. I was particularly interested in the issues of subsidiarity, which we will all have to do a lot of work on in order to develop some form of relationship with Westminster. That does not currently exist at a parliamentary level, in any sense. Relationships are currently at Government level.

Gil Paterson: I agree. Referring to paragraph 15 of the paper, we should pay attention to the evidence that we have already heard about having some mechanism or protocol for the Scottish Government and the UK Government to engage automatically and to interface with stakeholders in Europe. I am encouraged.

The Convener: Are members content to agree with the proposed remit and schedule for the inquiry, as set out in the approach paper?

Iain Smith: In relation to the section of the paper headed "Freedom, Security and Justice", to what extent are we liaising with the Justice Committee? What work is it doing on the matter? I know that its members will shortly be in Brussels to work on the issue.

Dr Jim Johnston (Clerk): We have flagged up the matter to the Justice Committee, which is in Brussels today. We will continue to work with the clerks to that committee.

The Convener: Is that okay?

Members *indicated agreement.*

Brussels Bulletin

12:04

The Convener: Speaking of Brussels, the next item is the latest edition of the *Brussels Bulletin*. It is dated 12 May—it is hot from the presses.

Iain Smith: The directive on renewable energy is important in relation to offshore wind power. There could be a significant impact for Scotland. Perhaps we should highlight the matter to the relevant committee for it to consider. The timescale for the Commission's public consultation on the matter is quite short.

The Convener: We can certainly do that.

As there are no other comments on the *Brussels Bulletin*, we come now to the last item on the agenda, which we have agreed to take in private.

12:04

Meeting continued in private until 12:07.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, Scottish Parliament, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Tuesday 20 May 2008

PRICES AND SUBSCRIPTION RATES

OFFICIAL REPORT daily editions

Single copies: £5.00
Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75
Annual subscriptions: £150.00

Standing orders will be accepted at Document Supply.

Published in Edinburgh by RR Donnelley and available from:

Blackwell's Bookshop

53 South Bridge
Edinburgh EH1 1YS
0131 622 8222

Blackwell's Bookshops:
243-244 High Holborn
London WC1 7DZ
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh.

Blackwell's Scottish Parliament Documentation Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

Telephone orders and inquiries
0131 622 8283 or
0131 622 8258

Fax orders
0131 557 8149

E-mail orders
business.edinburgh@blackwell.co.uk

Subscriptions & Standing Orders
business.edinburgh@blackwell.co.uk

Scottish Parliament

RNID Typetalk calls welcome on
18001 0131 348 5000
Textphone 0845 270 0152

sp.info@scottish.parliament.uk

All documents are available on the Scottish Parliament website at:

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers

Printed in Scotland by RR Donnelley