

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

Tuesday 9 February 2010

Session 3

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EUROPEAN AND EXTERNAL RELATIONS COMMITTEE 2nd Meeting 2010, Session 3

CONVENER

Irene Oldfather (Cunninghame South) (Lab)

DEPUTY CONVENER

*Michael Matheson (Falkirk West) (SNP)

COMMITTEE MEMBERS

Rhona Brankin (Midlothian) (Lab)

*Ted Brocklebank (Mid Scotland and Fife) (Con)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*Jamie Hepburn (Central Scotland) (SNP)

Jim Hume (South of Scotland) (LD)

*Sandra White (Glasgow) (SNP)

COMMITTEE SUBSTITUTES

Jackson Carlaw (West of Scotland) (Con)

Ken Macintosh (Eastwood) (Lab)

Gil Paterson (West of Scotland) (SNP)

Iain Smith (North East Fife) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Fiona Hyslop (Minister for Culture and External Affairs)

Deborah Smith (Scottish Government Culture, External Affairs and Tourism Directorate)

Robin Naysmith (Scottish Government Culture, External Affairs and Tourism Directorate)

CLERKS TO THE COMMITTEE

Lynn Tullis

Simon Watkins

ASSISTANT CLERK

Lewis McNaughton

COMMITTEE ASSISTANT

Kathleen Wallace

LOCATION

Committee Room 2

Scottish Parliament

European and External Relations Committee

Tuesday 9 February 2010

[THE DEPUTY CONVENER *opened the meeting at 10:32*]

Decisions on Taking Business in Private

The Deputy Convener (Michael Matheson): Good morning, everyone, and welcome to the second meeting in 2010 of the European and External Relations Committee. I have apologies from Irene Oldfather, Jim Hume and Rhona Brankin.

The first item on the agenda is to decide whether to take in private item 5, and future consideration of the remit of and the key issues arising from oral evidence in the international inquiry. Are members content to do so?

Members *indicated agreement.*

The Deputy Convener: Item 2 is to decide whether to take items 6 and 7 in private. Under item 6, the committee will consider the key issues arising from the evidence that has been received in the Treaty of Lisbon inquiry; under item 7, the committee will consider its approach to scrutinising the European Union 2020 strategy. Are members content to take those items in private?

Members *indicated agreement.*

International Inquiry

10:33

The Deputy Convener: Our main item of business today is agenda item 3, which is the beginning of our process of considering the Government's international strategy. I welcome the Minister for Culture and External Affairs, Fiona Hyslop. She is joined by Deborah Smith, who is the deputy director of the Government's international division, and Robin Naysmith, who has responsibility for the Government's North American strategy.

Members will recall that we invited the Government to answer questions about its international strategy. I thank the minister for her letter of response. Today's meeting will allow us to discuss in more detail the issues that have arisen from that letter.

Before members ask questions, I invite the minister to say a few words by way of introduction.

The Minister for Culture and External Affairs (Fiona Hyslop): Thank you very much. I am pleased to have the opportunity to speak to the committee so soon in my new post. The committee does valuable work on a wide range of issues, and I look forward to working with it.

I understand that today's discussion will focus on the Scottish Government's international framework. I hope that the letter that I recently sent to the committee provided clarity on questions that it asked. I welcome the opportunity to discuss that letter in more detail.

In my opening comments, I will focus on the principles of our engagement, our plans in south Asia and North America and our international development activity. I am aware that the committee has already done a lot of work on China and Europe, and I am pleased that the Spanish ambassador gave such interesting and wide-ranging evidence last week on the Spanish presidency of the Council of the EU's priorities.

Members will be aware that the international framework was designed to set out the principles behind the Government's international activity. It provides an umbrella under which a series of plans sit. We might develop, refresh or add to those plans, but the framework and its guiding principles should not change. Our priorities for our international strategy remain population growth, gross domestic product growth, and managing Scotland's reputation, all of which are consistent with this Government's overarching aim of increasing sustainable economic growth.

Of course, our plans and related activities must reflect the specific context in which we are

working, including the economic downturn and our speedy response to the disaster in Haiti. That means that we need to be flexible in how we progress our priorities and deliver on our international plans.

If I may, I would like to take this opportunity to update members on the latest position on Haiti. I recognise the difficult and overwhelming task that non-governmental organisations face, and I am impressed by how quickly Scottish organisations have responded to assist in the international humanitarian effort. Following the meeting that I convened with the Scottish NGOs that are working in Haiti, I gave a commitment to provide assistance of at least £250,000. However, due to the gravity of the situation and in recognition of the importance that the Scottish people have placed on supporting the disaster appeals and the scale of their response, together with the high quality of the applications that have been received, which will have a real impact on the ground, I am announcing today that I have made available funding of just over £687,000 from our international development fund to support the NGOs that are working in Haiti. That support will be shared between 11 organisations that are delivering projects that reflect United Nations priorities and are co-ordinated within the overall international aid effort. Each organisation has a track record of working with established partners to deliver targeted humanitarian aid to the people who need it most.

The relationship with Malawi remains important to Scotland and I look forward to visiting Malawi next week to strengthen that relationship.

I intend to publish more details of our programme of engagement with south Asia very soon. We intend to publish it in four parts: specific engagement plans for India and Pakistan, a development programme for the region, and an engagement plan for other parts of south Asia. I am pleased to share with the committee the fact that I intend to start a programme for engagement with south Asia by launching the south Asia development programme later this month. The strengthening of our relationship with south Asia remains a priority for us; we have strong historical links across the region that will provide a good foundation for new links and relationships to our mutual economic advantage. Scotland already benefits from the significant contribution that the south Asian community in Scotland makes to our culture, economy and identity, and the programme of engagement with south Asia will build on our work with representatives of those communities to maximise opportunities and develop strong links, as well as capitalise on specific projects, such as our climate change work with the Maldives.

We continue to review our plans for North America. Work on that is at an advanced stage and it will capitalise on the successful outcomes of the homecoming. I hope that we will be able to publish more details of our plans shortly.

Our work with China, particularly on promoting a direct air service between Scotland and China, is on-going.

We have no plans to pursue work with specific countries outside of sub-Saharan Africa, south Asia, North America and China, although we will of course adapt our work as suitable opportunities that are in line with our principles and priorities arise. Committee members might have some specific suggestions on that: I would be interested to hear them.

Of course, all our work is underpinned by our relationship with external bodies, which is facilitated by a valuable network of colleagues who are based overseas. As the committee knows, we have Scottish Government offices in Brussels, Beijing and Washington, which are reviewed constantly to ensure that they continue to meet our needs and aspirations. Through our close relationship with Scottish Development International, we are able to widen our horizons and to take advantage of its network of offices around the world to support wider international objectives. That is particularly significant given the current financial pressures.

VisitScotland is another key agency that supports our international work by promoting Scotland on the international stage. Creative Scotland will also have a significant part to play in aligning arts and cultural activities with that international approach. It is essential that we have strong partnerships and working relationships between our offices and agencies if we are to capitalise on the business and cultural opportunities for Scotland, for example, during the forthcoming Shanghai expo.

The committee has now heard from my predecessor and from me about how the Scottish Government continues to prioritise our international work, and to pursue Scotland's international interests, despite significant challenges. The economic downturn has meant that the public policy landscape has changed greatly since the publication of our international framework in April 2008. Although some of the challenges that we face are new, the objectives that are set out in the document remain the right ones. They are: to create the conditions to enable talented people to live, learn, visit, work and remain in Scotland so that Scottish population growth matches the European Union average; to bring a sharp economic growth focus to the promotion of Scotland abroad so that the Scottish GDP growth rate matches the United Kingdom's

by 2011; and to manage Scotland's reputation and distinctive global identity as an independent-minded and responsible nation at home and abroad that is confident of its place in the world. Those objectives form the basis of a productive set of relationships between Scotland and the rest of the world, in line with the Government's economic strategy.

That gives the committee an overview of our position. I look forward to discussing those matters with the committee.

The Deputy Convener: Thank you, minister—especially for your update on the support that is being provided to the NGOs that are working in Haiti.

You referred to the key priorities in the international framework, which is now almost two years old. What progress has been made towards achieving the goals in the framework?

Fiona Hyslop: The economic climate means that it is far more challenging to meet all the challenges than it was two years ago. The committee will know, from its work on China, that a great deal of progress has been made in building up that relationship. That is also true for our relationship with India. My predecessor visited India and a memorandum of understanding was signed between universities in Scotland and their counterparts in India. Part and parcel of that is recognition that, when we bring intellectual talent to Scotland, some people will want to stay here. Therefore, we will continue to support our fresh talent initiative to enable them to do that. Those key initiatives have been developed with our support, and our continuing work with the United States of America allows us to do that.

As I said, we may refresh our existing plans, and I have given the committee an idea of the ones that are forthcoming. As a new minister, I hope that you will give me some latitude so that I can ensure that I am comfortable with the plans that are being presented to me. The progress that we have made on south Asia, on which I focused in my opening remarks, highlights a particular avenue of opportunity. However, in terms of the knowledge economy and the intellectual capital that we need to export to the wider world, we must ensure that we have those relationships at university level, with which I am familiar from my previous position. We have developed relationships with China, and the foundations for firmer connections with India were laid during Mike Russell's visit in the autumn.

The Deputy Convener: Are any goals in the framework from nearly two years ago proving difficult to make progress towards?

Fiona Hyslop: As members will know, population issues present big challenges in

relation to the positioning of, and the decisions that are made by, the UK Government in immigration policy. I suspect that the committee has also been approached by some of our universities and colleges, which have been concerned, over the past few years, about the points system and the difficulties that it presents for Scotland. We have managed to make progress in some areas, and some latitude has been gained in respect of, for example, the number of years that students can take to complete their courses. That was achieved about 18 months ago. However, there continue to be concerns.

We recognise the challenges that the UK Government faces, because of international threats, in its policy of monitoring who comes into the country. Nevertheless, we very much rely on international students coming to this country, as they bring great intellectual capital and provide opportunities for local economies to grow and develop. Our universities and the cities around them, in particular, benefit from the income that those students bring. We must, therefore, be careful that we do not unnecessarily disadvantage our universities and colleges in attracting international students. I know that that has become a distinct problem over the past two years, which is causing some issues.

Obviously, other countries also have problems in dealing with the economic recession, and that may have an impact on students' ability to travel to Scotland. However, what I have described are the two key issues. We maintain a vigorous dialogue with the UK Government on Scotland's interests in its immigration policies.

10:45

Ted Brocklebank (Mid Scotland and Fife) (Con): You are welcome, minister. It was interesting to hear you outline some of the goals and objectives that you have in your portfolio responsibilities. However, you will perhaps forgive some of us—who have been on the committee since the change of Government, and who have witnessed three ministers in your position during that time—for perhaps feeling a little confused about exactly what the priorities are. They seem to change slightly from minister to minister and there seem to have been a number of delays in coming forward with priorities. Given that you have not been long in your position, can you reassure us that we are focused on what we are trying to do in the various parts of the world in which Scotland wants to be seen and to promote itself?

Fiona Hyslop: I can understand that there are frustrations. I am not responsible for the fact that there have been a number of ministers in the position, which has been the case for a longer

time than just that of the current Government. However, the focus and the policy remain in place.

You referred to perceptions of delays with the delivery of documentation such as plans. The programme of engagement with south Asia would have started already, but it would have been unfair to ask non-governmental organisations to start bidding for packages of work at a time when they were dealing with the immediate crisis of the Haiti disaster. That is one reason for the delay. The development plans would otherwise have been published by now to encourage funding bids. That is a practical reason why there have been some issues. I hope that that explains in practical terms the south Asia focus in particular.

It is reasonable for any new minister to take stock of where we are, but I am determined that we will have momentum so that all the plans that I talked about will be published by the summer recess—some will be published in the next few weeks. Ideally, it would have been nice to come to the committee with the plans already having been produced, but they are well advanced, particularly the North America plan. I want to take stock of where we are with that, but it will be coming shortly.

I take it that the committee expects us to build on and develop new relationships as devolution matures, as the Parliament matures and, indeed, as the Government establishes itself. During my previous appearance before the committee in my previous capacity, we talked about the China plan, and I can see how that has progressed during the two years since we came into power. I look at the opportunities in India and I would expect our relationship with that country to build up as well. It is important that we document and share the plans for that, and that will happen in the next few weeks with regard to the south Asia plan.

Ted Brocklebank: In a sense, I am less concerned about North America because we have a firm focus there and we seem to have decided on fairly sensible lines on which to proceed in the United States and Canada. Of course, we also have an annual link through tartan week and so on. I am more concerned about south Asia. We are starting to see changes in focus in China as a result of some of the work that has been done, with perhaps less concentration on the major cities and a closer look at other parts of China where Scotland might be able to develop better relationships.

I am concerned that we do seem not to be particularly focused on what is happening in India. I remember hearing your predecessor say that he believed that we should concentrate directly on the Indian Government rather than deal with the large regions of India. I am not sure whether that was

the right focus. Have you had a chance to think about that?

Fiona Hyslop: Part of the issue in relation to India is the strategic focus on where we want to have an impact. The three key areas include population growth and GDP growth, which means that we need a business focus, and we need a relationship with the Indian Government that will allow that to happen. Long before I was elected as an MSP, I worked in a company that dealt with India, and I know that relationships have to be built up over time. It is also necessary to have a relationship with the country's Government in order to work there. It can be argued that that is the case with most countries, but it is especially true of India—it is part and parcel of how business is done there.

Our relationship with India will build up as we approach this year's Commonwealth games in Delhi. The handover to Glasgow will provide us with an excellent opportunity to work with the Indian Government. I have already had useful discussions with the Indian consul in Scotland about how we might develop that link in different areas. Some of that work will be in business, but it is clear that some of it should be in culture, in order to reflect the importance of Indian culture in Scotland and the contribution that we can make to exchanges through, for example, diaspora connections.

As far as the starting point of that work is concerned, we should recognise that we are not as well advanced as we are with the plans for China and North America. However, we can ensure that this is the year in which we focus more on south Asia, particularly on India, so that our work in that area reaches the same level.

Many opportunities exist in India. Some of the relationships will be between universities. We had hoped to receive the Indian Government minister who has responsibility for education and universities just a few weeks ago but, unfortunately, he had to call the visit off. We do not have to wait until we publish the plan to continue our work on that relationship. That is already happening, and it will build up in relation to the Delhi Commonwealth games, which will be another opportunity to build on the links. That will be a key area of focus, but Government-to-Government links are important in ensuring that we can make the necessary inroads and connections. With India, in particular, work with universities or businesses is best done by ensuring the existence of strong Government-to-Government relationships.

Ted Brocklebank: I am conscious that other members have questions, so perhaps I will be allowed back in later on.

The Deputy Convener: Of course.

Jamie Hepburn (Central Scotland) (SNP): You mentioned the £687,000 that has been given to 11 bodies to support their work in Haiti. That seems to be quite a sizeable chunk of the international development budget. Does that indicate that there is always a degree of budgeting for contingencies? Is there leeway in the budget? How does it work?

Fiona Hyslop: Yes, there is. The money is coming from this year's budget. We are providing it in recognition of the importance that the people of Scotland have placed on supporting the people of Haiti, and of the scale of the disaster, which the United Nations has said is the most difficult situation that it has ever had to deal with. That recognition is part and parcel of our response.

The quality of the applications will mean that the organisations concerned will be able to make a difference. The applications have been the subject of quality control and they are good applications. Because of the situation in Haiti prior to the earthquake, many of the organisations had already been working there, so it has been relatively easy. "Easy" is perhaps not the right word; I mean that they have had a basis for ensuring that they can make an impact fairly quickly.

Jamie Hepburn: We obviously hope that there will not be other such disasters, but it is likely that there will be, somewhere in the world, at some point down the line. Do you see the Government in Scotland continuing to be involved in supporting efforts in response to such disasters?

Fiona Hyslop: Each disaster situation is different. Throughout the period in office of both the present and the previous Governments, there have been difficulties and disasters to which the Scottish Government has responded, and working with the NGOs has been a highly effective way of doing that. Each situation is different, but we respond based on assessments of them. We wanted to hear the assessment of the situation in Haiti that the NGOs were working to. Their work is based on the UN's prioritisation of what is required.

Our development work is continuing to progress, thanks to the doubling of the international development budget: we have increased it by a further 50 per cent going forward. International development is an area of commitment for us—it is about showing that we are responsible in the world. However, we are focused in our work, which is why Malawi is so important to us. I will be going there next week to strengthen our relationships with that country.

Jamie Hepburn: Turning to another area, you mentioned that the Government has no intention of engaging beyond sub-Saharan Africa, China,

south Asia or North America. In your letter, you say that it is not your intention to pursue specific work with Latin America, which is a slightly different position from that of the previous minister. Why have you come to that decision?

Fiona Hyslop: I said that we are not producing individual plans for individual countries outwith those areas. It is important to keep a key focus on the countries that we need to work in and have clearly had as a focus. My predecessor might have had some interest in working in South America, but, given the current economic situation—the fact that we are dealing with the recession and where we sit with public investment and so on—we are better to concentrate on areas with which we have committed to going forward. As I said to Ted Brocklebank, it is probably better to have a key focus on making things work in relation specifically to India and the south Asia framework. As a country, we will be far more effective if we take a strategic approach to our key relationships.

Jamie Hepburn: So, it is really just a judgment call about the financial times that we are in.

Fiona Hyslop: Yes—although I am not saying that we are closed off to opportunities, should they arise; I have said to the committee in relation to that that if it has views, it might want to engage on the issue. Remember that there are certain things that, as a Government, we can do. We can support bodies—businesses, universities or other parts of civic society—in engaging with countries, but if you are looking for Government resource in respect of, for example, Government ministers making visits and supporting activity, that can be difficult, not least because as a minority Government there is, as you know, very little latitude for us to travel outside recess times. We think it best that we focus on the areas that we know we can manage effectively.

Jamie Hepburn: I have another area to explore, but perhaps I can return to it.

The Deputy Convener: That is possible.

Patricia Ferguson (Glasgow Maryhill) (Lab): Good morning, minister. I welcome the increases in money for Haiti. I do not wish to be picky, but I want to be clear whether the extra money is coming from within the existing international development budget or whether the budget has been increased to allow additional emphasis to be placed on the crisis in Haiti.

Fiona Hyslop: The international development budget has been provided for this area. There has been some movement from other budgets outwith the international development fund budget, but we have managed to find the resource in the 2009-10 budget to deliver on the applications that have come in that we think are of a high quality.

Patricia Ferguson: I am very interested in North America and I am well aware of how hard won the relationship with North America is. These relationships do not come without a lot of time being spent on them and a lot of emphasis being put on building them up and maintaining them. I was becoming very anxious about the fact that we did not have the action plan. I do not want to labour the point, but it had been indicated that the plan would be with us almost two years ago. I am heartened to hear you say that it is almost ready.

I was concerned to note from Mr Russell's letter in November that one of the reasons why he did not think that it was the right time "to force the pace" of work with North America or

"to bring forward a revised plan of engagement"

was the release of Mr al-Megrahi. I was genuinely surprised that that was one of the reasons that he gave. Does the fact that the new action plan is almost ready mean that that issue is now thought not to have quite the same impact as it may have had at the time of the release? Has an assessment been done of any lasting damage that may have accrued from that decision?

Fiona Hyslop: We must certainly be sensitive to people's perceptions. We know that there was some reaction at the time, but we support the Cabinet Secretary for Justice's decision and position on the issue. We did not think that it was necessarily appropriate to publish a plan last autumn and the delay gave us the opportunity to reflect further on it.

I was pleased to see the US ambassador's comments about the continuing strength of the relationship with Scotland. That is very positive. As you know, we have long-standing relationships with the people of North America. We have continuing support from and contact with political representatives, such as those who have formed the Scottish caucus. We will continue to focus on that area. We are developing our plans for Scotland week. We want to build on the work that was previously carried out and expand it, so that we do not focus only on New York but develop it in other areas. Part of that will be our relationship with Canada—different parts of the Government have a focus there as well. I am positive about the relationship with North America. I am looking forward to the opportunity to take part in Scotland week and ensure that we build on the strength of our long-standing and deep-seated relationship with North America.

11:00

Patricia Ferguson: One of the reasons why I was surprised at Mr Russell's reasoning was that, to my mind, the decision on whether to release Mr al-Megrahi could have been an opportunity to

make it clear that we valued our links with North America and that we sought to strengthen the relationship. I was surprised not only at Mr Russell's rationale but at the fact that he did not see that it was the wrong reaction. Will any action be taken to address those issues during Scotland week this year? On previous occasions, there have been various levels of engagement with people directly affected by Lockerbie.

Fiona Hyslop: An issue that arises is the extent to which the plans are an advert to other countries of what we think about them and the extent to which they are an operational plan for the Government to carry out tasks and focus our strategies and activities. The first question from the deputy convener focused on the international framework delivering on plans that are relevant to what we are trying to achieve. They are part and parcel of both aspects of that.

Obviously, the refresh plans have been on-going. We inherited plans from the previous Administration in relation to North America, and we need to build on them. In September, a White House spokesperson said:

"We have very deep and abiding ties with Scotland ... we share political values".

We're looking to move on. We're looking to continue this important relationship. We do not necessarily need the plan to have the relationships. The relationships have been on-going and will continue to be on-going. The plan is perhaps a symbol that provides a documented strategy that people can understand, both here and in America. The important issue is the relationships that we build.

I take on board your question about whether there was any activity in relation to the decision on al-Megrahi. Although that is not necessarily something that I will reflect on immediately to the committee, I appreciate the points that the committee is making and will consider whether there is anything appropriate that we should do.

Patricia Ferguson: I accept entirely what the minister says about the plan, but the plan is one of the ways in which the committee can have an overview of what the Government is doing and can scrutinise the Government's plans. From that point of view at least, the plan is important in giving Parliament an opportunity to have a say. I will leave that one hanging.

Fiona Hyslop: I absolutely agree, and I am conscious of the frustration expressed by Ted Brocklebank as well. However, I hope to return to the committee on that at some point. If the committee has before it a refresh of a number of plans before the summer recess, that will give you a reasonable position, in that you will have seen all the plans refreshed during the lifetime of the

Government. You are right—it is important to allow you to scrutinise those plans and to have the accountability. I agree with you on that.

The Deputy Convener: To return to the wider international strategy, I note from your letter—you have reiterated the point here this morning—that there is no intention to have any new specific country plans but that, in areas that continue to be a priority for the Government as part of its international strategy, you will look for additional opportunities.

I am struck by a discussion that I had recently with the director general for Taiwan in Scotland about an education fair that was taking place in Taipei. Universities and colleges from throughout the UK were represented at the fair, with a view to encouraging Taiwanese citizens to take up educational opportunities in the UK. My recollection is that he said that no Scottish institutions were represented at the event. When I looked further into the matter, it became apparent that the proportion of Taiwanese students at Scottish institutions is significantly lower than the proportion at other UK higher education institutions. This seems to me to represent something of a missed opportunity. I know that SDI has an office in Taiwan, but what exactly are officials doing to identify and feed back opportunities in those areas that we might be able to utilise and benefit from? What work is being done to ensure that we do not miss what might well be good opportunities?

Fiona Hyslop: Universities and colleges are independent institutions, and the Government cannot simply tell them to go to Taiwan, take part in education fairs and so on. Moreover, to my knowledge, Scottish universities and colleges are very well placed and attract a good proportion of overseas students over the piece. They are certainly not backwards in coming forwards and going to places where they might be able to attract new students. In any case, there is a responsibility to try and develop any opportunities in what is a free and open market, and I am happy to ask my higher education colleagues whether there are any reasons why our universities are not particularly focusing on or going to education fairs in Taiwan. I should say, however, that I know that through Universities Scotland and Scotland's Colleges International universities and colleges are working well collectively to promote Scottish education.

You have touched on a very important matter that I want Government to focus on. We have brought together various agencies including SDI, the Scottish Further and Higher Education Funding Council, VisitScotland, Scottish Enterprise and Highlands and Islands Enterprise, all of which have an overseas presence and overseas interests, to ensure that their

international work is better and more connected. I will ask Deborah Smith to tell you what is happening in India, but I know that, in China, SDI is trying to better align its activities to ensure that we can exploit any opportunities that might arise and that there is better communication between that agency, international business colleagues and those who work in education. We should bear in mind, however, that a lot of the work in education will focus on independent institutions; the University of Edinburgh, for example, will have to make a judgment call about whether it concentrates its efforts there or elsewhere. We can certainly provide information about all that.

Deborah Smith (Scottish Government Culture, External Affairs and Tourism Directorate): I reinforce the minister's comments about the Government's relationship with SDI and point out that, in line with the international framework, SDI now sees that its 20 overseas offices have a clear role in identifying opportunities that might go beyond the agency's traditional trade and investment role. For example, during his visit to India last October, the previous minister witnessed the signing of a memorandum of understanding between Universities Scotland, and its Indian counterparts; it was SDI that had identified that opportunity for collaboration between universities in the two countries. It is very clear that officials not only in our own overseas offices but in SDI's offices realise that they, too, have a role in scanning the market for other opportunities to support the international framework's objectives.

Fiona Hyslop: We will come back to you on your specific question about Taiwan.

The Deputy Convener: That would be very helpful.

Sandra White (Glasgow) (SNP): In your opening remarks, you talked about adapting work to reflect suitable priorities, refreshing plans and so on. You have indicated in response to previous questions about the link between SDI and the Government that you are looking at how closely the two work together. How regularly does the Government evaluate each element of the international framework and does it evaluate exactly what SDI brings to the Scottish economy in terms of business, money and jobs?

Fiona Hyslop: That is the ministerial responsibility of the Cabinet Secretary for Finance and Sustainable Growth. Increasingly, we as a Government are trying to get better linkages between departments; SDI presents opportunities for that. There is a regular assessment of SDI's performance and contribution—that is part of the finance portfolio. If you want additional information on that, we can provide it.

The international framework is tied in with the targets in the Government's economic strategy; reporting on the framework is part and parcel of the strategy. We need to ensure that, when the Cabinet Secretary for Finance and Sustainable Growth reports on the economic strategy, the aspects that have an international impact are copied to the committee as part of your scrutiny of what the successes have been.

We recognise that there are big global challenges in relation to economic growth, but that does not stop us looking to develop opportunities. We also recognise that the seven key sectors in the Government's economic strategy provide an opportunity for growth to come out of recession. That is why you have seen quite a lot of focus on life sciences, renewable energy and, increasingly, the creative industries.

Sandra White: I understand what you said about economic growth. However, we also understand that the economic climate is changing constantly. Why has the Scottish Government not reviewed its international priorities? On SDI, you talk about adapting work when suitable priorities arise. How does SDI decide where to do its work? Is the Government aware of the recent trip to Israel? Is the Government told about what trips SDI takes in meeting its international obligations?

Fiona Hyslop: On the latter point, that is not information that would come to me.

The Government made it quite clear that, in responding to the current economic situation—it was quite clear that the country was going into recession—the priorities for its economic strategy would not necessarily change. In my previous role, I tackled employability issues and tried to ensure that there were enough resources for young people. Although our unemployment rate among young people is too high, it is significantly lower than that for the rest of the UK. There are tactical things that can be done.

In doing international work, SDI focuses on the Government's key growth areas. The seven growth areas include universities, on which we have already commented, and renewable energy, on which there have been announcements and international work. The First Minister was in France this week to look at some of the connections in relation to energy issues. Much of the focus in our recent work in Brussels was on energy issues. The focus does not necessarily change, because we are still looking at growth areas.

You asked about monitoring. Remember that the national performance indicators on the Government's website show whether our position is improving, worsening or being maintained. That still stands, regardless of whether there is a

recession. We have to adapt and look for opportunities. The Cabinet Secretary for Finance and Sustainable Growth has made it quite clear that we do not necessarily have to completely rethink our economic strategy for growth areas. We do not have to rip everything up and start again in relation to SDI.

Deborah Smith: I will pick up the point about how SDI allocates its resources geographically and the oversight that the Government has of that. At the request of its management board, which is made up of representatives of the Scottish Government, Highlands and Islands Enterprise and Scottish Enterprise, SDI is preparing a paper on its strategic direction, which will be shared more generally. It explains the criteria and strategic rationale for the way in which SDI allocates its resources between its different priority markets. The paper will be available in the next few weeks and I would be happy for a copy to be sent to this committee as well as to the Economy, Energy and Tourism Committee. However, that paper does not in itself prescribe what the priorities are; it just explains how the decisions that inform where the resources go will be made.

11:15

The Deputy Convener: It would be helpful if you could pass us a copy of that paper, given our reliance on SDI in many parts of the world to work for us and gather the intelligence that we require.

Ted Brocklebank: I did not disagree with a word of what Patricia Ferguson said about the importance of North America. However, at least the building blocks are in place there, whereas they might not be in other countries. That brings me to a country of which I had some experience recently when Sandra White and I were fortunate enough to travel to Australia and New Zealand. In many of the parts of Australia that we visited—we travelled from Perth to Melbourne, to Canberra and on to Sydney—we were struck by how little people knew about homecoming and what was going on last year. Indeed, it became slightly embarrassing in certain places. We met academics in faculties that were devoted entirely to Scottish studies but, after our question-and-answer sessions, they would ask us, "What was that homecoming thing you were talking about?" They simply did not know about it.

In Sydney, we talked to a particular group of people who said that they felt that Australia was regarded as of secondary importance in Scotland and that we concentrated too much on the United States and Canada. In relation to homecoming, they felt that they had been left behind. They drew our attention to the celebrations this year for the bicentenary of Lachlan Macquarie, who of course was born on Mull, becoming the first Governor of

New South Wales. He basically created the financial system there and was responsible for it in the early days. Do we have any plans to be involved in commemorating that event this year? The people to whom we talked had no knowledge of any particular interest in that from Scotland.

Fiona Hyslop: Again, you are talking about things that happened before my time as minister, so it is a bit difficult for me to reflect on those issues. However, I take on board those points. I am sure that you and Sandra White were great ambassadors for homecoming and that, if people did not know about it before you went, they found out through your contribution. All of us in the Parliament and the Government must ensure that we do that.

As you will know from our discussion, much of our policy has a business or academic focus, whereas the homecoming had more of a diaspora aspect. Work took place in Australia and New Zealand on it, but part of the challenge is how we make progress. That is why we are considering the homecoming legacy and developing a diaspora plan to ensure that we build on what we have already achieved and drive it forward. It is not a case of saying, "That's homecoming done," and then not thinking about it for another few years. We must continue to explore the issue.

We are considering the connections. For example, Adelaide, which has the second-biggest international festival in the world, took its ideas from Edinburgh. We are considering how we can build on my ministerial cultural responsibilities in our diaspora development.

I cannot address fully the issue of whether more could have been done on homecoming in Australia and New Zealand. However, your feedback on the issue is clear and it is important that we listen to it. Does that mean that we should not do anything in the future? I am clear that we should, although we need to be focused and ensure that it is not necessarily about an Australia or New Zealand plan. We need to see that work in the context of the diaspora. As we have limited resources, if we did that, there might be criticism that we were doing less in relation to North America. I do not want to be in that position.

Whatever we do must be incremental and on top of what we are already doing. There are capacity issues. We have offices in Washington, where Robin Naysmith works. I would not want to jeopardise anything in North America because of a focus elsewhere for diaspora purposes. However, we need to seize opportunities, which is what we are looking to do.

Only a few weeks ago, I spoke to a minister in the Government of South Australia about the project for the SV Carrick, which is known as the

City of Adelaide there. We also talked generally about the Australian celebration of quite a few bicentenaries that are coming up. Given what the committee has suggested and the fact that a number of events will take place in Australia and New Zealand, perhaps we should consider our involvement in individual events. Our diaspora and culture policy perhaps provides more opportunity to make more deep-rooted connections than have recently been made through SDI's focus on business opportunities.

Ted Brocklebank: Of course, this is not only to do with the diaspora connection and the fact that we have Scottish links in Australia, because there are very good business reasons for us to build on links, particularly in Western Australia, which is one of the most rapidly growing industrial centres in the world. Given that Western Australia has one of the world's biggest gas fields coming into production, and given the amount of minerals there and the shortage of skills in the very area in which we have skills in the North Sea—in subsea production and that kind of thing—many people down there said, "We're short of manpower and skills, and you have the expertise up there. Where are all the Scots?" It was slightly discouraging to hear that.

Fiona Hyslop: I will bring Robin Naysmith in on that in a second. However, one of the wonders of North Sea development is people's skills. Much of the focus of companies in the industry is on exporting skills round the world from their bases in the north-east. What Ted Brocklebank said is a good suggestion in the context of energy development and modern engineering. We can ensure that we can build on existing connections in that regard.

Robin Naysmith (Scottish Government Culture, External Affairs and Tourism Directorate): I have responsibility for North America, and have nothing to do with Australia and New Zealand. However, having just come away from "Snowmageddon", I feel obliged to contribute.

On the diaspora point, I suspect that Mr Brocklebank's experience in Australia and New Zealand could be replicated in certain parts of North America. I have travelled there extensively in the past year and have received mixed reactions to homecoming. Much of my travel was to promote homecoming, which has very much guided our programme for the past 12 months.

Because I am responsible for the co-ordination of how the Scottish Government and its agencies operate in that regard, I know that VisitScotland was very active in promoting homecoming in Australia and New Zealand, as it was in North America. It did that primarily electronically through internet connections and targeted e-mail shots. As

a result, it has now amassed a substantial database of connections with diaspora organisations and individuals throughout the world. We are talking about hundreds of thousands of e-mail addresses that are now a substantial asset to us that we did not have pre-homecoming. We will look to capitalise on that asset so that the next time we do something on that scale or try to reach people whom we previously would not have been able to reach, we will have an appropriate mechanism and a much more modern communications vehicle.

There have therefore been spin-off benefits from homecoming, even in the most far-flung parts of the globe, which we have managed to reach without necessarily having resources on the ground.

Jamie Hepburn: Minister, you will recall that, in your previous ministerial capacity, you came to this committee after the Government's visit to China and informed us that human rights concerns had been raised with the Chinese authorities. I think that that approach was greatly welcomed by third-sector organisations that work in the human rights sphere. During our China plan inquiry, the committee raised the issue with some Government agencies and Scottish businesses that are out in China. We discussed the human rights proofing approach that ensures that products and services that are procured meet the highest human rights standards and that the issue of human rights is raised in that context. Will that approach be replicated in our dealings with other countries?

Fiona Hyslop: Every country is different and is dealt with case by case. We know that a strong sense of human rights is embedded in the Scottish people, which the Scottish Government and the Scottish Parliament reflect—particularly as the European convention on human rights has been embedded since our legislature was established. We want to promote ourselves as a responsible nation. One of the best ways to do that is to take the opportunity for ministers of different countries to speak directly to one another, but that involves diplomatic issues.

Rather than grandstand before going to a country, sometimes it is better to get on and do it and to make a direct impact, face to face. I have done that in the past, although I received much criticism for that and for even bothering to go to China. Ministers must decide what they will do. I would rather go somewhere to express the Scottish people's views face to face with somebody than not go at all. Before the visit to which you referred, a call was made for me not to go to China. However, the more we access and communicate with a country, the more opportunities we have to express our view.

We must be sensitive to other countries, whose representatives might—rightly—want to come to this country and who might criticise the actions of not necessarily the Scottish Government but the UK Government on a number of issues over several decades. Other countries are perfectly entitled to do that, and we have a similar opportunity when we need it.

Jamie Hepburn: I do not disagree with that approach. I was not one of the people who called for you not to go to China—going was the right thing to do. Engaging in dialogue is of course the right approach.

The Government has recognised that human rights are an issue in relation to China—that is explicitly set out in the Government's plan for engagement with China—but I think that I am right in saying that human rights are not explicitly mentioned anywhere else in the international framework. Was that a conscious decision or has the issue just not arisen?

Fiona Hyslop: I do not think that the decision was conscious, but I will ask Deborah Smith to answer.

Deborah Smith: Human rights are referred to overtly in relation to China because of the weight of opinion and the issues that have been raised about China. I would say—the minister can correct me if I am wrong—that ministers will consider case by case whether they need to have private discussions with other Governments, when that is relevant to the relationship. Human rights in other countries have not been excluded from consideration, but the issue has been more active in relation to China and has been important on a more sustained basis to the Parliament and to stakeholders.

Patricia Ferguson: The minister knows that the committee has taken much interest in and conducted an inquiry on Scotland's relationship with Malawi. Several of us have personal and particular interests in Malawi. Will you give the committee an idea of the aims and objectives of your forthcoming visit there?

Fiona Hyslop: I respect the work of you and all the other parliamentarians who have supported Malawi. I understand that the deputy convener will be in Malawi next week, along with Karen Gillon. I look forward to progressing activity with them, particularly on governance issues, relationships between members of Parliament and the Government, how we conduct ourselves and the lessons that we can learn from Malawi and vice versa on some of those challenges.

I will visit four projects that we support in Malawi. It is interesting that the focus in our relationship has developed into supporting NGOs on the ground, which is an important activity. When I was

in Brussels a couple of weeks ago, I met the European Commission officials who are responsible for dealing with southern Africa. They were interested that we have a strong nation-to-nation relationship with Malawi through civic Scotland, as well as through Governments. They were also interested in our focus on NGO activity and in the Scottish Parliament's work on governance challenges.

In Brussels I also met Flemish Government representatives—they will be involved in Belgium's EU presidency, which follows the Spanish presidency. The Flemish Government has a Government-to-Government relationship and provides funding Government to Government. It was interested in our different approach.

11:30

I will visit a number of the key areas on which the project work is focused. That will help to inform our decisions on the next funding round on Malawi that are due to be announced when I return from Malawi. I will also have visits and meetings with Government ministers to ensure that the support for Malawi continues—that is particularly important with a new Government coming in.

I take advice from a number of members who have long-standing relationships with Malawi. We must ensure that we have the mechanisms here to support that partnership and we must encourage the Malawian Government to ensure that it supports the internal structural relationships that are necessary to the operations of the non-governmental organisations and the Malawi side of the partnership.

I am also keen to explore how we can cement further our civic relationship, which is extremely strong, especially with regard to schools and churches.

It is important to build a relationship with the incoming Government during its time in office. I hope to work on Malawi in parallel with the Scottish Parliament.

Patricia Ferguson: I am sure that you will enjoy the experience as well as finding it productive. I wish you well with that.

The Deputy Convener: The specific job of the parliamentary delegation, which is made up of Karen Gillon and me, is to set up the pilot twinning programme between nine MSPs and nine members of the Malawian Parliament. At last year's election in Malawi there was a massive turnover in elected members—75 per cent of them are new to the job. A key part of our work is to identify mechanisms that we use to engage with the electorate and our constituents and to share them with the Malawian Parliament. The Malawian

Government has agreed to host a seminar with us in Lilongwe, at which we will do exactly that. Ministers from the new Government should be attending that seminar as well. Our programme over there next week fits in well with what the Scottish Government is doing.

I thank the minister and her officials for coming to see us. This has been a useful session, and we look forward to hearing from you on certain issues that were raised today. You will hear more from us as our international inquiry progresses.

I wish you well with your trip and look forward to seeing you in Lilongwe next week, minister.

“Brussels Bulletin”

11:33

The Deputy Convener: Under item 4 on our agenda, we will consider the latest issue of the “Brussels Bulletin”, which members have had an opportunity to read at their leisure.

I should mention that the European Parliament will vote on the college of commissioners in plenary session today. Assuming that the college is approved, we would expect the Commission to kick-start its work programme later in February.

Ted Brocklebank: The committee knows of my interest in fishery matters. It is interesting to note that the adoption of the Lisbon treaty means that fisheries become subject to co-decision, which is the new term that has been introduced. However, it is also interesting to note that

“all matters related to the determination of Total Allowable Catches and fish quotas are excluded from the new arrangement”,

which means that none of the important things are in it. The suggestion that was made to us by the Scottish Fishermen’s Federation that this would somehow help to spread decision making out to regional areas does not seem to have been borne out, as the major things that we should be talking about are specifically excluded.

Patricia Ferguson: I was struck by the fact that, following the withdrawal of Rumiana Juleva, Bulgaria is putting forward a new candidate for the development portfolio. I was also interested in the fact that some of the candidates were

“deemed to have performed poorly”.

I wish I had been a fly on the wall at some of those meetings.

The timescale that is now being worked to is incredibly tight, with decisions having to be ratified by the European Court of Justice within two days of today. It will be interesting to see whether that happens or whether there are any further setbacks.

The Deputy Convener: Experience has shown that European activities do not always keep to such tight timescales.

Sandra White: Talking about timescales, we should not beat ourselves up too much about the evidence that we took two weeks ago on our not meeting the deadline for implementing the services directive, because France, Germany, Poland and Italy are way behind. They have not had their knuckles rapped as such, but the European Commission is looking to them because they have not met the deadline at all. They have failed even worse than we have on that.

I have another wee aside on Iceland’s application for EU membership, which is mentioned on page 8 under “Other News”. I was interested to read in, I think, *The Sunday Times* that Iceland may now get money from America to take prisoners from Guantanamo bay and set up a mini Guantanamo bay prison. Would that go against EU human rights legislation? Would Iceland be admitted to the EU if it was going ahead and taking the billions or millions of dollars that America is offering it? Obviously, it is a way out of the country’s economic situation. Perhaps we should flag that up to our representative in Europe, Ian Duncan, or our members of the European Parliament, and ask them to keep an eye on it.

The Deputy Convener: We could ask Ian Duncan to keep watch and let us know whether it emerges as an obstruction to Iceland’s application, which appeared to be progressing relatively well. It is clearly a matter for the Icelandic Government to make a judgment on.

Jamie Hepburn: I was not aware of the issue that Sandra White raised. If that is President Obama’s method of closing Guantanamo bay, a few of his supporters will be very disappointed.

Ian Duncan makes the point that there is potential for the UK and Holland to veto Iceland’s application. It is a shame that he is not here to respond, because I wonder how serious a threat he considers that to be.

The Deputy Convener: We could ask him to elaborate on that a little further in the next bulletin.

Ted Brocklebank: I am sure that it is connected with the fact that Holland and the UK are owed the most money by Iceland.

Jamie Hepburn: In fairness, the bulletin explicitly says that that would be the reason, but I wondered whether it was a serious threat.

The Deputy Convener: We will ask Ian Duncan to explore that a little further and expand on the issue in the next bulletin. That would be useful.

On having a Guantanamo bay prison in Iceland, it went through my mind that the weather conditions would be very different from those on the coast of Cuba.

Do we agree to note the bulletin and forward it to the relevant subject committees?

Members indicated agreement.

The Deputy Convener: That concludes our public business. The remaining items on our agenda are for private consideration. I now close the public part of the meeting.

11:38

Meeting continued in private until 12:31.

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